

Risk and Audit Committee

Terms of Reference

The World Anti-Doping Agency (WADA)'s Risk and Audit Committee (RAC) is constituted under Article 6 of the Constitutive Instrument of Foundation (also known as the Statutes) as a permanent Special Committee of the organization.

These Terms of Reference have been approved by the WADA Foundation Board and are published on the WADA website. They are reviewed annually to ensure they remain accurate and fit for purpose and can be amended whenever necessary.

The WADA Statutes and the Regulations of the Permanent Special Committees can be referenced in conjunction with these Terms of Reference.

Purpose

The RAC is independent and non-political. Its main purpose is to monitor and assist WADA in fulfilling its responsibilities in terms of risk management, financial reporting and compliance with policies and regulations.

Goals and Objectives

1. Oversee internal risk management and control systems and formally report to the Foundation Board (and inform the Executive Committee as appropriate) on the types of risk to which WADA is exposed to;
2. Through quarterly (or bi-annual) monitoring of the Profit and Loss (P&L) and Balance Sheet, ensure WADA's year-end financial statements are presented per International Financial Reporting Standards (IFRS) and reflect a fair, balanced and accurate position;
3. Recommend to the Foundation Board the appointment/removal of the external auditor and supervise them;
4. Review findings of the external auditor, report to the Foundation Board (and inform the Executive Committee as appropriate) on the recommendations from the audit and actions to be taken, monitor the implementation of the external auditor's reports and recommendations by Management;
5. Review compliance with policies, procedures and applicable regulations where relevant, including matters of ethics or financial reporting, without prejudice to the competence of other bodies such as the Independent Ethics Board or the Finance and Administration Committee; and
6. Review and support the Internal Audit function in providing value added recommendations focused on risks and process efficiencies. More specifically, responsibilities include:

- a. Review and endorse the annual Risk-Based Internal Audit Plan, and subsequent significant changes recommended by Internal Audit.
- b. Review summary internal audit reports outlining significant findings and recommendations ensuring the adequacy of internal controls and satisfies themselves of the correction actions proposed by management to address the issues.
- c. Review reports from the Internal Auditor on the status on the implementation of corrective actions stemming from recommendations.

Reporting Structure

The Committee through its Chair (or Vice-Chair where applicable) will report formally on an annual basis to the WADA Foundation Board and, when necessary, inform the Executive Committee.

Composition (including Terms of Appointment)

The Committee will be composed of three members (including the Chair and the Vice-Chair), as follows:

1. One member of the Executive Committee; and
2. Two external experts appointed by the Executive Committee.

The members of the Committee cannot also be member of the WADA Finance & Administration Committee.

Member terms are for three years, and they may be reappointed for a maximum of two further consecutive terms of three years provided that they continue to meet all relevant eligibility criteria. They cannot serve for more than nine years in aggregate for the same Committee.

WADA's Committees aim to apply a rotation policy for members whereby generally one third of the members change every year. The inaugural Members of the RAC Committee will be allocated one, two and three-year terms (recommended by the Nominations Committee; see below) and at the end of their first terms, will be eligible for three-year terms.

When the Executive Committee member seat is due to become vacant, the WADA President will approach all current Executive Committee members at the time, to seek interest in joining the RAC. It is generally expected that the Member will have good institutional knowledge of WADA, and/or have relevant knowledge and expertise in the work of the RAC. If more than one Member expresses interest and fits the preferred profile for the position, the President will request the Executive Committee to take the decision by simple majority of the votes cast by the members present at the time of the vote.

When an independent expert seat is due to become vacant (and at the outset of the Committee formation), the Nominations Committee will be responsible for searching for and vetting candidates. WADA stakeholders can identify candidates and submit them to the Nominations Committee. Once one or several candidate(s) have been deemed to fulfil the vetting criteria, they will be presented to the WADA Executive Committee for approval. If approved, they will be appointed by the Executive Committee for a term of three years.

The composition of the Committee shall aim to ensure appropriate diversity amongst the membership, where possible, taking into account the small membership size of the Committee and the need for relevant expertise and experience which is first and foremost important.

Chair/ Vice Chair

The Committee will be responsible for appointing their Chair from between the two independent experts.

The second independent expert will automatically be appointed as the Vice-Chair to act as Chair when the Chair is not present or is unable for any reason to act.

The length of the Chair and Vice-Chair's terms will be equal to the length of their term as a member of the Committee.

Skills Requirements

On the whole, the Members of the Committee should have skills and experience commensurate with the purpose, goals and objectives of the Committee, and at least one member should preferably have experience in auditing and risk management.

Independence

The Committee shall operate exclusively under these Terms of Reference, in order to ensure the independence and specialization of its members, which is critical for the credibility and effectiveness of the Committee's work.

For the representative of the Executive Committee, their role is to ensure that the perspectives and realities of the Agency are taken into account in the Committee's deliberations. However, this member must remain independent, and must make decisions and cast any vote based on their assessment of what is in the best interests of the Agency.

For the independent experts, their role is to provide their skilled opinions and advice in terms of best practices in all areas of the Committee work, at all times, without undue influence. They must meet the requirements of personal and operational independence as defined in the By Laws of the Foundation Board on Independence and shall not be involved in WADA's operations and/or management.

Each candidate to the Committee shall disclose to WADA's Director General any facts or circumstance that they consider might impair their ability to remain independent, e.g., if a reasonable third party would conclude based on those facts or circumstances that it is likely that the member may be influenced by factors other than the interests of clean sport in fulfilling their duties.

Conflicts of Interest

Committee members are bound by the WADA Conflict-of-Interest policy, which is modified from time to time. In accordance with that policy, they are required to complete and sign and submit annually a Statement of Independence and Interest, and to update that Statement if and as necessary during the year.

Confidentiality

All Committee members are required to sign a confidentiality agreement upon appointment, and again annually.

Observers and Outside Expertise

The Chair of the Committee, in consultation with and upon approval of the WADA President, may seek assistance from outside experts from time to time.

The Committee can decide to hear any person it finds necessary for the accomplishment of its tasks.

Working Norms

The Committee will meet virtually generally in line with the development of the financial statements compiled by WADA's Management, i.e., between two to four times per year. Given the virtual nature of their work, the number of meetings convened may be increased, if there is a justified need for an extraordinary meeting.

The Committee can request from WADA Staff, any information necessary to perform its tasks and invite any staff member to its meetings.

At least two members must be present at a meeting in order for the meeting to be quorate. Members are expected to attend each meeting, but absences on reasonable grounds may be explained in advance by the member in writing to the Chair. The absent member may if they choose, submit in writing any comments that they have on any items on the agenda for the meeting. If a member is absent without reasonable excuse from two or more meetings in any one calendar year, his/her membership of the Committee may be terminated.

The Committee will seek to operate on the basis of consensus and maintain as informal a manner as is possible or appropriate for the conduct of Committee business. Where there is no divergence of opinion, a formal vote is not required. Where it appears there may be a divergence of opinion, a formal vote may be taken (by show of hands or equivalent electronic system). A bare majority is required to support a recommendation or other decision (with any abstentions being disregarded for these purposes). In case of a tie, the Chair (or the Vice-Chair where applicable) will have a casting vote.

Where necessary, votes may be taken and decisions may be made between meetings by circular email or other suitable means.

Meetings Notes and Reports

A summary of the main discussions of the Committee meetings will be posted on the WADA website, following approval by the Members of the Committee.

The Committee's reports to the Executive Committee and Foundation Board may be provided in writing or orally.

[WADA's Annual Audited Financial Statements are published once approved by the Foundation Board].

Communications and Media

All members are required to read and comply with WADA's Media Relations policy, as issued by the Agency from time to time. Should a member receive a request for an interview in relation to their role with the Committee, or WADA's work in the fight against doping in sport, they should consult first with the WADA Head of Media Relations or (if absent) with the WADA Communications Director.

Administrative and Funding Support

WADA shall provide the necessary administration and financial resources to support Committee meetings and their work. Administrative support will be provided by the WADA Office of the Director General.

Remuneration is offered to two expert Committee members based on the time spent on the work of the Committee. The remuneration model is aligned with WADA's other Special Committees and for independent members on other such bodies.

WADA provides on an annual basis "General Information and Guidelines" to all its Committee members. This document provides an overview of administrative policies and procedures applicable to the Committee.