

MANAGEMENT COMMITTEE – 22 MARCH 2023**FINANCE AND AUDIT SUB-COMMITTEE - UPDATE TO TERMS OF REFERENCE****Purpose of Report**

1. Management Committee is asked to approve the proposed changes to its terms of reference, and its risk management policy, recommended by the Finance and Audit Sub-Committee.

Summary

2. The Sub-Committee 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 Sub-Committee 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 Sub-Committee 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 documents are consistent.

Resources Implications

7. None arising directly from this report.

Recommendation

8. Management Committee is asked to endorse the proposed changes to its terms of reference as recommended by the Finance and Audit Sub-Committee.

Contact

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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

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