

Meeting of 25 April 2017

Adoption by the Board

CA 3/2017 REV 1

Mandate of the working group (WG) on internal control

Mission

This working group is established in accordance with Articles (2), (2) and (7) of the APEEE's internal rules of procedure.

The mission of the WG is to facilitate the work of the Board on all financial, internal control, auditing and procedural issues, with a view to assisting in the protection of APEEE financial interests. The WG supports the Board in its responsibility to set up an appropriate management system for the APEEE. It aims to help provide reasonable assurance to the Board on achieving objectives and on the effective, efficient and legitimate management of financial resources.

This mandate does not change current Board decisions on the use of external accountants and auditors and it complements their tasks, as described in annex "pour mémoire", but does not substitute for them.

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Composition

According to Article 7 of the APEEE's internal rules of procedure:

- The WG is chaired by an APEEE Board member and has a maximum of five participants.
- A higher number of WG participants may be decided upon by the Board, only if justified by the subject matter or if additional input is required at a certain point.
- Contributing members who are not members of the Board may express their interest to take an active part in WG meetings and activities with the approval of the Board. Approval of such requests shall be based on their specific expertise or interest. Contributing members are not required to participate in the day-to-day management of this working group.
- All WG members are bound by confidentiality requirements as decided by the Board.

The treasurer participates in this WG as observer without voting rights; as such his presence is not required in all WG meetings.

Procedures

The WG shall deliberate by consensus, but does not have the power to take decisions. The WG shall report on the outcome of their meetings and works to the Chair of the EXCO, to enable the Board to discuss relevant issues raised, and adopt a decision or position within the remit of its delegated powers. The Chair of the EXCO shall refer to the WGs' reports in the Committee's minutes (Article 7 of the APEEE's internal rules of procedures). The WG has access to all relevant information with a view to executing its tasks (Article 11 of the APEEE's internal rules of procedures).

Main tasks of the WG

The Board defines the main tasks of this WG in line with the APEEE statutes and internal rules of procedures. The WG can be invited by the Board to reflect or give opinions on any ad hoc matter within its remit and may elaborate proposals.

The WG's main tasks include:

- Overseeing of the Board's internal working procedures in the areas of its mandate
- Cooperation with the Treasurer
- Providing opinions on draft budget, accounts or other financial and budgetary matters managed by the Treasurer (Article 11 of the APEEE's internal rules of procedures)
- Liaising with the APEEE's financial counterparts, its external accountants and auditors as regards budget implementation (Article 11 of the APEEE's internal rules of procedures) and issues of internal control
- Proposing corrective actions to be taken based on findings and recommendation from the external auditors and follow-up these actions (Article 13 of the APEEE's internal rules of procedures)
- Providing an opinion on the response to the management letter (Article 13 of the APEEE's internal rules of procedures)
- Providing an opinion on all decision on the pricing of sectors' activities to the EXCO and Board.
- Monitoring and partition keys for accounting purposes and proposing any revisions
- Providing assistance to other WGs and to any APEEE Board member who may ask its support on matters of the WG competence

Main tasks of the Treasurer:

- Monitors of APEEE's orders and payments (Article 2 (2) (e) of the APEEE's internal rules of procedures)
- Monitors the Springfest account (Article 2 (2) (e) of the APEEE's internal rules of procedures)
- Cooperates with the WG on internal control to all issues related to the mandate of this WG
- Prepares and presents the draft budget to the Board in November of year N at the latest (Article 11 of the APEEE's internal rules of procedures)
- Consults the WG on internal control, all relevant counterparts and Board members in charge of the sectors and APEEE staff during the preparation of the draft budget (Article 11 of the APEEE's internal rules of procedures)
- Monitors the implementation of the budget and provides monthly reports to EXCO (Article 11 of the APEEE's internal rules of procedures)
- Consolidates in cooperation with the external accountant and the APEEE staff the draft sectoral accounts (Article 12 of the APEEE's internal rules of procedures)
- Consults WGs in charge of the specific sectors on the draft sectoral accounts (Article 12 of the APEEE's internal rules of procedures)
- Consults WG on internal control on the final draft of the accounts (Article 12 of the APEEE's internal rules of procedures)
- Approves payments in order to be executed (Article 14 of the APEEE's internal rules of procedures)
- Reports any issue or act to the EXCO and the Board that could put in danger the financial situation of the APEEE.

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Main tasks of the external accountant:

- Prepares the accounts and provides responses to all queries as regards accounts (Article 12 of the APEEE's internal rules of procedures)
- Provides an opinion on the draft budget provided by the Treasurer (Article 11 of the APEEE's internal rules of procedures)
- Provides an opinion on the quarterly report on budget implementation (Article 11 of the APEEE's internal rules of procedures)
- Provides responses to queries of the WG on internal control on budget implementation (Article 11 of the APEEE's internal rules of procedures)
- Cooperates on consolidation of the draft sectoral accounts (Article 12 of the APEEE's internal rules of procedures)
- Assesses the accuracy of the draft accounts (Article 12 of the APEEE's internal rules of procedures)
- Liaises with Board members in charge of the sectors concerned (Article 12 of the APEEE's internal rules of procedures)

- Participates at EXCO meeting in February and September (Article 12 of the APEEE's internal rules of procedures)
- Prepares a report in February of each year containing remarks and possible recommendations concerning budget implementation in all APEEE sectors and submits it to the Board. This report shall summarise the actions taken by staff, by sectoral WGs and by the EXCO in addressing previous recommendations and any substantial deviations from the annual budget. These recommendations shall be used as a basis for discussion within the EXCO and, if appropriate, the Board (Article 12 of the APEEE's internal rules of procedures)
- Participates at Board meeting in March and November as regards accounts (Article 12 of the APEEE's internal rules of procedures)
- Cooperates with external auditors as regards review of draft accounts (Article 13 of the APEEE's internal rules of procedures)

Main tasks of the external auditor:

- Presents views and findings on budget implementation (Article 11 of the APEEE's internal rules of procedures)
- Audits draft accounts and provides opinion on draft accounts (Article 12 and 13 of the APEEE's internal rules of procedures)
- Based on audit of draft accounts provides to EXCO findings and recommendations (Article 13 of the APEEE's internal rules of procedures)
- Prepares an audit opinion/report on the analytical accounts (activity by activity) (in March and in October) (Article 13 of the APEEE's internal rules of procedures)
- Reviews APEEE's procedures and provides observations by a management letter or presentation (Article 13 of the APEEE's internal rules of procedures)