

## **REVISED TERMS OF REFERENCE OF THE MANAGEMENT BOARD SUBGROUP ON FINANCE, AUDIT AND RISKS**

These Terms of Reference describe the European Chemicals Agency (ECHA) Management Board Subgroup on Finance, Audit and Risk's role, the composition and organisation, tasks and reporting arrangements.

### **1. ROLE**

The Subgroup on Finance, Audit and Risks assists the Management Board by ensuring that the Management Board and the Executive Director take duly into account and follow up by appropriate action the recommendations of the Internal Audit Service (IAS), the European Court of Auditors (ECA) and ECHA's Internal Audit Capacity (IAC). The Subgroup is not in charge of the implementation of audit recommendations, which is the responsibility of the Executive Director.

### **2. COMPOSITION**

- The Management Board Subgroup on Finance, Audit and Risks comprises at least five members of the Management Board, including all members representing the Commission.
- The Subgroup Members' mandate will have a term of two years. Membership may be renewed.
- The Subgroup shall have a balanced composition and include members with professional experience covering a variety of appropriate backgrounds (such as audit, governance, ECHA's operational areas and/or IT).
- The Management Board designates its members participating in the Subgroup.
- The Subgroup selects the Chair from among its members.

### **3. ORGANISATION AND MEETINGS ATTENDANCE**

- Meetings shall be held at least two times per year.
- Meetings may be held in person, by remote connection or by a combination of these.
- The quorum to hold a meeting shall be three members of the Subgroup.
- The Subgroup works on a basis of consensus.
- The Secretariat to the Subgroup shall be provided by the Secretariat of the Agency.
- The Executive Director of ECHA and the Internal Audit Capacity (IAC) attend all meetings of the Subgroup.
- The Subgroup may invite external experts to attend meetings where considered necessary.
- Staff members of ECHA other than the Executive Director shall take part in the Subgroup meetings at the discretion of the Executive Director.

### **4. TASKS OF THE SUBGROUP**

The tasks of the Subgroup shall be to:

- Provide advice to the Management Board on finance, audit and risk related issues, more explicitly:

#### Finance

- Receive regular reports on the income of the Agency from fees, charges and budget

- execution;
- Receive information on budget transfers, budget amendments, amendments to the establishment plan and on contribution agreements;
- Prepare Management Board decisions on modalities and amount of the transfer of fees to Competent Authorities of the Member States;
- Prepare Management Board decisions on administrative charges.

#### Audit

- Prepare an opinion of the Management Board on ECHA's final accounts;
- Review the annual audit plans prepared by the IAC and make proposals, if needed;
- Follow-up implementation of audits;
- Monitor action taken by ECHA in response to analyses, assessments and major recommendations of internal and external auditors;
- Keep the Management Board informed of reports resulting from audits (Internal Audit Service of the Commission, European Court of Auditors, IAC and other external party audits) and ECHA's response thereto;
- Ensure the independence and objectivity of IAC;
- Receive information on sound financial management and on discharge recommendations from the budgetary authority.

#### Risks

- Contribute to mapping corporate risks and monitor implementation of mitigating measures;
- And other related tasks as and if requested by the Management Board.

### **5. REPORTING**

The Subgroup shall bring to the Management Board's attention any issue arising from its work and will report to the Management Board after its meetings.

These revised Terms of Reference replace the Terms of Reference adopted by the Management Board on 26 September 2014 (MB/25/2014) for the Management Board Working Group on Audit.

Done at Helsinki on 13 December 2019

*signed*

Sharon MCGUINNESS  
Chair of the Management Board