

**Terms of Reference: Finance and Audit Group**

Purpose of the Finance and Audit Group

Overall Purpose: To ensure the adequacy of the organisation’s financial reporting, risk management and internal controls, and that they comply with the requirements of Tier Three of *A Code for Sports Governance*.

* To ensure that the organisation’s finance policies and procedures are appropriate and proportionate, and that they are understood and followed by Board members and staff
* To review and update the organisation’s finance policies and procedures at least once every two years
* To ensure that annual accounts are prepared for the organisation which:
  + Comply with legal requirements and recognised accounting standards
  + Give specific disclosure of income received from public investors and clearly account for the expenditure of such funding
  + Are audited to comply with Sport England and Charity Commission requirements
  + Are published on the organisation’s website once accepted by the Board
* To plan and monitor the financial position and performance of the organisation against annual budgets and a four-year financial forecast. Recommended budgets and forecasts will be submitted by the Group to the Board for approval
* To establish and maintain robust risk management and internal control systems, and to review these at least annually.

Membership

* Membership of the Finance and Audit Group will consist of between four and five members:
  + Senior Independent Director
  + Board Chair
  + No more than one more additional Board member with recent and relevant financial experience
  + Director
  + Chief Operating Officer
* Terms of Appointment run concurrently with terms of appointment to the Board, as stated in the Constitution

Chair

* The Finance and Audit Group shall be chaired by the Senior Independent Director

Frequency of Meetings

* At least four times per year, normally 1-2 weeks before each Board meeting to approve the finance reports for the Board
* The Group may meet more often as dictated by circumstances

Quorum

* The Quorum for Group is 50% of total current membership.

Decisions

* Where possible decisions are reached by consensus.
* Where a consensual decision cannot be reached and as long as the meeting is quorate, a majority vote will decide the issue.
* The Finance and Audit Group Chair will have a casting vote in the event of a tie.

Transparency

* Minutes of each meeting will be taken. These will be circulated to Board members or incorporated into the finance / risk management reports taken to the next Board meeting.
* The Terms of Reference will be published on the organisation’s website, along with meeting minutes (at times confidential information may need to be removed before publishing)

Review of the Group

* The Group will conduct an annual self-review, based on the National Audit Office’s [Audit and Risk Assurance Committee Effectiveness Checklist](https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKEwiM6bHaub_UAhWCJ5oKHcsTAnoQFggwMAE&url=https%3A%2F%2Fwww.nao.org.uk%2Fwp-content%2Fuploads%2F2012%2F10%2FSelf_Assessment_Checklist.pdf&usg=AFQjCNHpXAKtaw1NPCMYWhw0sZmpd-K_tw), to ensure that the Group and relevant staff have the competence and qualifications to meet their obligations .

Authority

* For purposes of clarity, the Board retains the overall responsibility for:
  + Adopting appropriate and proportional finance policies and procedures
  + Agreeing the annual accounts, annual budgets and four-year financial forecasts
  + Accepting the quarterly financial reports presented at Board meetings
  + Adopting robust risk management and internal control systems
  + Ensuring that the effectiveness of these risk management and internal control systems are reviewed on a regular basis (at least annually)
* The Finance and Audit Group’s role is to make informed recommendations to the Board for all of the above.

These Terms of Reference were agreed by the Board in July 2020

A review of these Terms of Reference is due by July 2021