

Audit and Risk Committee – Terms of Reference

1. Purpose and Role

- 1.1 The Board of Trustees of GambleAware ('the Charity') has established an Audit and Risk Committee ('the Committee'). The Committee's primary responsibility is to monitor and review financial and other risks, associated controls, governance and financial assurance. The Committee will provide an independent and objective review of financial and governance matters, assurance processes and risk management.
- 1.2 The Committee will provide assurance for internal and external audit and will monitor corporate governance in terms of meeting the Charity's Objects through its Codes of Conduct and maintenance of registers of interest. Certain designated internal policies will be reviewed by the Committee in accordance with the Policy Review Matrix. The Committee will hold the Charity's management to account on matters within its remit and any related processes.
- 1.3 The Committee may derive additional authority to grant approvals and make decisions in accordance with any recorded delegation arrangement approved by the Board from time to time. The Committee will give direction on necessary corrective actions and agree timelines for completion of activities.
- 1.4 The Committee will act in pursuance of the Charity's charitable objectives. [GambleAware charitable objectives](#)
- 1.5 The Committee will consider the effectiveness of its reporting processes, ensuring that the Board receives adequate and proportionate information to aid the Board's own decision-making and its direction on strategy. The Committee will assist with the development and monitoring of the Risk Management Policy which will be approved by the Board from time to time and the Committee will consider its reporting obligations in the context of the agreed risk appetite and risk assessment methodology within the Risk Management Policy.
- 1.6 All members of the Committee will lead by example in Committee activities, reflecting the Charity's commitment to an equal, diverse and inclusive environment.
- 1.7 The Committee will also actively consider any presented updates or materials relating to any group set up by the Charity to receive guidance and advice from those with lived experience of gambling harm.

2. Membership

2.1 Members

The members of the Committee shall be Trustees appointed by the Charity's Board of Trustees. The appointed Chair shall have recent financial experience. The Committee shall comprise at least three Trustees, including the Chair.

2.2 Attendees

Officers of the Charity including the Chief Executive Officer, the Chief Operating Officer, senior finance officers or other members of the Charity's Executive Leadership Team are expected to attend meetings of the Committee on a regular basis and other individuals may be invited to attend all or part of any meeting as and when appropriate, but only Trustees will have decision-making authority and the right to vote. Internal and external auditors may also attend by invitation. The Chair of the Charity's Board of Trustees may not serve on the Committee.

2.3 Observers

All trustees who are not members of this Committee shall have the right to attend Committee meetings as observers and to receive the papers for any Committee meetings upon request. Other Individuals may from time to time be invited to attend Committee meetings as observers. Observers have no voting rights or decision-making authority.

2.4 Appointments

Appointments of Committee members shall be for a term of three years. No chair or Trustee may serve for more than two terms. At the end of the first term, a Trustee may offer themselves for re-election, which can be agreed by a majority of the Board of Trustees. Trustees may only be Committee members while they are Trustees of the Board.

2.5 Chair

The Board shall appoint the Committee's Chair. In the absence of the Committee's Chair, the remaining Trustee Committee members present shall elect one of themselves to chair the meeting. The Chair of the Board may not be chair of the Committee.

3. Secretary

3.1 The Company Secretary of the Charity shall be the secretary of the Committee.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Meetings

5.1 The Committee shall meet at least three times a year and otherwise as required. The frequency and timing of meetings may differ according to the needs of the Organisation.

5.2 Meetings may be held in person or via video communication, or a hybrid of the two. Any reference to meetings 'in person' shall also allow for virtual attendance.

6 Notice of meetings

6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to attend, no later than five 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.

7 Minutes of meetings

7.1 The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.

7.2 Draft minutes of committee meetings shall be reviewed by the Committee Chair and provided to all members of the Committee for approval. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

8 Meetings of the Board

8.1 The Committee Chair shall attend meetings of the Board to represent the committee's activities and to report matters which assist the Board in its provision of strategic and governance advice on matters of importance and priority to The Charity.

9 Authority

9.1 The Committee is a non-executive committee of the Board and has no executive powers, other than those specifically delegated in these Terms of Reference. The Committee is authorised by the Board to use its oversight role in relation to:

- The implementation of actions and incurring of spend in accordance with any recorded delegation arrangement as agreed by the Board from time to time;
- Financial and management accounting processes, internal controls and risk management;
- The risk management process and the review of risks in accordance with any recorded risk management process which may be approved by the Board from time to time;
- Seeking any information or explanations that it requires from any the Charity employee; Obtaining independent legal or professional advice as necessary and proportionate;
- Seeking the attendance of persons with relevant experience and expertise at the Committee meetings as necessary;
- Obtaining independent legal or professional advice as necessary and proportionate;
- Seeking the attendance of persons with relevant experience and expertise at the Committee meetings, as necessary. Hold management to account on the key deliverables relating to audit, risk management and internal controls.

10. Duties

The Committee shall conduct the following on behalf of the Board, as appropriate:

Finance, Governance and Risk:

- 10.1 Critically review the Charity's financial and management accounting processes from a risk and integrity perspective, reviewing significant financial reporting issues and judgements which they contain; review and make recommendations to the Board in relation to the audited accounts. For clarity, it is the Resources Committee that will scrutinise the operational financial performance, through the monthly management accounts or otherwise, reporting matters into the Board as necessary;
- 10.2 Hold management to account on the key deliverables relating to audit, risk management and internal controls;
- 10.3 Review and critically challenge the adequacy and effectiveness of the Charity's financial and non-financial internal controls and satisfy itself that the system of internal control has operated effectively throughout the reporting period;
- 10.4 Provide oversight on the development and implementation of a risk management approach and support the Board in its assessment of an appropriate risk appetite. Make recommendations to the Board regarding the Charity's risk framework and risk management activity. For clarity, management may implement operational and strategic risk acceptance processes. This Committee may provide guidance and information to the Board of Trustees on risk acceptance and risk mitigation issues;

- 10.5 Review and recommend to the Board the annual governance statement and any other statements to be included in the annual report;
- 10.6 Review the Charity's policies as required by any documented policy review arrangement (as approved by the Board from time to time);
- 10.7 Review the adequacy of governance arrangements with reference to any Charity Governance Code.

External and Internal Audit

- 10.8 Make recommendations to the Trustees in respect of the appointment, re-appointment and removal of external auditors and related fees, as applicable; Oversee the relationship of the Charity with the external auditors and review their effectiveness;
- 10.9 Meet with the external auditor, at least once a year, without management being present, to discuss the auditor's post-audit report and any issues arising from the report and provide the auditors with the Committee Chair's contact details;
- 10.10 Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
- 10.11 Review the findings of the audit with the external auditors. This shall include but not be limited to:
 - A discussion of any significant issues that arose during the audit
 - Any accounting or audit judgements
 - Levels of errors identified during the audit
 - The effectiveness of the audit
- 10.12 Review the management letter and the adequacy of management's response to the auditor's findings and recommendations;
- 10.13 Review any representation letter(s) requested by the external auditor before they are signed by management;
- 10.14 Review significant risk or priority issues arising from internal audits and/or comply with any recorded delegation arrangement as agreed by the Board from time to time.

Compliance, whistleblowing and fraud

- 10.15 Review the adequacy and security of the Charity's arrangements for its employees or contractors to raise concerns, in confidence and without retribution, about possible wrongdoing in financial reporting or other matters;
- 10.16 Review the operation of the Charity's anti-fraud, money laundering and bribery policies and the Charity's systems and controls for the prevention of fraud, money laundering and bribery and receive reports on non-compliance;
- 10.17 Receive regular reports of any alleged instances of fraud, theft, bribery, whistleblowing or safeguarding issues occurring amongst the Charity's staff, Board or Committee members, contractors or any other individuals acting on the Charity's behalf and regularly review the operation of relevant policies
- 10.18 Receive regular reports of any breaches of data protection,

11. Reporting responsibilities

- 11.1 The Chair of the Committee shall provide updates to the Board following each Committee meeting and shall make whatever recommendations to the Board it deems appropriate on any area;
- 11.2 The Committee will provide the Board with any documents or information for noting or approval as required by any delegation or powers reserved arrangement which may be agreed by the Board from time to time;
- 11.3 The Committee shall consider the effectiveness of its reporting processes, ensuring that the Board receives adequate and proportionate information to aid the Board in its focus on the higher risk and priority matters within the Committee's remit.

12. Other matters

- 12.1 The Committee shall have access to sufficient resources to perform its duties
- 12.2 The Committee shall arrange for an annual review of its own performance (by questionnaire or otherwise) and, at least every two years, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.