UK Athletics Audit and Risk Committee

Terms of Reference

1. **Purpose**

- The purpose of the Audit and Risk Committee ("ARC") is to review, consider and monitor the matters set out in these Terms of Reference and to make recommendations to the Board as appropriate, given the scope of ARC's duties.

2. Duties

Statutory Audit

- Make recommendations to the Board on the (re-) appointment of the company external auditors and their remuneration.
- Liaise as required with the audit committees of any subsidiaries, associated companies or Joint Ventures (Athletic Ventures and Power of 10).
- Monitor the integrity of the financial statements, challenging where necessary management actions regarding significant financial reporting issues and any judgements therein. With particular focus on compliance with legislation and standards, critical accounting policies, decisions requiring significant areas of judgement, unusual transactions and the possible impairment of assets.
- Meet with the external auditors as appropriate to determine the scope of the external audit and to review the financial statements. ARC will then make recommendations to the Board, who will approve, or otherwise, the financial statements.
- Make recommendations to the Board on actions required as a result of the audit.
- Review the non-audit usage of the external auditors and the fees payable.
- Review the accounting policies in use and those under consideration, as well as ensuring consistency of application.
- Review the management letter from the external auditors and the response by the executive.
- Discuss with the auditors the work they have undertaken, and any issues arising, in relation to related parties' information provided by directors and senior management team for the financial statements to ensure the information is current and accurate.
- Include declarations of conflicts of interest as a standing item on the ARC agenda.

Financial reporting and internal financial controls

- Perform a review of financial reports provided to ARC in order to highlight any material issues that should be brought to the attention of the Board, in particular in relation to performance against budget and achievement of the full year forecast.
- Review the effectiveness of the company financial reporting and internal control policies and procedures.
- Consider the relevance of establishing an independent internal audit function.
- Consider the need for further internal or third-party assurance on individual matters as they arise.
- Review the reports of audits and financial / governance reviews conducted on behalf of UK Sport and Sport England.
- Report orally to the Board on each ARC meeting.

Risk management

- Review the effectiveness of the company's risk management strategy and underlying procedures for the identification, assessment, control and reporting of risks.
- Review of Business Continuity Plan.
- Review and approve the company's whistleblowing policy.
- Review and approve the company's complaints procedures.
- Review management controls in relation to the gifts register to ensure no inappropriate gifts are accepted and that gifts accepted and rejected do not give cause for concern.
- Review management controls in relation to directors' and UK members' expenses to ensure claims are reasonable and in accordance with the expenses policy.
- Review Insurance Policies and cover annually.

3. Authority and resources

ARC is authorised by the Board:

- To seek any information it requires from any employee of the company in order to perform its duties.
- To request any employee of the company to attend meetings, as and when required.
- To authorise the COO or Company Secretary or their nominee to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference, subject to the cost not exceeding annual budgets agreed by the Board.
- To address any other matters as requested by the Board.

4. Membership

- ARC shall be appointed by the Board and will comprise a Chair and at least two other members.
- ARC will comprise all non-executive directors or Co-optees to ARC, but other individuals may be asked to attend as appropriate. It is expected that the Chair of the Board, Chief Executive and Chief Operating Officer will be in attendance.
- The Chair of the Board will not be a member of ARC,
- ARC members will be independent of the management of the company and care will be taken to minimise the risks of any conflict of interest that might give rise to an unacceptable influence.
- The Company Secretary or their nominee shall be the secretary to ARC.

5. Meetings

- ARC shall meet at least three times per calendar year and at such times as the Chair of ARC requires.
- The quorum necessary for transaction of the business shall be two.
- Meetings shall be summoned by the secretary to ARC. Notice of the meeting including time and venue together with an agenda of items to discuss plus all relevant meeting papers will be forwarded to each member of ARC no less than one week prior to the meeting.
- The secretary shall minute the meetings, including attendance, conflicts of interest and proceedings. Minutes shall be circulated to all members of ARC and to the Board promptly after the meeting.
- The external auditors shall be able to summon a meeting of ARC if required.
- At least one meeting per year, or part thereof, will be held where the external auditors meet the non-executive ARC members only.