

# GREATERSPORT

## **Terms of reference**

### **Audit & Risk Sub-Committee**

#### **Membership**

The committee shall consist three directors, the CEO or nominated person and the Finance Manager. Other directors and officers of the company may attend the committee by invitation.

Members of the committee shall be appointed by the Board, on the recommendation of the nomination committee.

At the AGM each year nominations will be received and agreed for membership of the committee for the year ahead.

All members are required to keep up to date on regulatory, risk, financial and compliance issues.

#### **Chair**

The directors of the sub-committee will nominate one of themselves to be the Chair of the committee.

#### **Secretary**

The Company Secretary or their nominee will act as the secretary of the committee and be responsible for organising meetings, taking minutes and circulating them.

#### **Quorum**

The quorum necessary for the transaction of business shall be two directors and the CEO or nominated person

#### **Frequency of meetings**

The committee shall meet twice a year and as such other times as the Chair shall require

#### **Notice of meetings**

Notice of meetings of the committee shall be circulated by the Secretary. An Agenda and minutes of the previous meeting shall be sent to all members of the committee a week before the meeting.

## **Conduct**

The committee will be mindful and compliant with the UK Code of Governance (Sport England & UK Sport) Tier 3 mandatory requirements.

## **Duties / Purpose / Functions**

The committee has delegated authority to agree (or, where appropriate, make recommendations) the following:

### *Audit -*

- a. To annually assess the effectiveness of the external audit process
- b. To assess annually the qualification, expertise and resources, and independence of the external auditor.
- c. To consider management's response to any recommendations made by the external auditor.
- d. Consider and make recommendations to the board in relation to the appointment, re-appointment and removal of the company's external auditor
- e. Oversee the relationship with the external auditor including approval of their remuneration and ensure that the level of fees is appropriate to enable an effective and high quality audit to be conducted.
- f. To review the effectiveness of the company's internal control framework.
- g. To keep under review the company's internal financial control systems that identify, assess, manage and monitor financial risks.
- h. Review and challenge, where necessary:
  - i. the application of significant accounting policies and any changes to them
  - ii. the methods used to account for significant or unusual transactions
  - iii. whether the company has adopted appropriate accounting policies taking into account the views of the external auditors.
- i. Where the committee is not satisfied with any aspect of financial reporting by the company it shall report its views to the board.
- j. To ensure that the board pro-actively plans and monitors the financial position of the company against an annually approved budget and at least a four year financial forecast.
- k. Review the adequacy and security of the company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.

### *Risk –*

- a. Oversee and advise the Board on current risk exposures of the company and future risk strategy
- b. Advise the board on the company's overall risk appetite, tolerance and strategy, taking account of the financial environment.
- c. Keep under review the company's overall risk assessment processes that inform the board's decision making.
- d. Set a standard for the accurate and timely monitoring of risk types of critical importance.

- e. Review the company's capability to identify and manage new risk types
- f. Keep under review the effectiveness of the company's internal financial controls and risk management systems.
- g. Annually review the organisations risk management and internal control systems to ensure effectiveness and that they meet the aims for which they were established.
- h. Review proposed write-offs of aged debtors in excess of £1,000 with decision recommendations to the full board
- i. Review the company's procedure for detecting fraud.
- j. Review the company's procedure for the prevention of bribery.

### **Reporting**

The committee Chair shall report formally to the main board on its proceedings at the next main board meeting. The committee shall make recommendations to the Board on any area within its remit where action is deemed necessary.

### **Other**

The terms of reference will be reviewed, as a minimum, by the GreaterSport Board every four years.

Date: September 2017

Review date: September 2021