

Terms of Reference for the Group Audit Committee

The Board of UK Sport (UKS) has established a Group Audit Committee as a sub - Committee of the UKS Board to support them and the Board of the English Institute of Sport (EIS) in their respective responsibilities for issues of risk, control and governance. The Group Audit Committee will review the comprehensiveness of assurances in meeting the assurance needs of both Boards, the UKS Accounting Officer and the EIS Accountable Officer (the 'Responsible Officers') and reviewing the reliability and integrity of these assurances.

Membership

The Chair of the Audit Committee shall be appointed by the UKS Board and be a UKS Board member. If the regular Chair is unable to attend then the Chair will nominate a replacement for that meeting. If this is not possible, then Members will appoint a Chair for that meeting from those present.

The Audit Committee shall consist of:

- not less than two other non-executive UKS Board members who will be appointed by the UKS Board.
- one External member to be nominated by the EIS Board and approved by the UKS Board. This may be a non-executive member of the EIS Board.
- up to two other External members to be nominated by the Audit Committee and approved by the UKS Board.

At least one Member should have significant recent Accounting experience.

The Audit Committee will be provided with a secretariat function by the UKS Director of Finance, Investment and Business Services.

Individual terms of appointment shall not exceed three years, however Members may be re-appointed by the end of their term. The number of terms a Member can hold office shall be limited to two.

Quorum

A minimum of three members of the Audit Committee will be present for the meeting to be quorate, of whom at least one should be a UK Sport Board Member.

Reporting

Minutes will be circulated in draft as soon as possible after each meeting for consideration by Committee members, and will be accepted as final if no matters are raised within seven working days. The Chair of Audit Committee will consider any matters that are raised and agree any minor amendments. Where substantial issues are raised, these will be considered at the next meeting.

The Audit Committee will formally report in writing to both Boards and both Responsible

Officers after each meeting by making final minutes available.

The Chair of the Audit Committee will provide the Board of UK Sport with a verbal update on matters discussed at the Committee and any items to be highlighted for the Board's consideration.

The Audit Committee will provide both Boards and both Responsible Officers with either a written or verbal annual report, timed to support finalisation of the accounts and the Governance Statement, summarising conclusions from the work it has done during the year.

Responsibilities

The Audit Committee will advise both Boards and Responsible Officers on:

- the strategic processes for risk, control and governance and the Governance Statement ;
- the accounting policies, the annual report and accounts of both UKS and EIS, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- planned activity and results of both internal and external audit;
- adequacy of management responses to issues identified by audit activity, including external audit's management letter;
- the effectiveness of internal and external audit and the audit fees;
- assurances relating to the management of risk and corporate governance requirements for both organisations;
- proposals for tendering for internal audit and management audit services or for purchase of non-audit services from contractors who provide audit services; and
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations including compliance with the Bribery Act and the review of gifts and hospitality.
- Review of the in-year financial performance of UKS and that financial control is being maintained, variances to budgets and forecast are identified and managed.

Rights

The Audit Committee may:

- procure specialist ad-hoc advice at the expense of either organisation, subject to budgets agreed by the respective Boards.

Access

The Directors of Finance for UK Sport and the EIS, the Head of Internal Audit (if one is employed) and the representatives of External Audit and Internal Audit will have free and confidential access to the Chair of the Audit Committee. Where the internal audit function is outsourced to an external firm, a Partner within that firm is required to attend the Committee to report on their work and findings of their reviews.

Audit Committee members will meet at least once per annum with the External and Internal Auditors without the presence of management and at least once per annum without any other individuals present.

Meetings

The Audit Committee will meet at least three times a year. The Chair of the Audit Committee may convene additional meetings, as they deem necessary. The Audit Committee may hold meetings via conference call, video linking or other electronic media.

As a standing item, all Audit Committee members will be required to declare any potential conflicts of interests at each meeting arising out of business on the Audit Committee agenda. The Chair shall determine the appropriate course of action with the member. If the Chair has a conflict of interest, another member of the Audit Committee shall lead in determining the appropriate course of action.

Audit Committee meetings will normally be attended by the UKS Accounting Officer, the UKS Director of Finance, the EIS National Director and the EIS Director of Business and Finance, the Head of Internal Audit and a representative of External Audit. The UKS Chief Operating Officer may attend meetings from time to time, when matters relating to NGB governance are being discussed or to deputise for the Accounting Officer. The Audit Committee may ask other officials of either organisation to attend to assist it with its discussion on any particular matter. The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

Either Board or Responsible Officer may ask the Audit Committee Chair to convene further meetings and to discuss particular issues on which they want the Committee's advice.

Notices of meetings shall contain information relating to venue, time, date and agenda. Papers to meetings shall be circulated at least one week before the date of the meeting.

Information Requirements

For each meeting the Audit Committee will be provided with:

- Reports summarising any significant changes to the organisations' strategic risks and copies of corporate risk registers
- A progress report on Internal Audit summarising work performed, key issues, management responses to recommendations and any changes to the agreed audit plan
- a progress report (written or verbal) from the External Audit representative summarising work done and emerging findings
- reports on the management of major incidents
- management accounts and the draft budgets for UKS and EIS. For clarity, these documents are provided for review by the Audit Committee in order to inform the Board, who are responsible for carrying out their own review, and also for the approval of any financial information.

As and when appropriate the Audit Committee will be provided with:

- Proposals for the terms of reference of internal audit
- The internal audit strategy and audit plan
- The Internal Audit Partner's annual opinion and report
- Quality assurance reports on the internal audit function
- The draft accounts of the organisations
- UK Sport's draft Governance Statement
- A report on any changes to accounting policies
- External Audit's management letters
- A report on any proposals to tender for audit functions
- A report on co-operation between internal and external Audit
- The organisations' risk management strategies
- bi-annual updates on compliance with the Bribery Act.
- A report on hospitality and gifts given and received.

Committee members will also be provided with:

- minutes of the UKS and EIS Board meetings
- finance and budget reports provided to each Board
- Chief Executive reports provided to each Board

Annual Evaluation

The Audit Committee will annually review these Terms of Reference and its own performance and effectiveness. The Audit Committee will report the results of that review to both Boards.

2 December 2015