

## **Audit and Risk Committee:**

### **Terms of Reference**

#### **Background**

In order to assist the Management Board ("The Board") by advising it on all finance, risk and human resources policy and matters regarding the operation of the Company, the Board approved the establishment of a new Finance and Human Resources Committee on 6 October 2011. In September 2018 the Board decided to rename the committee as the Audit and Risk Committee ("The ARC", to align with UK Sport's 'Code for Sports Governance'.

#### **Purpose & Role**

The purpose of the Audit and Risk Committee ("The ARC") is to advise the Board on:

- all matters concerning the financial policies and controls of the Company.
- all matters concerning human resources policy and practices of the Company.
- all matters concerning procurement and delivery of major infrastructure projects involving IT, buildings and facilities.

The ARC will function as an advisory Committee to the Board.

#### **Objectives**

The objectives of The Committee are to:

- consider the selection and appointment of auditors, the scope and planning of the audit, the audit fee and any questions of resignation or dismissal of auditors.
- Assess annually the external auditor's independence and objectivity.
- Review, monitor and challenge the integrity of the monthly and annual financial statements, budget and cash flow forecasts before submission to the Board.
- As a part of the annual audit, review the Management Letter and Letter of Representation prior to endorsement by the Board.
- review the Company's financial and internal controls policy prior to endorsement by the Board and regularly review those control systems.

- regularly review all Company policy and procedures.
- oversee the Company's commissioning and procurement activities and plans.
- review the Company's compliance with grant conditions from UK Sport and other organisations.
- Undertake, at a minimum, a half yearly review of the Company risk register before submission to the Board.
- oversee all staff recruitment, performance, discipline, remuneration and benefits.
- act as the point of contact for all employees with regard to the "whistle-blowing" arrangements put in place by the Company.

### **Membership, Composition and Meetings**

The Committee will be composed of a minimum of three and a maximum of five members, at least one of whom shall be an individual with recent and relevant financial experience and with competence in accounting and/or auditing, two shall be non-executive directors of the company and one of whom shall be appointed by the Board as chair. Committee members will be chosen to provide expert advice and insight into:

- financial planning and control.
- human resources planning and management.
- corporate risk management and evaluation.

The Committee will meet as and when required and not less than once in each calendar year.

Members are expected to attend all meetings. If a member fails to attend three consecutive Committee meetings, the Board may revoke the appointment unless such absence is authorised by the Committee.

A majority of Committee members must approve any decision of the Committee and the Chair of the Committee shall have the casting vote in case of deadlock. A quorum of the Committee shall be a majority of the appointed members (50% plus 1). The Committee may undertake its business by way of circulating the relevant financial statements to members for consideration and approval.

### **Term**

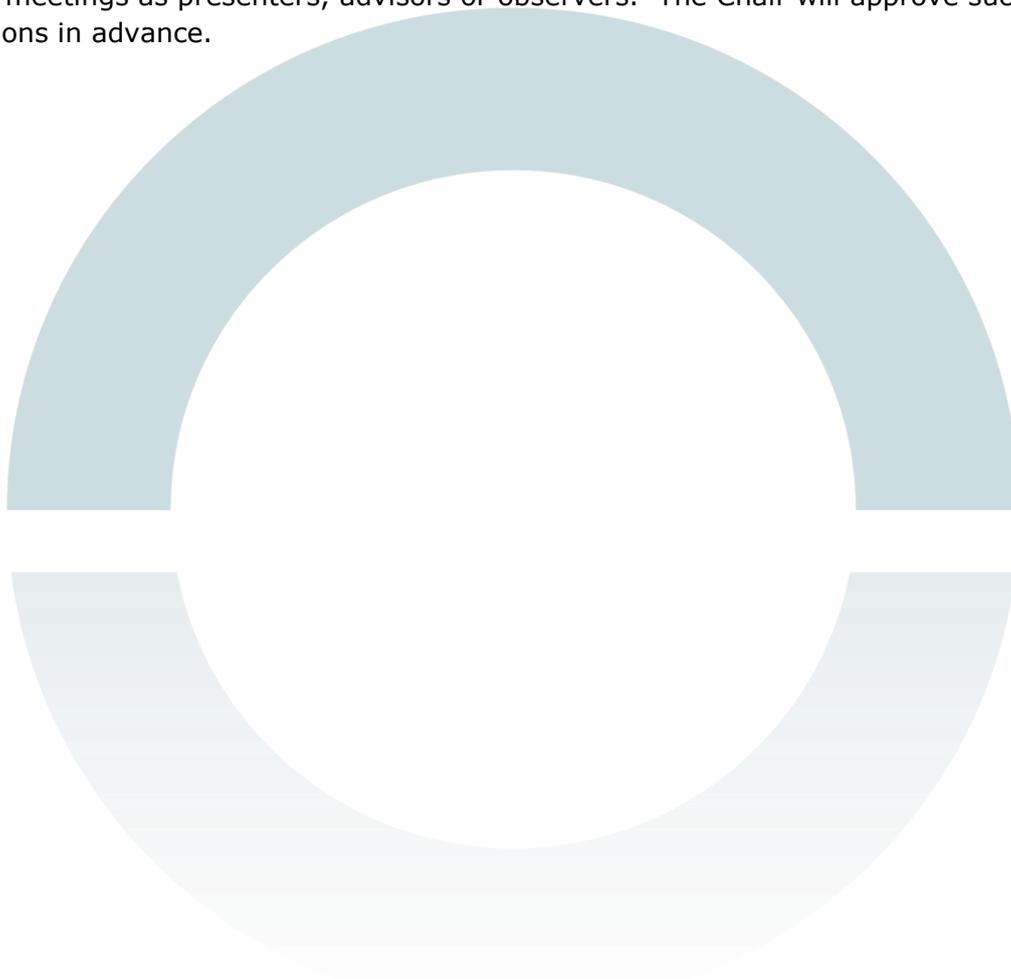
Members will be appointed for a maximum of two terms of four years, which will be staggered, to ensure the long-term stability of the Committee.

### Remuneration

Membership of the Committee is voluntary and without remuneration other than for reasonable travel expenses to attend meetings. Members may, however, be reimbursed for expenses incurred as a result of carrying out duties of the Committee provided that such expenditures have been pre-approved by the Chair.

### Experts and Invited Guests

The Committee may from time to time require staff, experts or other representatives to attend meetings as presenters, advisors or observers. The Chair will approve such invitations in advance.



<b>Last review (date)</b>	<b>August 2018</b>
<b>Reviewed by (name)</b>	<b>Audit &amp; Risk Committee</b>
<b>Next review and approval due (date)</b>	<b>August 2020</b>