



## Document 1 – Audit Committee – terms of reference

### 1. Purpose

1.1 The Board has established an Audit and Risk Assurance Committee to support it, and specifically the Chief Executive as Accounting Officer, in their responsibilities for ensuring the adequacy of risk management, internal control and governance arrangements, and that public funds are used efficiently and effectively.

### 2. Functions

2.1 The Committee has two functions:

- an audit function, with a focus on assurance arrangements over: governance, financial reporting, annual report and accounts, including the governance statement
- a risk assurance function, with a focus on ensuring there is an adequate and effective risk management and assurance framework in place

2.2 The Committee will review and advise the Board and Chief Executive Officer on:

- the strategic processes for risk management, control and governance, as well as the production of the Governance Statement in the Annual Report and Accounts
- the adequacy of the organisation's assurance arrangements relating to the control requirements for the management of risk, due diligence, and corporate governance
- the planned activity and results of its independent financial evaluation and the adequacy of management response to issues identified by evaluation activity.
- the performance of the external financial evaluators.
- the organisation's policies for counter-fraud, whistle-blowing and cyber and information security
- up-holding standards of propriety in the organisation's business and achievement of value for money

2.3 The Committee will, after review and consideration, recommend to the Board that they approve, in conjunction with the Chief Executive Officer, the Annual Report and Accounts. In doing so, the Committee should satisfy itself that the annual financial statements represent fairly the financial position of the organisation, and in particular consider the following:

- that the accounting policies and any significant estimates or judgements in place are appropriate and comply with relevant requirements, particularly The FA's County FA Financial Management Operating Guidance Manual.
- that there has been a robust process in preparing the accounts and annual report and they have been subject to sufficient review by management and the Chief Executive Officer
- whether issues raised by the Independent Financial Evaluators have been given appropriate attention

### 3. Membership

3.1 The Committee shall comprise no fewer than three members. A majority of the members of the Committee shall be Members of the Commission. Appointments to the Committee, including the Committee Chair, are made by the Board on the recommendation of the Chair of the Commission.

3.2 Committee members will collectively possess knowledge and skills in accounting, risk management, audit, financial governance and technical issues relevant to the



business and strategic management of the organisation. At least one Committee member shall be suitably financially qualified and have recent and relevant financial experience.

- 3.3 The Committee shall be able to access appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 3.4 The Board may appoint an independent external member (selected through open competition) for a period up to three years to provide specialist skills, knowledge and experience.
- 3.5 The Committee may co-opt additional members for a period not exceeding a year to provide specialist advice on a particular matter.

#### **4. Secretary**

- 4.1 The Board Secretary, or their nominee, will act as secretary to the Committee with responsibility for co-ordinating its business and servicing its meetings.

#### **5. Quorum**

- 5.1 A duly convened meeting of the Committee at which a quorum of two members is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.2 The Chair of the Board may nominate alternative Board delegates if one or two of the members cannot attend a meeting.
- 5.3 In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.

#### **6. Frequency of meetings**

- 6.1 The Committee will meet at least quarterly at appropriate times in the reporting and audit cycle. A fifth meeting will usually be convened expressly for the purpose of considering the annual accounts.
- 6.2 In addition to its scheduled meetings, further meetings of the Committee may be called at the request of the Chair of the Committee, the Chief Executive Officer or the Chair of the Board.
- 6.3 The Chair of the Committee shall meet periodically with each of the Chief Executive Officer, Finance Director, and external financial evaluators outside of the formal meetings.

#### **7. Notice of meetings**

- 7.1 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of the items to be discussed and any relevant papers, shall be sent to Committee members and all other persons required to attend no later than 4 working days before the date of the meeting.

#### **8. Minutes of meetings**

- 8.1 The secretary will arrange for a record of the proceedings of each meeting to be made, including the names of those present and in attendance and any declarations of conflict of interest.
- 8.2 Draft minutes of the meetings shall be circulated within 10 working days of the meeting taking place to the Chair of the Committee. The minutes will then be submitted for approval by the Committee at its subsequent meeting.

#### **9. Reporting**

- 9.1 The Chair of the Committee (or designated representative) shall report to the Board on its proceedings after each meeting on all matters within its duties and



responsibilities. This will include any matters of which the Board should be aware, or which require further consideration by the Board.

- 9.2 The draft minutes of each Committee meeting will be included in the document pack for the next available Board meeting.
- 9.3 The Chair, on behalf of the Committee, will provide an annual report to the Board, timed to support the preparation of the annual governance statement, summarising its conclusions from the work it has done during the year.
- 9.4 The Committee will also maintain a rolling forward agenda of about one year which will be reported to the Board on a regular basis.

#### **10. Review**

The terms of reference for the Committee will be kept under periodic review, and a review of the effectiveness of the Committee will be undertaken annually. The appraisal of the performance of each Committee member in their role as a member of the Committee will be conducted as part of the annual Board member appraisal process.