

FINANCE AND AUDIT COMMITTEE

TERMS OF REFERENCE

The Finance and Audit (F&A) Committee is established as a Board Advisory Committee under section 7.3 of the World Lacrosse (WL) Bylaws.

The Committee reports to the WL Board of Directors via the Secretary General (until the 2020 WL General Assembly) to be renamed Finance and Governance Director post 2020 GA, who is the Chair of the Committee.

PURPOSE

The Committee is responsible for overseeing the effective financial management of WL, including the raising, collection, borrowing and outlay of all monies required to fund its activities, and to report and make recommendations to the Board.

The Committee is also responsible, in cooperation with the WL Chief Executive Officer (CEO), for recommending the annual budget for operations of WL and reviewing monthly financial statements, internal financial policies and procedures.

The Committee is also responsible for recommending the selection of auditors and ensuring that the Federation has audited financial statements prepared annually, and for receiving the auditor's written and oral comments and findings.

1. COMPOSITION AND MEMBERSHIP

- 1.1. The F&A Committee consists of a minimum of three and a maximum of five people including the Chair and at least two other Board Directors, and with the discretion to appoint up to two additional non-director members with relevant skills and experience, who will serve for four years with an option to serve a second term. Board Director terms of office on this Committee shall not exceed their respective expiry date on the Board. However, the practice will be to encourage change of membership as good practice.
- 1.2. The Committee may require other parties to attend some or all of its meetings, including Legal Counsel, WL Management team members and the external auditor and/or Committee Chairs for relevant parts of the budget setting process.
- 1.3. The Chief Operating Officer (COO) will be the lead staff member for this Committee and may attend meetings without voting privileges.

2. SKILLS, QUALITIES AND COMPETENCIES

- 2.1. A detailed position description outlining the profile and competencies of the Chair of the Committee is used in the nominations and selection process.
- 2.2. Members of the Committee will need to have the skills, qualities and competencies outlined in Appendix 1. In forming the Committee, the Chair will seek to balance a range of skills, qualities and competencies, as well as gender and geographic diversity. Appendix 1 will be reviewed annually by the Committee Chair and may change.

3. RESPONSIBILITIES

- 3.1. The Committee is responsible for advising the Board and the GA and working with them to support the development and implementation of agreed priorities in the WL Strategic Plan. In each area, the Committee will:
 - 3.2. Annual Audit of Financial Statements
 - 3.2.1. Review the draft annual financial statements and related reports of the company and recommend their approval to the Board
 - 3.2.2. Make recommendations to the GA on the appointment of external auditors in the post audit report
 - 3.2.3. Monitor the external auditor's independence, objectivity and effectiveness
 - 3.2.4. Review and make recommendations to the Board in respect of matters raised by the external auditor
 - 3.2.5. Advise the Board, at three-year intervals, whether the organization is receiving a cost-effective and high-quality professional service from its external auditors; this advice will be based on an evaluation of the auditor's performance and on the outcome of an open tender process for the following three years' audit contract.
 - 3.3. Financial Management and Controls
 - 3.3.1. Review the effectiveness and operation of the accounting policies, financial management processes and internal controls in place throughout the organization
 - 3.3.2. Receive the monthly management accounts pack presented by the CEO
 - 3.3.3. Review and report to the Board on the management accounts pack on a quarterly basis
 - 3.3.4. Review the annual budget and its underlying assumptions, as presented by the CEO and recommend its approval to the Board
 - 3.3.5. Review communications regarding the budget to WL Members and the GA for inclusion in the WL Annual Report
 - 3.3.6. Develop and assess long-term strategy in collaboration with the CEO and key staff
 - 3.3.7. Adopt financial performance measures and review actual performance against short-, medium- and long-term plans and benchmarks
 - 3.3.8. Review and report to the Board on significant capital expenditure proposals

3.3.9. Meet requests from the Board for assistance concerning finance-related matters as may arise from time to time

3.3.10. Ensure that, for parties wishing to communicate information of a sensitive nature to the organization, there is a confidential access channel in place through the Chair of the F&A Committee

3.4. Financial Risk Management

3.4.1. Conduct formal risk assessments related to financial matters and make recommendation to the Board on an annual basis

3.4.2. Ensure there are appropriate financial risk management and risk avoidance measures in place

4. OPERATING AND REPORTING PROCEDURE

4.1. The Committee will follow the WL General Procedures applicable to all Committees. (see Appendix 2)

5. MEETINGS

5.1. Minutes of all meetings will be circulated to the Committee, the WL President, who is an ex officio member of all Committees, and the WL Executive Administrative Assistant, but will be commercially confidential. The Chair will report to the Board on outcomes of its meetings.

5.2. A quorum of a minimum of 50% of the Committee shall be required for all meetings. In the absence of the Chair, he/she will appoint a deputy, or the members present will appoint a Chair for that meeting, who will liaise with the Committee Chair.

6. DELEGATED AUTHORITY

6.1. The Committee, following notification to the President, may seek such external professional advice as it deems necessary to discharge its responsibilities.

6.2. The Committee will annually review the delegated authority levels made to the CEO in respect of the following areas, but may include others as appropriate:

6.2.1. Approval of provisions for bad and doubtful debts by the CEO

6.2.2. Approval for write off of bad debts

6.2.3. Check signing levels

6.2.4. Authorization of credit cards

6.2.5. Authorization of variations to the standard limit for credit cards

6.2.6. Additional credit cards for new persons

6.2.7. Approval of expenditure in planned annual budget

6.2.8. Approval of new expenditure not in planned annual budget

6.3. The Committee has no delegated authority for decisions or expenditure other than where specifically authorized by the Board.

APPENDIX 1. SKILLS, QUALITIES AND COMPETENCIES FOR MEMBERS OF THE FINANCE AND AUDIT COMMITTEE

The membership of the Finance and Audit Committee will seek to gain a balance of the following amongst its members:

- Finance expertise
- Audit expertise or experience
- Knowledge of accounting rules and guidelines
- Financial management expertise or experience
- Strategic planning experience
- Budget, planning and management experience
- Members who are free of conflict (particularly as it pertains to financial management of WL Members and/or Continental Federations)
- Capital markets and debt management experience
- Knowledge of understanding of risk management
- Awareness of the WL governance documentation that relates to these areas

Members of the Finance and Audit Committee should aim to uphold the values of World Lacrosse and to encourage these to be upheld across the community.

- Teamwork
- Passion
- Respect
- Integrity
- Friendship
- Inclusiveness



APPENDIX 2. GENERIC PROCEDURES FOR ALL WORLD LACROSSE COMMITTEES, COMMISSIONS AND WORKING GROUPS

APPENDIX 3. LEVELS OF DELEGATED AUTHORITY TO THE CEO FOR FINANCIAL ACTIVITIES

The levels of current delegated authority are:

Financial Area	CEO Delegated Authority
Approve write off of bad debts	CEO up to \$1000; F&A over \$1000
Sign checks as required and similar payments online / credit card	CEO up to \$10,000; Over \$10000 a second signatory authorized by F&A required
Authorize issue of credit and debit cards	F&A Committee
Movement between WL accounts	CEO up to \$100,000; F&A over \$100,000
Authorize variations to standard limit for credit cards	F&A Committee
Approval of expenditure within budget	CEO up to \$10,000 on a single transaction; Secretary General/President above \$10,000 in advance of incurring expenditure
Approval of expenditure not within budget	CEO up to \$5,000; Secretary General/President \$5,001 - \$25,000; F&A above \$25,000