AUDIT, BUDGET & PROJECT RISK MONITORING GROUP
DRAFT TERMS OF REFERENCE

1. NEED FOR THE GROUP

The need for this Group has been prompted by the following.

a. Audit - The Governance Working Group wishing to have a group of Members that have dedicated time to understand internal and external audit reports before Authority is requested to receive and agree the actions.

b. Project Risk - The Governance Working Group wishing to understand movement in risks and progress in implementing projects approved by Committee due to the amount of funding. It is felt that there is little visibility of how project implementation is progressing and any movements in risk. Corporate risk will continue to be overseen by Authority, as part of performance reporting.

c. Project Risk - The recent project management internal audit report including an action around creating a central list of projects approved by Committee so Members are aware of the status of the projects.

d. Budget - Developing the existing Budget Monitoring Group to include capital as well as revenue funding.

2. THE GROUP: COMPOSITION AND REPORTING PROCEDURES

a. The Group will usually comprise a maximum of five Members, including the Chair and Vice Chair of Programmes and Resources, that are appointed annually at the Authority's Annual General Meeting.

b. The Group will agree a Chair (by majority at its first meeting if required).

c. The Group does not make formal decisions however, it can make recommendations (which are agreed by a Group majority) to be considered by Authority or Programmes and Resources.

d. The Group can invite input and advice from officers and Members as appropriate to support the operation of the Group.

e. The Group's focus is on audit (internal and external), budget (capital and revenue) and project risk.

The Group will provide a way for Members and officers to engage on internal and external audit, capital and revenue budget monitoring and project risk to provide Members with confidence these are being managed effectively and efficiently in advance of formal Committee meetings.

The Group does not make any formal decisions as these reside with the Programmes and Resources Committee and the Authority. Any reports to all Members are to the Programmes and Resources Committee and the Authority, and can be a mixture of formal and informal. There is no requirement to publish agendas or make meetings open to the public.

Attendance at formal meetings of the Group is classified as an Approved Duty for appointed Members to allow the payment of travel and subsistence expenses.

3.   **TERMS OF REFERENCE**

The Group has been created to consider and have oversight of internal and external audit, capital and revenue budget monitoring and project risk to provide Members with confidence these are being managed effectively and efficiently. It will meet on a quarterly basis. It will focus on the following areas.

Audit Monitoring

a. To be aware of the forthcoming years internal and external audit plan.
b. To consider reports from the internal and external auditor to understand the findings and any actions in advance of requesting Authority formally receive and agree the actions.
c. To have visibility of progress in implementing internal and external audit actions.

Budget Monitoring

a. To be aware of all capital and revenue expenditure and income compared to the projected budget.
b. To consider how any issues (under, overspend or income target issues) in the financial year are planned to be dealt with.
c. To be aware of project budget expenditure that a Committee approved and consider how any issues are planned to be dealt with.

Project Risk Monitoring

a. To have visibility of progress in implementing projects approved by Committee.
b. To be aware of risks and mitigation measures associated with projects that have been approved by Committee.
c. To consider any issues or movement of risks and mitigation measures for projects approved by Committee.