



Audit and Probity Committee Terms of Reference

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Contents

Contents	2
Introduction	3
Purpose	3
Scope	3
Roles and responsibilities	3
Membership	4
Tenure and elapse	5
Quorum	5
Meetings	5
Additional information	6
Finance committee interaction	6
Review	6

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Introduction

In accordance with the statutes for the Chartered Institute of the Management of Sport and Physical Activity (CIMSPA), the Audit and Probity Committee will exercise powers on behalf of the Institute and the board of trustees under the following terms of reference.

Purpose

The purpose of the audit and probity committee is to oversee CIMSPA's risk landscape, ensuring exemplar governance and risk informs CIMSPA's strategy and decision making and is adequately controlled and managed. The audit and probity committee terms of reference are agreed by the CIMSPA board who delegate authority to the audit and probity committee to undertake work relating to the adequacy of CIMSPA's financial reporting and internal controls. The audit and probity committee have no executive powers other than those specifically delegated in these terms of reference.

Scope

The audit and probity committee are responsible for ensuring appropriate procedures are in place for the proper governance of, and mitigation of risk within CIMSPA. The scope of the committee includes:

- To review, monitor and assure adherence to:
 - the law
 - regulatory standards
 - related governance
 - to company policy
- To identify where systems are not operating correctly and supply recommendations for improvement.
- Representing the best interests of the chartered institute.
- Operating with strong moral principles, honesty and decency.

Roles and Responsibilities

The audit and probity committee's role is to:

- Promote appropriate ethics and values within CIMSPA.
- Ensure effective organisational performance management and accountability.
- Communicate risk and control information to appropriate areas of CIMSPA.
- Coordinate the activities of and communicate information among the board, external auditors and management.
- Reference prevailing and regulatory standards to assess and make recommendations for improvements in relation to the regulatory standards.
- Advocate risk management and exemplar governance during CIMSPA's strategic and operational activities.

The audit and probity committee are responsible to the board of trustees for:

- Monitoring the governance arrangements operating within CIMSPA and making recommendations for changes or improvements in line with current best practice and guidance.
- Approving the annual audit plan which includes an assessment of key areas of risk in the organisation and specifies key areas to be tested.
- Ensuring that all appropriate financial, operational and other controls are in place.
- Undertaking duties relating to the oversight and process review of CIMSPA's statutory accounts ahead of audit, for example ensuring process compliance is achieved in finance committee operations and audit preparation.
- Meeting with the financial auditors at least annually, (without management) to discuss technical queries arising from audit.
- Reviewing and ensuring that action is taken following any reports produced by the auditors (external and internal, as appropriate), in particular the annual management letter.
- Monitoring the appropriateness of controls and responses to any fraudulent activity at CIMSPA.
- Monitoring and review of the corporate risk register and reporting to the board of trustees on the efficacy of actions being taken to mitigate risk.
- Raising the top 5 risks and subsequent recommendations for mitigation to the board twice annually. (see annual plan)
- Submitting a full risk rating review and recommendations for mitigation to the board annually. (see annual plan).
- Making recommendations to the board on the appointment, reappointment and removal of external auditors to provide the audit services.
- Approving the appointment or termination of an internal auditor.
- Meeting with the external and internal auditors at least annually, (without management) to discuss matters relating to its remit and any issues arising from the audits.
- Reviewing the results of the external audit and making recommendations for mitigations.
- Reviewing and approving the annual internal audit plan to ensure it is aligned to the key risks of the business and receive regular reports on work carried out.
- Reviewing the performance of the auditors in terms of quality and value for money.
- Reporting regularly to the board on the adequacy of controls in place, with immediate reporting in the event of serious weaknesses in control being identified.
- Reviewing the performance of the audit and probity committee.
- Completing an annual review of all audit and probity committee activities

Membership

CIMSPA's board of trustees aim to ensure that fellow trustees, committee members and CIMSPA's employees are representative of all sections of society that they serve. CIMSPA welcomes and embraces the different perspectives, backgrounds, and cultures individuals bring to the organisation and is committed to ensuring its operation reflects this, through inclusive practices that positively promote respect, equal opportunities for all and dignity.

The audit and probity committee will consist of four members:

- Two independent non-executive trustees (this is excluding CIMSPA's board of trustees' chair and treasurer) with one independent non-executive board trustee having recent and relevant financial experience.
- Two co-opted members recruited for their recent and appropriate skills, knowledge and experience in finance, governance, audit and/or risk management.

Tenure and Elapse

CIMSPA's audit and probity committee members are eligible to stand as a committee member for a term of up to three years. After the first year of the initial term, their position will be reviewed in accordance with the skills matrix, committee composition and committee diversity. At this point, the committee member may continue in their position for a further two years, with annual reviews and CPD governing their tenure to complete their initial three year term. A maximum of three terms of three years may be served, following this format.

Once a committee member has completed their maximum term, at least four years must elapse before they are eligible to stand as a member on any committee for CIMSPA.

Quorum

The quorum necessary for the transaction of business shall be two members, with a minimum of one independent non-executive board member and one co-opted member.

Meetings

The audit and probity committee shall normally meet five times per year, with additional meetings scheduled on a demand led basis. Where it is not possible or practicable to hold meetings at SportPark, Loughborough, meetings will be facilitated by electronic means.

Where recommendations or action is needed by the audit and probity committee more urgently than would be allowed by consideration at the next meeting, the matter will be dealt with by correspondence.

Committee roles are voluntary, however expenses will be met should a committee member be unable to find a sponsor to support their attendance.

Only members of the committee have the right to attend committee meetings. However, CIMSPA's executive team may be invited to attend meetings of the committee on a regular basis and other non-members may be invited by the Chair to attend all or part of any meeting as and when appropriate and necessary.

A minimum of 21 days written notice shall be given to every member of each meeting.

Papers for the committee meeting will be circulated not less than five working days before each meeting.

The minutes of each Audit and Probity Committee meeting shall be made available to the committee, at the earliest convenience.

The minutes of each Audit and Probity Committee meeting shall be made available to the Finance Committee and Board of Trustees upon request.

The Chair of the Audit and Probity Committee will report to the Board following each committee meeting on its duties and responsibilities.

Additional information

The chair of the audit and probity committee will be chosen by the board of trustees.

Co-opted committee members will be appointed through an interview panel including the committee chair and a member of the CIMSPA exec team.

The following will be implemented in the recruitment of co-opted committee members:

- Advertisements for the members will be made publicly available (e.g. using UK Sport's website).
- Open advertising.
- Consideration of candidates from a wide range of backgrounds.
- Consideration of candidates on merit and against objective criteria and with due regard for the benefits of diversity and sector representation on the committee, including gender: taking care that appointees have enough time available to devote to the position.

If the chair is unable to attend or is not present at the start of a meeting, the meeting shall elect a chair for the duration of the meeting.

Outside of the formal meeting programme, the committee chair, will maintain a dialogue with key individuals involved in the company's governance, including the board chairman, the chief executive, and Director of Finance and Resources.

CIMSPA's executive staff will provide secretariat to the committee meetings and will record all minutes of meetings, actions, decisions made and changes to policy and procedures on behalf of the committee. The chair of the committee will review draft documents and approve for circulation to the committee members and public facing copies (where applicable).

Finance committee interaction

The audit and probity committee will have a strategic relationship with the finance committee. Where activities and roles interact, the audit and probity committee will be responsible for the adherence, reflection and review of activities undertaken and the finance committee will be responsible for the mobilisation, actions and direction of activities undertaken.

Review

The audit and probity committee terms of reference will be reviewed by the board of trustees in February 2022 unless changes in policy, governance or other circumstances require a review prior to this date. They will then be reviewed annually in accordance with the board's annual plan.