



RYA AUDIT COMMITTEE

TERMS OF REFERENCE

PREAMBLE

The RYA Audit Committee (the “Committee”) is a non-policy-forming committee of the RYA Council.

1. PURPOSE

- 1.1 The general purposes of the Committee are:-
 - 1.1.1 To assist the RYA Council in the discharge of its responsibility to oversee the performance of the Board on behalf of the members of the RYA (Council Regulation 3.2 (a));
 - 1.1.2 In exercise of the delegated authority given to it by the Board under Article 7.1 of the Articles of Association and Regulation 5.1 of the Board Regulations, to act as a committee of the Board (to be known as the Audit Committee) looking independently at matters affecting the proper protection of the RYA’s interests as regards financial reporting, Board procedures and the processes for risk management and control. In the discharge of this delegated authority the Committee will report to the Board.
- 1.2 The specific purposes of the Committee include to:-
 - 1.2.1 Monitor the RYA’s financial reporting process, commenting, as judged necessary, to the Board;
 - 1.2.2 Recommend to the Board (for it to put to the members in General Meeting) the appointment and, as the case may be, the re-appointment of the external auditors, and to agree their engagement letter at the start of each audit;
 - 1.2.3 Review with the external auditors their audit planning and arrangements, the findings of their audit work (including scrutiny of the audit representation letter before its signature), the audit opinion and management letters, and to report as necessary to the Board;
 - 1.2.4 Review the Board’s processes for the orderly conduct of its own affairs, especially with regard to strategic and operational plans and oversight of the RYA’s financial position, reporting if it judges that there are serious deficiencies:
 - (a) in the first instance to the Board, and
 - (b) if it then judges that insufficient steps have been taken in a reasonable timeframe to rectify such deficiencies, to the RYA Council.
 - 1.2.5 Examine the Board’s approach to the RYA’s risk management processes and safety management systems and consider

whether the Board has effective means to ensure their implementation by the RYA's management team;

- 1.2.6 Propose to the Board and the RYA Council investigations into specific financial control issues, or administration procedures and processes, which it judges necessary; and undertake those that are requested by the Board or the RYA Council;
- 1.2.7 Report to the Board periodically about the results of the Committee's work, identifying any matters on which it recommends further action, and annually to the RYA Council in discharge of its remit from the RYA Council.

2. AUTHORITY

- 2.1 The Committee is authorised to meet annually with the external auditors, without the Board or Management, to discuss matters related to the audit remit and any issues arising from the audit.
- 2.2 The Committee is authorised to liaise with the external auditors so as to arrange and carry out the annual meeting envisaged by paragraph 2.1 above and to require the Board and management team to provide the resources necessary to undertake its duties.

3. MEETING ARRANGEMENTS

- 3.1 The Committee shall meet at least two times each year at such times and venues as the Chairman may decide.
- 3.2 The Quorum for Committee meetings shall be 50% of the voting members of the Committee.

4. COMPOSITION

4.1 Chairman

Appointed annually by the RYA Council after appropriate consultation.

Term: Not more than four years in any period of five.

The Chairman shall be *ex-officio* the Committee's representative on the RYA Council in accordance with Article 16 of the RYA's Articles of Association.

4.2 Standing Members

Up to four further members appointed by the RYA Council on the nomination of the Chairman, to ensure that the Committee has the competencies identified in Section 5 below.

Term: Three years, subject to a maximum of two three year terms.
Maximum six years in any period of seven.

4.3 Board Attendance

A member of the RYA Board shall attend each meeting of the Committee.

5. **COMPETENCIES**

Standing Members of the Committee should be appointed for their knowledge, experience or ability appropriate to the objectives of the committee, but not from amongst any members of Council who are also members of the Board. At least one member must have a qualification from one of the relevant professional accountancy bodies. If a qualified member is not available in this fashion then a supernumerary member may be co-opted.

- 5.1 The Chairman should seek to achieve a fair and representative balance of age, gender, ethnicity and disability amongst the membership of the Committee.

Adopted: 26th June 2013