TERMS OF REFERENCE

GROUP AUDIT AND RISK COMMITTEE

Purpose

The UK Sport and Institute Board has established a Group Audit and Risk Committee ("the Committee") to support them and the Board of the UK Sports Institute ("UKSI") in their respective responsibilities for issues of risk, financial control and governance.

The Committee will review and provide advice to the Boards, and if appropriate the Accounting Officers of both UK Sport and UKSI, on the comprehensiveness, reliability and integrity of assurances provided.

The Committee will also oversee the assurances provided from other Special Purpose Vehicles within the UK Sport Group, if applicable.

Membership

The Chair of the Committee shall be appointed by the UK Sport and Institute Board and be a UK Sport and Institute 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, the Committee members will appoint a Chair for that meeting from those present.

The Committee will comprise of:

- Not less than two other independent non-executive UK Sport and Institute Board members who will be appointed by the UK Sport and Institute Board
- One independent external member to be nominated by the UKSI Board and approved by the UK Sport and Institute Board. This may be a non-executive member of the UKSI Board
- Up to three other independent external members to be nominated by the Committee and approved by the UK Sport and Institute Board
- At least one member should be CCAB qualified and have significant recent Accounting experience.

Terms

Individual terms of appointment shall not exceed four years, however members may be re-appointed at the end of their term. The number of terms a member can hold office in the same membership category (e.g. holding office as a Board member or as an independent member) shall be limited to two.

Conflicts of Interest

Members should note that a conflict can arise from their own personal or business interests (or that of a member of their family) which could be seen as, or which could give rise to, a conflict with the member's position on the Group Audit and Risk Committee.

Members are required to declare interests on joining the Committee and thereafter, annually. Any interest that could be seen as or which could give rise to a conflict of interest or conflict of loyalties is required to be disclosed. A register of interests shall be maintained.

Any potential conflicts of interest related to upcoming business should declared at the start of each meeting and recorded by the Secretariat. Where a conflict exists, the Chair will determine appropriate mitigation, including withdrawal from discussion or decision-making.

Remuneration

UK Sport will offer to reimburse members for the performance of their services as stated in their Terms and Conditions. No remuneration fee will be offered to members attending functions or events on behalf of UK Sport.

Members will be entitled to be reimbursed for expenses incurred in accordance with UK Sport's Travel and Expenses Policy for attending meetings and major events supported by UK Sport if they have agreed their attendance in advance with the UK Sport team. The Secretariat will support members in booking travel and accommodation in line with the UK Sport Travel and Expenses Policy. All expenses must be submitted within two months of being incurred.

Meetings

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

Notices of meetings shall contain information relating to venue, time, date and agenda. Papers will normally be issued with the agenda no less than one week in advance of the meeting.

For each meeting the 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 UK Sport and UKSI.
- As and when appropriate, the Committee will be provided with:
- Proposals for the terms of reference of internal audit;
- Internal audit strategy and audit plan;
- Internal Audit Partner's annual opinion and report;
- Quality assurance reports on the internal audit function;
- Draft annual reports and accounts of UK Sport and UKSI;
- A summary of the high level assurances underpinning the Governance Statement;
- A report on any changes to accounting policies;
- External audit management letters;

- Report on any proposals to tender for audit functions;
- Report on co-operation between internal and external audit;
- Organisations' risk management strategies;
- Notification of any instances of fraud, data loss or significant cyber activity which may require disclosure within the Governance Statement;
- Bi-annual updates on compliance with the Bribery Act;
- A report on hospitality and gifts given and received;
- Whistleblowing policy and details of cases being investigated (if appropriate).
- The Committee members will also be provided with:
- Minutes of the UK Sport Board and UKSI Board meetings;
- Finance and budget reports provided to UK Sport and Institute Board and UKSI Board.

Members and attendees shall not disclose the detailed substance of papers or discussions without the prior written consent of the Chair.

Either the UK Sport and Institute Board or the UKSI Board, or either Accounting Officer, may ask the Committee Chair to convene further meetings and to discuss particular issues on which they want the Committee's advice.

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 the 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.

Attendees

The Committee meetings will normally be attended by the UK Sport Accounting Officer, the UK Sport Director of Strategy and Business Enabling, the UKSI Managing Director, the UKSI Director of Finance and Business Services, the Head of Internal Audit (where appropriate) and a representative of External Audit. The Committee may ask other officials of either organisation to attend to assist it with its discussion on any particular matter. The 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.

The Committee will be supported by a Secretariat function, provided by UK Sport.

Quorum

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

Responsibilities

The Chair shall be responsible for:

- Agreeing agendas;
- Ensuring meetings are effective, focused, and appropriately challenging;
- Confirming clear conclusions and actions; and
- Reporting to the UK Sport and Institute Board
- The Committee shall advise the UK Sport and Institute Board, UKSI Board and their Accounting Officers on:
- Scope and effectiveness of existing policies and regulatory requirements, including anti-fraud policies, whistle-blowing processes, finance policies, the knowledge and skill levels of staff, and arrangements for special investigations, including compliance with the Bribery Act and the review of gifts and hospitality;
- Effective use of resources (i.e. planning, in-year budgetary control together with the quality of forecasting and budget decision making) to achieve the desired outcomes set by the Boards;
- The arrangements and assurances received on Cyber Security arrangements;

- The strategic processes and assurances received on risk management, financial control, governance and the Governance Statement;
- Annual report and accounts of both UK Sport and UKSI, 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 work of both internal and external audit including the adequacy of management responses to issues identified by audit activity (i.e. external audit's management letter, effectiveness of internal and external audit and the audit fees); and
- Proposals for tendering for internal audit and management audit services or for purchase of non-audit services from contractors who provide audit services.

Rights

The Committee may procure specialist ad-hoc advice at the expense of either UK Sport or UKSI, subject to budgets agreed by their respective Boards.

The Committee have the right to request any information or data from UK Sport or UKSI to enable it to fulfil its responsibilities.

Access

The Director of Strategy and Business Enabling at UK Sport, Director of Finance and Business Services at UKSI, 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 Committee.

The 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.

Reporting

The Committee will formally report to the UK Sport and Institute Board, UKSI Board and their Accounting Officers after each meeting by making final minutes available.

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

The Committee will provide the UK Sport and Institute Board, UKSI Board and their Accounting 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.

Review

The Committee will review these Terms of Reference and its own performance and effectiveness annually.