

European Vaccine Initiative

EUROPEAN VACCINE INITIATIVE (EVI)

RULES OF PROCEDURE OF THE EVI Financial and Risk Management Committee (FRMC)

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Overall purpose and objectives

The Finance and Risk Management Committee (FRMC) is appointed by the EVI General Assembly to assist the General Assembly in discharging its oversight responsibilities. The Finance and Risk Management Committee will provide independent and timely advice to the General Assembly on the financial reporting process and the judgements associated therewith to ensure the balance, transparency and integrity of the financial information submitted to the General Assembly and EVI donors, on an on-going basis and to the auditors for annual audit.

The Finance and Risk Management Committee will also review the scope and effectiveness of the:

- EVI Secretariat internal financial control and risk management systems. Including systems established to identify, assess, manage, and monitor key risks, both financial and operational considering the key objectives contained in the EVI Strategic Business Plan.
- EVI Secretariat’s process for monitoring compliance with legislation and regulations associated with financial reporting.
- Internal audit function.

In performing its duties, the FRMC will maintain effective working relationships with the General Assembly, Executive Director, Internal auditors and external auditors. The FRMC will undertake other work which may be delegated by the General Assembly from time to time.

Definition of responsibilities

The FRMC shall operate under the delegated authority from the General Assembly, which is ultimately responsible for all matters relating to the presentation of the financial statements and all issues arising from internal and external audits in EVI. In order for the FRMC to fulfil the overall purpose/objectives set out above, the General Assembly authorises the FRMC to:

1. Have unrestricted access to members of EVI’s finance/admin department and relevant information, which should be provided to the committee on a timely basis.
2. Engage independent legal and other professional advisers (within budgetary limits that must be pre-approved by the EVI General Assembly) as it deems necessary to carry out its duties.
3. Establish procedures for dealing with concerns of contractors regarding accounting, internal control, or auditing matters.
4. Establish procedures for the receipt of complaints received by EVI regarding accounting, internal accounting controls or auditing matters.
5. Investigate any matters falling within the committee’s area of responsibility, calling on any relevant resources and information it considers necessary.
6. Communicate to the General Assembly any internal audit / audit items that relates to the General Assembly’s areas of responsibility as soon as they are identified.
7. Access to applicable regulations and guidelines.

Role and Responsibilities

With regard to the following sub-headings the FRMC will:

Internal Control and Risk Management

1. Subject to the resources available, review on an annual basis, at a high level, the EVI's internal controls (and the control culture), including financial, operational (IT and others) and compliance controls including systems established by management to identify, assess, manage and monitor risks, both financial and non-financial which might have significant implications for the EVI and report to the General Assembly accordingly.
2. Review the findings of any third-party reports on the governance of the EVI or regulatory examinations.
3. Within the resources available, review, at a high level, the effectiveness of the systems put in place to achieve value for money.

Financial Reporting

1. Reviewing and challenge where necessary, the actions and judgements in relation to the financial statements before submission to the General Assembly, taking into account the results of internal audit and external audit paying particular attention to:
 - a. Critical accounting policies and practices, and any proposed changes to them.
 - b. Decisions requiring a major element of judgement.
 - c. The extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed.
 - d. The clarity of disclosures.
 - e. Significant adjustments resulting from the audit.
 - f. The 'going concern' assumption.
 - g. Compliance with accounting standards or other requirements.
 - h. Reviewing any statements on internal control prior to endorsement by the General Assembly.
 - i. Ensuring that recommendations arising from the external audit are implemented by Management.

Compliance with Legislation and Regulations

1. Reviewing arrangements established by management for compliance with all legislative and regulatory obligations of the EVI. Reviewing and advising the General Assembly, where appropriate in its consideration of any compliance statement required.
2. Obtain regular updates from EVI secretariat regarding compliance matters that may have a material impact on the EVI's financial statements or compliance policies.
3. Review any findings arising from any examination/reviews by regulatory and stakeholder agencies,.

Working with the External Auditors

1. Consider the External Auditor's annual Letter of Engagement and audit plan (where available) along with issues which management may wish to bring to its attention and advise the General Assembly of its opinion in relation to the matters raised.
2. Discuss with the External Auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
3. Ensure that significant findings and recommendations made by the External Auditors and management's proposed response are received, discussed, and appropriately acted on.
4. Invite the External Auditors to meet separately with the Finance and Risk Management Committee to discuss any matters that the Finance and Risk Management Committee or auditors believe should be discussed privately. Ensure the auditors have access to the Chair of the Finance and Risk Management Committee when required.
5. Participate in the appointment, re-appointment, or removal of the External Auditor.

Working with Auditors (Internal Audit)

1. Review annually the effectiveness of the internal audit function. This may include discussion with the External Auditor the standard of work of Internal Auditor and advising on the level of resources along with ensuring that Internal Audit is free from management and other restrictions.
2. Review the proposed internal audit plan for the coming year and ensure that it addresses key areas of risk and that there is appropriate co-ordination with the work of the external auditor.
3. Ensure that significant findings and recommendations made by the Internal Auditor and ED's proposed response are received, discussed, and appropriately acted on.
4. Meet separately with the Internal Auditor to discuss any matters that the FRMC or Internal Auditor believe should be discussed privately.
5. Participate in the appointment, re-appointment, or removal of the Internal Auditor.
6. Obtain an annual assessment report from the Internal Auditor in relation to the effectiveness of the systems of internal control.

Reporting responsibilities

1. The Chair of the FRMC, or a nominee, should be available to report orally to the General Assembly on key aspects of the proceedings of the Committee.
2. Ensure the General Assembly is aware of matters that may significantly impact on the financial statements.

Organisation

1. Membership of the FRMC shall be structured to achieve an appropriate balance of new and existing professional and operational skills to address the business of the committee. At least one member must have accounting or related financial expertise.
2. The General Assembly will appoint the Chairperson and membership of the FRMC. The FRMC will comprise at least three (3) members and the majority of these should ideally be General Assemblymembers. If this is not the case the FRMC will discuss this and provide justification to the General Assembly.
3. A quorum of any meeting will be two-third of the members.
4. The Secretary of the FRMC will be the EVI Finance Director, who shall be responsible for the preparation and distribution at least one week in advance of the meeting, of the agenda, background papers, minutes and reports following consultation with the FRMC Chairperson.
5. In addition to the Chairperson and members, the following persons may upon approval of the FRMC Chairperson participate in meetings without being entitled to exercise a vote:
 - a. EVI staff members at the request of the EVI Finance Director
 - b. The External Auditor and/or the Internal Auditor.
6. Meetings shall be held preferably prior to meetings in the General Assembly and will be scheduled so that the General Assembly can be supported in the most effective and efficient manner.
7. The FRMC chair or a General Assembly member of FRMC shall report to the General Assembly on key aspects of the proceedings as necessary.
8. Special meetings may be convened as required following consultation with the FRMC Chairperson.