



## England Athletics (“the Company”)

### Audit and Assurance Committee (“the Committee”) Terms of Reference

#### 1. Objective

- 1.1 Assisting the Board in fulfilling its legal and regulatory responsibilities (including those set out in the Companies Act 2006, as amended, and the Code for Sports Governance) in respect of the Company’s financial reporting process, the audit process, the system of internal controls, the procedures for assessment / management of material financial and non-financial risks, the adequacy of capital available to absorb such risks, and (in conjunction with the Governance Committee) compliance with laws and regulations.

#### 2. Duties

- 2.1 To fulfil specific objectives for Audit & Assurance (including oversight of Finance and Risk Management issues) within a timeframe
- 2.2 Review company framework and policies for audit, finance and risk management to ensure fit for purpose.
- 2.3 As delegated from the Board for specific Audit & Assurance related projects.
- 2.4 Prepare recommendations to the Board on Audit & Assurance projects and other matters.
- 2.5 Report to the board at each Board meeting
- 2.6 The duties of the Committee are as delegated by the directors of the company in accordance with Article 33 of the company’s Articles of Association.
- 2.7 The Committee shall:
  - 2.7.1 Monitor, in liaison with the auditors, the integrity of the financial statements of the Company, reviewing significant financial reporting judgments contained therein and any formal announcements relating to the Company’s financial performance and reporting to the Board on significant financial reporting issues; having regard to matters communicated to the auditors;
  - 2.7.2 Review the Company’s internal management accounts on a regular basis and to brief the Board on salient matters arising at Board meetings as appropriate;
  - 2.7.3 Ensure the financial accounting systems and procedures of the Company meet good governance practice;
  - 2.7.4 Review the Company’s internal controls and risk management system and to review and approve the statements to be included in the annual report concerning internal controls and risk management;
  - 2.7.5 Review the adequacy and effectiveness of the Company’s internal controls and risk management systems, including the Company’s ability to identify, assess and manage risk within the risk appetite set by the Board, review risk management reports at each meeting, review systems and processes annually and review and recommend to the Board for approval by the Board the statements to be included in the annual report or in other external reports

concerning internal controls and risk management. The responsibilities relating to risk will cover both financial and non-financial risks and will include to:

- 2.7.5.1 Review the Company's arrangements for its employees to raise fraud concerns, in confidence, about possible wrongdoing in financial reporting or other related matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
  - 2.7.5.2 Review the Company's arrangements for its employees to raise concerns in confidence about whistleblowers;
  - 2.7.5.3 Review the Company's procedures for detecting fraud;
  - 2.7.5.4 Consider the need for internal audit reviews, whether through in-house or external resources, on aspects of the Company's operations and the subsequent management of any review established;
- 2.8 Conduct periodic reviews into the effectiveness of the Company's policies in relation to the procurement and provision of goods and services;
- 2.9 Oversee appeals made under the Company's whistleblowing policy.
- 2.10 Make recommendations to the Board in relation to the appointment, re-appointment and removal of the independent auditors of the company and to approve the remuneration and terms of engagement of the auditors;
- 2.11 Meet regularly with the external auditors, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year without management being present, to discuss any issues arising from the audit;
- 2.12 Review the findings of the audit with the external auditor. This shall include, but not be limited to, the following:
- 2.12.1 A discussion of any major issues which arose during the audit;
  - 2.12.2 Key accounting and audit judgments;
  - 2.12.3 Levels of errors identified during the audit;
  - 2.12.4 Any representation letter requested by the external auditor before it is signed by management; and
  - 2.12.5 The management letter and management's response to the auditor's findings and recommendations.
- 2.13 Review these Terms of Reference and make any necessary amendments, at least once every four years.

### **3. Membership**

- 3.1 The Committee and the Chair of the Committee shall be appointed by the Board. The Committee will comprise at least two Non Executive Directors, at least one member having recent and relevant financial experience.
- 3.2 External members may be co-opted to the Committee at the discretion of the Chair of the Committee.

- 3.3 The Chair of the Company, the Chief Executive, the Head of Finance and representatives of the auditors, may be invited to attend the whole or part of the meeting as appropriate.
- 3.4 If the Chair of the Committee is unable to attend a meeting, they will nominate a Committee member to act as Chair in their absence.
- 3.5 The Board and NED Secretary shall be the secretary to the Committee.
- 3.6 The members of the Committee will be reviewed at the first board meeting following the AGM each year.

#### **4. Meetings**

- 4.1 The Committee shall meet at least four times per year and at such times as the Chair of the Committee requires.
- 4.2 The quorum necessary for transaction of business shall be two and may include a member participating by telephone or video conference.
- 4.3 Meetings shall be summoned by the secretary to the Committee. at the request of any of its members or at the request of the external auditors if they consider it necessary.
- 4.4 The Chair of the Committee shall attend the AGM to answer questions from attendees.
- 4.5 Notice of the meetings, including time and venue, together with an agenda of items to discuss, plus all relevant meeting papers will be forwarded to each member of the Committee no less than one week prior to the meeting, unless the nature of the meeting makes this impractical.

Approved by Audit & Assurance committee – November 2020 and 4 May 2021

Approved by the Board – 20 May 2021