

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

Purpose of the Finance and Audit Committee

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 long-term financial forecast (minimum four years). Recommended budgets and forecasts will be submitted by the Committee to the Board for approval
* To establish and maintain robust risk management and internal control systems. To monitor these on a quarterly basis and to review these at least annually.

Membership

* Membership of the Finance and Audit Committee will consist of no less than five members:
  + At least three Trustees, with at least one Trustee having recent and relevant financial experience
  + Chief Executive
  + Chief Operating Officer
  + The Chief Executive and Chief Operating Officer of Together Active will be non-voting associate members of the Committee
* Terms of Appointment run concurrently with terms of appointment to the Board, as stated in the Constitution

Co-opted Members

* An individual may be co-opted onto the Committee if this is necessary to ensure that the Committee has the skills and/or experience necessary to fulfil its role.
* A co-opted Board Member is one that is temporarily appointed as such by the Board outside of the customary appointment process.
* Co-opted members will serve as such for no more than 12 months.
* At the time of appointment the Board will document the reasons for this appointment and determine the co-opted member’s voting rights.
* A Co-opted Member will not normally be registered as a Trustee of the Board

Chair

* The Finance and Audit Committee shall be chaired by a Trustee with recent and relevant financial experience

Frequency of Meetings

* At least four times per year, held not less than one week before each Board meeting to approve the finance reports for the Board
* The Committee may meet more often as dictated by circumstances

Quorum

* The Quorum for Committee is 50% of total current membership. Where this is not a whole number, it will be rounded up.

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 Committee 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 Committee

* The Committee 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 Committee and relevant staff have the competence and qualifications to meet their obligations .

Authority

* For purposes of clarity, the Board retains the overall responsibility for:
  + Overseeing and managing the finance, financial performance and financial planning of Together Active
  + Adopting appropriate and proportional finance policies and procedures
  + Approving and then filing with the appropriate authorities the annual Trustees’ Report and financial statements
  + Setting annual budgets and long-term financial forecasts, then monitoring and reacting to any performance variations from them
  + Monitoring and reviewing the quarterly financial performance reports presented at Board meetings and taking any appropriate remedial actions as a result of the information provided
  + 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 Committee’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, with minor amendments agreed by Finance and Audit Committee in July 2021, October 2021 and October 2022

A review of these Terms of Reference is due by October 2023