

Finance and Audit Subcommittee – 15 February 2023**Update to Terms of Reference and Risk Management Policy****Purpose of Report**

1. The Subcommittee is asked to consider the proposed changes to its terms of reference, and its risk management policy, and recommend their approval to Management Committee.

Summary

2. The Subcommittee currently has no powers to approve reports or accept recommendations on behalf of the Management Committee. The terms of reference have been updated and are requesting that powers in certain areas are delegated by the Management Committee to the Finance and Audit Subcommittee to allow the more efficient operation of committees.
3. The focal areas where it is suggested powers are delegated include:
 - a. Internal Audit
 - b. External Audit
 - c. Risk Management
 - d. Annual Governance Statement
4. The proposed terms include the need for any material financial irregularities, high importance control weaknesses or significant governance concerns to be escalated to the Management Committee.
5. The Subcommittee would continue in its role of supporting the Management Committee in its oversight of financial plans and performance.
6. In addition, matching changes are proposed to the ESPO Risk Management Policy, so the document is consistent with the proposed changes to the terms of reference.

Resources Implications

7. None arising directly from this report

Recommendation

8. The Subcommittee is asked to endorse the proposed changes to its terms of reference, the revised Risk Management Policy and recommend their approval to Management Committee.

Contact

David Goodacre, Assistant Director – Finance and Business Development (interim)
D.Goodacre@espo.org

Appendices

Appendix 1: Proposed Finance and Audit Sub-Committee Terms of Reference
Appendix 2: Original Finance and Audit Sub-Committee Terms of Reference
Appendix 3: Risk Management Policy (track changes version)

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