FINANCE AND AUDIT COMMITTEE
Terms of Reference

AIM

The Finance and Audit Committee is established to take delegated responsibility on behalf of the Sport and Recreation Alliance ("Alliance") Board for overseeing all financial and audit aspects of the Alliance and Sport and Recreation Ventures Ltd ("Ventures") to ensure short and long-term viability and integrity of both entities and the Group they collectively form.

Where information, reports and recommendations relate to the Group as a whole, accountability shall be to the Alliance Board. The Committee shall also be accountable to Ventures Board for matters that impact specifically on Ventures.

ACTIVITIES

1. Review Group management accounts and agree appropriate commentary on the salient features of the accounts. The commentary will be addressed to the Alliance Board of Directors. The Committee shall further ensure that Ventures management accounts are provided quarterly to the Ventures Board.
2. Review annual statutory accounts and agree appropriate commentary on the salient features of the accounts. The commentary will be addressed to the respective Boards of Directors as above.
3. Review of annual budgets and medium-term forecasts, including their consistency with strategy and operational plans and the making of recommendations prior to approval by the respective Boards of Directors.
4. Regular review of risk register.
5. Regular review of banking arrangements and the making of recommendations in this respect to the Alliance and Ventures Boards of Directors.
6. Review of policies and plans concerning investments and reserves
7. Regular review of insurance arrangements in place and recommendations to the Board(s) on insurance cover policy.
8. Review proposed transfers of cash and/or other assets between Alliance and Ventures and provide commentary to the respective Boards on any matters of significance.
9. Review of the split of activities and financial charges between Alliance and Ventures to ensure they reflect the underlying relationship between the 2 entities and that they are compliant with tax legislation
10. Determine the frequency of tendering for external auditing services and oversee the process for selecting the external auditor and assessing their independence.
11. Recommend the audit fee to the Alliance Board and pre-approve any fees in respect of non-audit services provided by the external auditor.
12. Review the external auditors' audit report: the external auditor will be invited to attend a meeting of the Committee
13. On behalf of the Board, conduct an annual review of the effectiveness of the organisation's risk management and internal control systems to ensure that they provide reasonable assurance.
14. Any other duties delegated to the Committee by the Alliance Board
15. The Board will review the Committee's effectiveness annually
16. The Board will review these Terms of Reference at least every four years.

DELEGATED AUTHORITY

1. The Board has delegated authority for three specific areas as set out at Annex A to these Terms of Reference.

MEMBERSHIP

1. The Director with responsibility for Finance
2. The Chair of the Income Generation Committee
3. Two more individuals, either Non-Executive Directors or from the membership, who have financial experience

STRUCTURE

1. The Non-Executive Director with responsibility for Finance shall be Chair of the Committee.
2. At any meeting of the Committee at which the Chair is not present the other members shall agree a Chair for that meeting only
3. The quorum for the Committee shall be two
4. The Chief Executive and Director of Business Development & Corporate Services shall be in attendance at all meetings of the Committee except when the committee directs otherwise
5. The Chair of the Alliance Board shall be entitled to attend any meeting of the Committee
6. The Alliance Board has the power to add to or otherwise alter the composition of the Committee if it deems it appropriate
7. The Alliance Board has the power to terminate the appointment of a member of the Committee

WAY OF WORKING

1. The Committee shall meet as it deems necessary but at least three times a year. The use of teleconference facilities may be used for a meeting and shall be deemed to constitute a meeting for this purpose. Committee members attending by teleconference shall count towards a quorum.
2. The agenda and supporting papers for the meetings will be circulated to Committee members at least seven days before each meeting
3. The Committee has powers to obtain external professional advice and to invite third parties to attend and contribute to meetings of the Committee.
4. Minutes of the Committee will normally be taken by the Company Secretary
5. The Committee shall be responsible directly to the Sport and Recreation Alliance Board and minutes of its meetings shall be distributed to those Directors.

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Annex A

Summary of delegations under Financial Policies and Procedures

Capex	<£10,000	Head of Department and Director of Business Dev & Corp Services
	<£20,000	CEO and Director of Business Dev & Corp Services
	>£20,000 < £50,000	As above plus Finance Committee
	>£50,000	As above plus Board
Write off bad debt	<£5,000	Director of Business Dev & Corp Services
	>£5,000 < £10,000	As above plus CEO
	>£10,000 £25,000	As above plus Director with responsibility for Finance
	>£25,000	As above plus Board
Purchasing Commitment not within approved budgets	<£500	Staff within their area of responsibility plus Line Manager approval
	>£500<£10,000	SMT approval required as follows: **< £2,000** Any 1 member of SMT acting in their own area of responsibility; **£2,000 - £5,000**: Any 1 member of SMT in conjunction with CEO and/or Director of Corporate Services & Business Development; **£5,000 - £10,000** Entire SMT
	>£10,000 <£20,000	As above plus CEO authority required; At least 2 quotations
	>£20,000 <£50,000	As above plus Finance Committee
	>£50,000	As above plus Board