



FINANCE AND AUDIT COMMITTEE

TERMS OF REFERENCE

Constitution

The Trustees have established a sub-committee known as the Finance & Audit Committee (FAC) with terms of reference as set out within this document.

The Trustees have the power to amend the terms of reference and/or withdraw any or all powers of the Committee or at its sole discretion dissolve the Committee at any time. Any changes proposed to the terms of reference by the Committee must be approved by the Trustees.

The Trustees will regularly review the terms of reference and may amend them from time to time.

The Trustees may at any time remove, replace or add to the membership of the Committee.

Purpose

The FAC shall be accountable to the Trustees and shall assist the Trustees with the following.

On-going Financial Management

The FAC will meet to discuss the financial status of the Charity against the annual budgets.

Risk Management

The accountability for managing the risks of the Charity remains with the Board however the regular overseeing of Charity risks is delegated to the FAC.

Governance Management

The FAC will discuss matters of governance when the need arises and make recommendations to the main Board when appropriate.



Audit Review

The FAC will be responsible for recommending the annual accounts and financial statements to the Board.

The FAC will report on the effectiveness of the external audit and provide a recommendation on the following year's financial auditor.

During this annual review the FAC will review the Internal Control Systems in place and review their effectiveness. The FAC will promote sound risk management and internal control systems wherever possible. Any internal or external appraisal of the controls will be shared with the FAC to allow an appropriate review to take place.

The Board may request the FAC opinion where it feels actions or improvements are needed, the FAC will investigate the issue and report back findings as well as possible solutions to the main Board.

Authority

The FAC will not have delegated authority to make decisions in relation to finance but will be expected to consider any relevant reports and make recommendations to the Board on items including but not limited to:

Core Budgets

Programme Budgets

Investment Plans & Cash-flow

Funding Agreements

Risk Management (including Internal Control)

Annual Accounts and Financial Statements

Charity Audit Issues and Control

The FAC is authorised by main Board to;

investigate any activity that falls within its terms of reference.

use appropriate resources to complete required tasks such as obtaining external professional advice and inviting external advisors to meetings if required.

delegate tasks to the Executive Team where appropriate.



Membership

All members of the FAC and its Chair shall be appointed by the main Board. The FAC may recommend potential members for consideration by the Board.

The FAC will comprise of;

at least two members, a minimum of two members must also be Trustees on the main Board;

the appointed Chair of the FAC must be a Trustee of the main Board; and

Executive Officers of the Chief Executive Officer, Deputy CEO and the Finance Manager.

The Chair of the main Board shall not be a member of the FAC.

Trustees will remain members of the FAC as long as they remain Trustees of the Company unless they resign or are removed by the Board. Members who are not Trustees will have the same length of service as the main Board – two consecutive terms of four years with no reappointment within four years.

Any agenda item where a member has a conflict of interest or potential conflict of interest should declare such interest at the beginning of the meeting. At the discretion of the Chair the member may be asked to leave the room or not to participate in the discussion or vote.

The members should have skills appropriate to satisfy the purposes of the FAC. These include a competent knowledge and understanding of the sector as well as a member who has recent and relevant financial experience.

All members will be inducted on recruitment to the FAC. This induction will cover roles and responsibilities of the FAC members and the purpose of the FAC. Training will be provided to members when required.

Meetings

A meeting of the FAC will be deemed to be quorate if at least one member and one of the nominated Executive Team are in attendance.

The schedule of meetings will be determined by the schedule of Board meetings but the sub-committee will seek to meet within the two weeks prior to every Board meeting. The meetings will take place either face to face or by telephone or similar with additional meeting called as required.

If the Chair is not in attendance a Trustee present will chair the meeting.



The Chair will be responsible for reporting how the FAC has discharged it's duties to the remaining Trustees at the main Board meeting. This will include;

any significant issues considered in relation to the financial statements and how these issues were addressed.

its assessment of the effectiveness of the external audit process and any recommendation on the appointment or reappointment of the external auditor.

any additional issues the Board has requested investigation or further details of.

External Guidance

If the FAC becomes aware of an issue which is not covered in this Terms of Reference, guidance can be sought from the following documents/ websites;

A Code for Sports Governance (UK Sport and Sport England) -

https://www.sportengland.org/media/11193/a_code_for_sports_governance.pdf

FRC Guidance for board and board committees (specifically specific guidance on 'Audit Committees' and Risk Management, Internal Control and Related Financial and Business Reporting') - <https://www.frc.org.uk/Our-Work/Corporate-Governance-Reporting/Corporate-governance/UK-Corporate-Governance-Code/Guidance-for-boards-and-board-committees.aspx>