



Active Lancashire Limited
AUDIT AND FINANCE COMMITTEE OF THE BOARD
TERMS OF REFERENCE

Constitution and Membership

1. The Audit and Finance Committee ('the Committee') shall be appointed by the Board. The Committee shall comprise not less than four and not more than 6 members. A quorum shall consist of not less than two Directors one of which must be the Lancashire Director.
2. The Committee shall appoint one of its members as Chair.
3. The Company Secretary shall be Secretary of the Committee.

Purposes

The purposes of the Committee are to ensure good financial governance and to enable the company's financial management and risk assessment to be reviewed in greater detail than is possible at regular Board meetings.

Functions

The Committee has delegated authority to agree (or, where appropriate, recommend to the Member(s) of the Company) on behalf of the Board:

- (a) The draft annual Financial Statements ensuring they comply with all statutory and administrative requirements;
- (b) the arrangements for internal audit and findings of internal audit reports;
- (c) the arrangements for external audit and findings of external auditors;

- (d) the Company's Financial Regulations, internal control policies, procedures for the identification, assessment and reporting of risks, and to monitor, review and update the same;
- (e) Risk Assessment (including, but not restricted to review of the risk register and performance reports);
- (f) review of the current Profit & Loss account;
- (g) review of the Annual Balance Sheet statement;
- (h) review proposed write-offs of aged debtors in excess of £2,500 with decision for recommendations to the full Board;

any other matters when requested by the Board.

Reporting Arrangements

The Minutes of the Audit and Finance Committee shall be presented to the Board for information. The Chair or any other Committee member shall answer any questions thereon.

Attendance

1. The Board or Committee may invite any persons they see fit to attend all or part of any meeting of the Committee.
2. The Committee shall meet at least three times per year or as required.

Meetings of the Committee shall be called by the Company Secretary, Chair of the Board, Chair of the Committee or any two Directors of the Board or the Company's Auditors.