

Audit Committee – Terms of Reference

These Terms of Reference have been compiled and based upon the model terms of reference published by the Governance Institute in March 2017. They have been modified to take account of the business activities, scale of operation and perceived risks inherent in the governance of British Orienteering (the **Organisation**).

1. Membership

1.1 The committee shall comprise at least 3 members, all of whom are appointed by the Board on the recommendation of the nomination committee in consultation with the Chair of the audit committee.

1.2 All members shall be independent non-executive directors. At least one should have recent and relevant financial experience.

1.3 Only members of the committee have the right to attend meetings on a regular basis. However, the Accounts Manager, head of internal audit and external audit lead partner will be invited to attend on a regular basis.

1.4 The board shall appoint the committee chair. In their absence, the remaining members shall appoint a chair for that meeting.

2. Secretary

2.1 The company secretary or their nominated deputy, shall act as secretary to the committee.

3. Quorum

3.1 The quorum necessary for the transaction of business shall be 2 members.

4. Frequency of meetings

4.1 The committee shall meet at least 2 times a year at appropriate intervals in the financial reporting cycle and otherwise as required.

5. Notice of meetings

5.1 Meetings of the committee shall be convened by the secretary of the committee at the request of any of its members, the external auditor or the internal auditor.

5.2 Notice of each meeting shall be forwarded to each member no later than 5 working days before the date of the meeting. Supporting papers shall be forwarded at the same time. These can be sent in electronic form where the recipient has agreed to this.

6. Minutes of meetings

6.1 The secretary shall minute the proceedings and decisions of the meeting, including recording the names of those present.

6.2 Draft minutes shall be agreed with the chair and then circulated promptly to all members of the committee, unless it would be inappropriate to do so in the opinion of the chair.

7. Annual General Meeting

7.1 The committee chair should attend the Annual General Meeting to answer Members' questions

8. Financial Reporting

8.1 The committee shall monitor the integrity of the financial statements of the company, including the annual report and any formal statements relating to its financial performance.

8.2 In particular the committee shall review and challenge where necessary:

1. the application of significant accounting policies and changes to them,
2. the method used to account for any significant or unusual transactions where different accounting approaches are possible,
3. whether the company has adopted appropriate accounting policies and made appropriate estimates taking into account the view of the external auditor, and
4. all material information presented with the financial statement, including the corporate governance statements relating to the audit and to risk management.

8.3 Where the committee is not satisfied with any aspect of the proposed financial reporting of the company it shall report its views to the board.

Internal controls and risk management

8.4 The committee shall keep under review the Organisation's internal financial controls systems that identify, assess, manage and monitor financial risks and other internal control and risk management systems.

Compliance, whistleblowing and fraud

8.5 The committee shall review the adequacy of the Organisation's arrangements for its employees and contractors to raise concerns about possible wrongdoing. The committee shall ensure that these arrangements allow for proportionate and independent investigation of such matters.

8.6 The committee shall review the Organisation's procedures for detecting fraud.

8.7 The committee shall review the Organisation's systems for the prevention of bribery and receive reports of non-compliance.

Internal Audit

8.8 The committee shall:

1. approve the appointment of the head of internal audit
2. review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work
3. review and approve the annual internal audit plan
4. ensure that internal audit has unrestricted scope, the necessary resources and access to the information needed to fulfil its mandate
5. ensure that the internal auditor has unrestricted access to the board chair
6. receive an annual report on the results of the internal auditors' work
7. carry out an annual assessment of the effectiveness of internal audit and meet with the head of internal audit without the presence of management
8. review the actions taken by management to implement the recommendations of internal audit.

External Audit

8.9 The committee shall:

1. consider and make recommendations to the board, to be put to the AGM, in relation to the appointment, re-appointment and removal of the organisation's external auditors
2. develop and oversee the selection process for the appointment of the audit firm, ensuring that all tendering firms have access to all necessary information during the process
3. approve the remuneration and approve the terms of engagement of the external auditor
4. assess annually the external auditors' independence and objectivity taking into account UK law, regulation and professional standards
5. monitor the auditors' processes for maintaining independence, including the rotation of audit partner

6. seek to ensure coordination between the external and internal auditors
7. meet at least once a year with the external auditor without management being present
8. review with the external auditor the findings of any audit
9. review any representation letters requested by the auditor before they are signed by management
10. review the management letter and managements response to the auditors' findings or comments
11. review the effectiveness of the audit process.

9. Reporting responsibilities

9.1 The committee chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities and shall formally report to the board on how it has discharged its responsibilities.

9.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit and where action for improvement is needed.

9.3 The committee shall compile a report on its activities to be included in the Organisation's annual report.

10. Other matters

10.1 The committee shall have access to sufficient resources in order to carry out its duties including access to the Organisation's administration for assistance when required.

10.2 The committee shall be provided with appropriate training.

10.3 The committee shall oversee any investigations of activities that are within its terms of reference.

10.4 The committee shall arrange for periodic reviews of its own performance, at least annually and review its membership and Terms of Reference.

11. Authority

11.1 The committee is authorised to seek any information it requires from any employee or contractor, to obtain at the Organisation's expense any independent advice it believes is necessary and call any employee or contractor to be questioned at a meeting of the committee.

11.2 The committee has the right to publish in the Organisation's annual report details of any issues that cannot be resolved between the committee and the board.