 YOUTH SPORT TRUST	Terms of Reference	Document Number: YSTBToR02
	Youth Sport Trust (YST) Audit & Risk Committee	Document Owner: F&G Director Version number: 4 Updated: April 2021 Review by: March 2023

1. Purpose

The Audit & Risk Committee (the Committee) is a Committee of the Board of Trustees (the Board) of Youth Sport Trust (YST) from which it derives its authority and to which it regularly reports. The terms of reference are approved by the Board.

2. Membership and attendance


- 2.1. The Committee shall comprise at least three members, all independent non-executive Board Directors, at least one of whom shall have recent and relevant financial experience. The Chair of the Board shall not be a member of the Committee.
- 2.2. The Board shall appoint the Committee members, the Committee Chair and any deputy. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 2.3. Only Committee members have the right to attend Committee meetings; the Director of Finance & Governance although not a member of the Committee will attend meetings with the agreement of the Committee Chair, for those meetings where relevant in whole or part. YST's external auditors will normally attend, although they will not be present at meetings when the Committee discusses their performance and/or remuneration.
- 2.4. Other Board directors may be invited to attend all or part of any meeting with the agreement of the Committee Chair.
- 2.5. The Director of Finance & Governance or his nominee shall act as Secretary of the Committee.
- 2.6. Membership of the Committee will be reviewed on an annual basis at the Board's AGM, to ensure that it is regularly refreshed and does not rely too much on particular individuals.

3. Quorum and proceedings at meetings

- 3.1. The quorum for the Committee meetings shall be two members.
- 3.2. The Committee shall meet at least twice a year at the appropriate times in the reporting and audit cycle and otherwise as required.
- 3.3. Any Committee member, or Director of Finance & Governance may call additional meetings as necessary. The external auditors may also request additional meetings.
- 3.4. The Committee can have meetings with YST's external auditors without YST executive staff present.
- 3.5. Any member shall count towards the quorum and be able to participate in meetings by telephone, video conference or other electronic means.

4. Minutes

- 4.1. The minutes of meetings of the Committee shall be circulated to all members of the Committee and to nominated recipients as soon as practicable after the meeting. The minutes shall also be circulated to all members of the YST Board unless it is inappropriate to do so.

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Duties

4. Financial Reporting


- 4.1. The Committee shall monitor the integrity of the financial statements of the organisation, including its annual report and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain.
- 4.2. The Committee shall review and challenge where necessary:
 - 4.2.1. the consistency of, and any changes to, accounting policies on a year on year basis.
 - 4.2.2. the methods used to account for significant or unusual transactions where different approaches are possible;
 - 4.2.3. whether the organisation has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor; and
 - 4.2.4. the clarity of disclosure in the organisation's financial reports and the context in which statements are made.

5. Internal Controls and Risk Management Systems

- 5.1. The Committee shall:
 - 5.1.1 review and update, where required, the organisation's finance policies and procedures at least once every two years; and
 - 5.1.2 conduct an annual review of the effectiveness of the organisation's risk management and internal control systems to ensure that they provide reasonable assurance.

6. External Audit

- 6.1. The Committee shall:
 - 6.1.1. Consider and make recommendations to the Board, for approval at the AGM, regarding the appointment, re-appointment and removal of the organisation's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required; and
 - 6.1.2. Oversee the relationship with the external auditor including (but not limited to):
 - 6.1.2.1. approval of their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;
 - 6.1.2.2. approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - 6.1.2.3. assessing annually their independence and objectivity, taking into account relevant UK professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of non-audit services;
 - 6.1.2.4. satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the charity (other than in ordinary course of business); and

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- 6.1.2.5. annually assessing their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own quality procedures.
- 6.2. The Committee shall meet the external auditor or receive a report from the external auditor at least once a year, to discuss their remit and any issues arising from the audit.
- 6.3. The Committee shall review and approve the annual audit plan and ensure it is consistent with the scope of the audit engagement.
- 6.4. The Committee shall review the findings of the audit with the external auditor. This shall include, but not be limited to, the following:
- 6.4.1. a discussion of any major issues which arose during the audit;
- 6.4.2. any accounting and audit judgements; and
- 6.4.3. levels of errors identified during the audit.
- 6.5. The Committee shall also review the effectiveness of the audit, and:
- 6.5.1. review any representation letter requested by the external auditor before they are signed by management; and
- 6.5.2. review any management response (if appropriate) to the auditor’s findings and recommendations.

7. Reporting Responsibilities

- 7.1. The Committee Chair shall report formally to the Board, on its proceedings after each meeting, on all matters within its duties and responsibilities.
- 7.2. The Committee shall make whatever recommendations to the Board it deems appropriate, on any area within its remit, where an action or improvement is needed.

8. Authority

The Committee is authorised:

- 8.1. to seek any information it requires, from any employee of the organisation, in order to perform its duties; and
- 8.2. to obtain, at the organisation’s expense, outside legal or other professional advice on any matter within its terms of reference.

Amendment Log

Date	Change	Made by	Approved by
Nov 2017	First Issue	Surinder Sihra	Ali Oliver
30.03.18	Amendments in accordance with Code for Sports Governance	Janette Massey	Surinder Sihra
28.04.20	General review: added review date and clauses 2.6 & 3.5, minimum membership reduced to 3. Removed reference to Company Secretary in clause 2.3, 2.5 & 3.3.	Janette Massey/ Surinder Sihra	NGR Committee
07.04.21	Committee name changed to “Audit & Risk”. Minor amends to clause 3.4.	Janette Massey	Audit Committee