

The Audit & Risk Committee (the Committee) is authorised by the WN Board of Directors (Board) to conduct its business in accordance with the Terms of Reference as set out below. The Board may review these at any time and, when appropriate, revise in accord with the changing requirements of WN. The Primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to financial reporting, internal financial controls and risk management.

World Netball (WN) is fully committed to the principles of equality of opportunity and is responsible for ensuring that no employees, job applicants, office holders, volunteers, consultants or members of committees and panels are unlawfully discriminated against because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race religion or belief, sex and sexual orientation.

RESPONSIBILITIES

The Committee shall have oversight of the group as a whole and, unless required otherwise by regulation, carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole.

The responsibilities of the Committee are:

1.1. Financial Reporting

- 1.1.1. The Committee shall monitor the integrity of the financial statements of the company and review and report to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor.
- 1.1.2. In particular, the Committee shall review and challenge where necessary:
 - 1.1.2.1. the consistency of, and any changes to, accounting policies; both on a year-on-year basis and across the group;
 - 1.1.2.2. the methods used to account for significant or unusual transactions where different approaches are possible;
 - 1.1.2.3. the clarity of disclosure in the company's financial reports and the context in which the statements are made;
 - 1.1.2.4. whether the company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor; and
 - 1.1.2.5. all material information presented with the financial statements (insofar as it relates to the audit, internal control and risk management).
- 1.1.3. The Committee shall review any other statements requiring Board approval which contain financial information first, where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation.
- 1.1.4. Where the committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the Board.

1.2. Narrative reporting

Where requested by the Board, the committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for members to assess the company's performance, business model and strategy.

1.3. Internal Controls and Risk Management Systems

The Committee shall:

- 1.3.1. at least once a year, monitor the effectiveness of the company's internal financial controls and risk management systems, with a view to ensuring that the main risks are properly identified, managed and disclosed; and; review and approve the statements to be included in the annual report concerning internal controls, risk management systems and the viability statement.

1.4. Compliance, whistle blowing and fraud

The Committee shall:

- 1.4.1. review the adequacy and security of the company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action whereby staff can inform the Chair of the audit and risk committee directly;
- 1.4.2. review the company's procedures for detecting fraud;
- 1.4.3. review the company's systems and controls for the prevention of bribery and receive reports on non-compliance.

1.5. External audit

The Committee shall:

- 1.5.1. annually consider and make recommendations to the Board, in relation to the appointment, re-appointment or removal of the company's external auditor;
- 1.5.2. develop, oversee and participate in the selection procedure for the appointment of the external auditor ensuring that the tendering firms have access to all necessary information and individuals during the tendering process;
- 1.5.3. if an external auditor resigns, investigate the issues leading to this and decide whether any action is required;
- 1.5.4. oversee the relationship with the external auditor. In this context the committee shall:
 - 1.5.4.1. approve their remuneration, including fees for both audit and non-audit services, and ensure that the level of fees is appropriate to enable an adequate audit to be conducted; and

- 1.5.4.2. approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- 1.5.4.3. review and approve the annual audit plan and ensure it is consistent with the scope of the audit engagement.
- 1.5.5. assess annually the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the group's relationship with the auditor as a whole, including the provision of any non-audit services;
- 1.5.6. satisfy itself that there are no relationships (such as family, employment, investment or financial) between the auditor and the company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- 1.5.7. monitor the auditor's processes for maintaining independence, its compliance with the laws of England & Wales, regulation, other professional requirements and the relevant ethical and professional guidance on the rotation of audit partner and staff;
- 1.5.8. assess annually the qualifications, expertise and resources of the external auditor and the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures;
- 1.5.9. evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the committee;
- 1.5.10. meet with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and, at least once a year, meet with the external auditor without management being present, to discuss the auditor's remit and any issues arising from the audit.
- 1.5.11. discuss with the external auditor the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- 1.5.12. review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - 1.5.12.1. a discussion of any major issues which arose during the audit;
 - 1.5.12.2. the auditor's explanation of how the risks to audit quality were addressed;
 - 1.5.12.3. key accounting and audit judgements;
 - 1.5.12.4. the auditor's view of their interactions with senior management; and
 - 1.5.12.5. levels of errors identified during the audit;
- 1.5.13. review any representation letter(s) requested by the external auditor before they are signed;
- 1.5.14. review the management letter and management's response to the auditor's findings and recommendations before they are presented to the Board;

- 1.5.15. review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the committee; and
- 1.5.16. develop and implement a policy on the supply of non-audit services by the external auditor, taking into account relevant ethical guidance on the matter.

1.6. Other Matters

The Committee shall:

- 1.6.1. have access to sufficient resources in order to carry out its duties, including access to the company Secretariat for assistance as required;
- 1.6.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 1.6.3. give due consideration to relevant laws and regulations;
- 1.6.4. oversee any investigation of activities which are within its terms of reference and determine whether any further action should be taken as a result of the investigation;
- 1.6.5. work and liaise as necessary with all other Board committees, taking particular account of the impact of risk management and internal controls being delegated to different committees.

1.7. Authority

The Committee is authorised to:

- 1.7.1. seek any information it requires from any employee of the company in order to perform its duties;
- 1.7.2. obtain, at the company's expense, independent legal, accounting or other professional advice on any matter within its terms of reference;
- 1.7.3. call any employee to be questioned at a meeting of the Committee as and when required;
- 1.7.4. pre-approve all auditing and non-audit services provided by the auditor of that firm's associates;
- 1.7.5. resolve any disagreements between management and the auditor regarding financial reporting and
- 1.7.6. have published in the company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

TERMS OF REFERENCE FOR WN BOARD COMMITTEES

COMPOSITION AND MEMBERSHIP	
Chair	A Director appointed by the Board.

Members	No fewer than three and no more than four, of which two are Board Directors. The other Members may comprise one or more individuals, with recent and relevant financial expertise, to assist the Committee to fulfil its responsibilities.
Composition	The Board will formally approve composition of the Committee and appoint additional members or remove and replace members by resolution. Members may withdraw from membership by written notification to the Board. The President shall not be a member of this Committee.
Term	4 years.
OPERATING & REPORTING PROCEDURE	
Procedure	The Committee will be required to operate according to the procedure agreed by the Committee members at the start of their term of office and approved by the Board.
Reporting	The Committee will report to the Board at each Board meeting and as requested by the Board and this report shall include: <ul style="list-style-type: none"> • the significant issues that it considered in relation to the financial statements and how these were addressed; • its assessment of the effectiveness of the external audit process, the approach taken to the appointment or reappointment of the external auditor, length of tenure of audit firm, when a tender was last conducted and advance notice of any retendering plans; and • any other issues on which the Board has requested the Committee's opinion.
Recommendations	The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
Annual Report	A report on the activities of the Committee shall be compiled annually, a summary of which shall be included in the company's annual report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor.
Discussions & Decisions	Must happen in a transparent and efficient way via the appropriate means of communication respecting any deadlines set by the Board.
Majority	Decisions at Committee meetings will require a 50% majority of all those Committee members present and decisions circulated by email require a 50% majority support from all Committee members. The Chair, where necessary, having the casting vote.

MEETINGS	
Frequency	Three meetings a year either in person, teleconference or videoconference with additional meetings as necessary.
Auditors	The auditors will be invited to attend meetings of the Committee at least annually.
WN Secretariat	The CEO and or a representative of the Secretariat will be present at any meeting.
Agendas	Agendas prepared by the Chair in conjunction with the CEO and circulated to all Committee Members no later than a week before the meeting.
Minutes	Minutes to be taken by the CEO or nominated person attending the meeting (or viewing the recording if by videoconference), which may include a member of the Committee. Minutes of all meetings will be circulated to the Board and Committee members.
Quorum	A quorum of a minimum of 50% of the Committee shall be required for all meetings.
Deputy	The Chair will appoint a deputy to act in their absence.
Congress	The Committee Chair shall attend the WN Congress meeting to answer member questions on the work of the Committee and matters within the scope of its responsibilities.
BUDGET AND SPENDING AUTHORITY	
Meeting Expenses	Covered in accordance with WN's expenses policy. Any other expenses must be approved through the CEO in accordance with WN's financial policy and budgets.
ASSESSMENT AND EVALUATION OF THE COMMITTEE'S PERFORMANCE	
Assessment	At least once during each financial year, the Committee will have an assessment in the method prescribed by the Board and having regard to the requirements of these Terms of Reference.
Goals & Objectives	The Committee will determine the goals and objectives for the forthcoming year and review the Terms of Reference in light of any modification to the goals and objectives as may be decided by the Board.