

## Audit & Risk Committee: Terms of Reference

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### 1. Purpose

The purpose of the Audit and Risk Committee is to assist the Company’s Board in the fulfilment of its oversight and corporate governance duties in relation to:

- the integrity of the Company’s financial statements;
- the effectiveness of internal controls;
- the appointment, review and relationship with the external auditor;
- the identification of risks the Company is exposed to;
- the process of managing and mitigating those risks via a risk management framework; and
- the promotion of risk awareness within the Company.

### 2. Delegated Authority

The Audit and Risk Committee is a permanent standing advisory committee of the Board and shall have delegated authority to:

- approve the external audit terms of engagement and the scope of their annual plan;
- implement the external audit tender and selection process;
- seek any necessary external professional advice at the Company’s expense.

### 3 Duties

3.1 The duties of the Audit and Risk Committee are to:

#### **AUDIT**

- oversee and evaluate the performance of the external auditors and advise the Board on any changes that ought to be made in their terms of engagement;
- manage the process for the tendering of the external auditors and recommend to the Board the appointment and re-appointment of the external auditors and the level of their fees;
- review and approve the annual audit plan and ensure consistency with the scope of the audit engagement;
- review the findings of the audit with the external auditors including any accounting judgements, significant adjustments and the management letter;
- review the adequacy of management’s response to issues identified by audit activity and monitor agreed action;
- develop and implement a policy on the supply of non-audit services by the external auditor;
- monitor the integrity of the Directors Report, the annual financial statements and the business/operating review before recommending them to the Board;
- review and challenge, as appropriate, the Company’s accounting policies, the methods used to account for significant or unusual transactions and the clarity of disclosure in the annual financial statements;

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- review and approve the statements to be included in the annual report and accounts relating to governance, internal control, and risk management;
- examine and review all systems and methods of internal and financial control;
- review the initial draft of any budget or budget forecast;
- review GBS's policy and procedures for the prevention and detection of fraud; and
- review insurance arrangements, including Directors' and Officers' liability insurance, to ensure that appropriate cover is in place.

### **RISK**

- review the design and implementation of the Company's risk management process;
- review the adequacy, effectiveness and consistency of the risk management processes;
- review the risk reporting to ensure accurate and timely risk reporting;
- monitor action taken by the CEO and the Board in response to risk;
- review reports on any material breakdown of controls and the adequacy of proposed action;
- ensure that the Company is compliant with all aspects of the law, relevant regulations and UK Sport best practice and maintains an up-to-date Register of Interests;
- review the Company's complaints register and ensure that an effective procedure is implemented for all stakeholders and third parties; and
- undertake authorised investigations on behalf of the Board and advise on the findings and recommendations.

## **4. Membership**

4.1 Membership of the Committee shall be as follows:

- The Treasurer, who shall serve as chairperson; and
- 2 further independent Board members

4.2 At least one member of the Committee shall have recent and relevant financial experience.

4.3 The head of finance, the external auditors, and other staff members shall be invited to attend meetings as appropriate.

4.4 The Chair of the Board and the chair of the Nominations Committee shall not be members of the Audit and Risk Committee.

4.5 Appointments to the Committee shall be made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years provided the member still meets the criteria for membership of the Committee.

## **5. Quorum**

The quorum necessary for the transaction of business shall be two members one of whom must be the Treasurer. Decisions of the Audit and Risk Committee are taken by a simple

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majority vote without taking abstentions into account; in the event of a tie the chair of the meeting has the casting vote.

### 6. Frequency of meetings

6.1 The Committee shall meet at least twice a year, or more, as required to discharge its duties.

6.2 It may conduct its business by telephone or video conference if preferred. In such a case the meeting is deemed to be held at the Company's registered office.

6.3 The Committee may hold a closed session (i.e. without executive management present) as it considers necessary.

### 7. Notice of meetings

7.1 Meetings of the Committee shall be called by the chair or at the request of the Chair of the Board.

7.2 Unless otherwise agreed, notice of each meeting confirming venue, time and date, together with an agenda of items to be discussed shall be forwarded to each member of the Committee and to any other person required to attend no later than 3 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

### 8. Minutes of meetings

8.1 The proceedings and resolutions of all Committee meetings, including the names of those present and in attendance will be minuted.

8.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board unless it would be inappropriate to do so.

### 9. Reporting

9.1 The chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall provide an annual report to the Board on its activities and future objectives.

9.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

# GB Snowsport Limited (the “Company”)

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### 10. Other Matters

The Committee shall arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure that it is fit for purpose and operating effectively and recommend to the Board any changes it considers necessary.

<b>Owner:</b>	Board of GB Snowsport
<b>Version number:</b>	2.0
<b>Date last modified:</b>	January 4 2019
<b>Modified by:</b>	Company Secretary (John Wade)
<b>Authorised date:</b>	July 25 2019
<b>Authorising authority:</b>	Board of GB Snowsport
<b>Authorisation information:</b>	Approved at Board meeting of July 25 2019
<b>Next review date:</b>	July 2020
<b>File location:</b>	GB Snowsport