



## Committee Charter for US SQUASH

### Finance and Audit Committee

**Effective November 20, 2009, Amended December 2, 2016**

#### **I. Establishment and Structure of the Finance and Audit Committee of US Squash**

Set forth below are excerpts from the current By-laws of the United States Squash Racquets Association (the "By-laws") specifically pertaining to the establishment and function of the Finance, Audit and Compensation Committee (the "Committee") as provided in Article IX, Section 10 (2).

Annexed as addendum A are the general provisions from the By-laws pertaining to the establishment and function of all Standing Committees.

Current US Squash By-laws Article IX, Section 10 (2) provides:

- a. *Authority.* The Finance and Audit Committee shall oversee the preparation and review of the annual budget for the Association to be prepared by the CEO and to be submitted for the forthcoming fiscal year to the Board no later than ten (10) days before its Annual Meeting and the Annual Meeting of the Members. The Finance and Audit Committee shall oversee the selection and retention of independent auditors and ensure that audits are undertaken annually, and that such audits are objective and in accordance with Generally Accepted Accounting Principles ("GAAP"). The Finance and Audit Committee shall oversee all general budgeting and financial planning. This Committee may also submit recommendations to the Board concerning any matter relating to the financial affairs of this Association. The Finance and Audit Committee shall also be responsible for such other activities as specified in its Committee Charter.
- b. *Composition.* The Finance and Audit Committee shall consist of at least three (3) and at most five (5) members, with at least two (2) members who are also members of the Board and with at least one (1) member who is an Athlete Representative.
- c. *Chairperson.* The Chairperson of the Finance, Audit and Compensation Committee shall be selected by the Board and be a member of the Board. The Chair of the Board shall not be the Chairperson of the Finance and Audit Committee.

- d. *Election.* Members of the Finance and Audit Committee shall be selected by the Board except for the Athlete Representative, who shall be selected by the Athletes' Advisory Council.

## **II. Committee Charter provisions of the US Squash Finance and Audit Committee:**

### Mission

1. It is the primary responsibility of this Committee to oversee the finance, budgeting, audit, and compensation practices and policies of the Association.

### Membership

2. The Committee shall proactively engage with the Board and the Nominating and Governance Committee on an ongoing basis to seek as Committee members individuals who have meaningful prior management leadership and/or board level experience, as well as educational and/or professional training, in organizational finance, budgeting, audit and/or executive compensation policy best practices in both for-profit and not-for-profit environments.

### Authority and Procedure: Audit and Financial Reporting

The Committee shall have responsibility to:

3. Monitor and oversee the Association's internal controls over income, expenditures and financial reporting and the external audits of financial statements.
4. Assess the independent auditor's qualifications and independence.
5. Assess the performance of the Association's internal audit function and independent auditors.
6. Assess the Association's compliance with applicable legal and regulatory requirements with respect to all aspects of its finances and financial reporting.
7. Oversee the process by which independent auditors are selected.
8. Recommend to the Board the appointment and/or replacement of the independent auditor.
9. Recommend to the Board the business terms of engagement and compensation of the auditor.
10. Oversee the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

11. Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be approved.
12. Discuss with management and the independent auditor the Association's interim financial statements prior to presentation to the Board, including the results of any independent auditor's review.
13. Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Association's financial statements, including any significant changes in the Association's selection or application of accounting principles, any major issues as to the adequacy of the Association's internal controls and any special steps adopted in light of material control deficiencies.
14. Review and discuss at least annually reports from the independent auditors on:
  - (a) All critical accounting policies and practices to be used.
  - (b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
  - (c) Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
15. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures (if any) on the Association's financial statements.
16. Share and review all disclosures made to any member of the Committee by the CEO and other staff members during the audit process about any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Association's internal control over financial reporting.
17. Review and approve all related party transactions.
18. The independent auditor shall submit to the Committee annually a formal written statement delineating all relationships between the independent auditor and the Association ("Statement as to Independence"), addressing each non-audit service provided to the Association and at least the matters set forth in Independence Standards Board No. 1.
19. Review the appointment and replacement of finance function professionals employed by the Association, if any.
20. Review the significant reports to the Board prepared by the staff together with staff responses and follow-up to these reports.

21. Discuss with the independent auditor and management internal finance function responsibilities, budget, qualifications and staffing and any recommended changes in the planned scope of the Association's finance function.
22. Review for completion of annual regulatory requirements and corporate insurance coverage.
23. Obtain reports from applicable staff and the independent auditor that the Association is in conformity with applicable legal requirements and Association's Code of Ethics. Review reports and disclosures affiliated party transactions. Advise the Board with respect to the Association's policies and procedures regarding compliance with applicable laws and regulations and with the Association's Code of Ethics.
24. Obtain reports from the staff relating to issues resulting from procedures for the receipt, retention and treatment of complaints received by the Association regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
25. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports, which raise material issues regarding the Association's financial statements or accounting policies.
26. Discuss with applicable counsel legal matters that may have a material impact on the financial statements or the Association's compliance policies.

#### **Limitation of Committee's Role with Regard to Audit Oversight**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Association's internal control over financial reporting is effective or that its financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of the applicable staff and the independent auditor.

#### Authority and Procedure: Fraud Risk Assessment

27. The Committee shall oversee the establishment and updating of the Association's Fraud Risk Assessment policies and procedures.

#### Meetings and Reports

28. The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet periodically with management, any internal auditors if applicable and the independent auditor in separate executive sessions. The Committee may request any officer or employee of the Association or the Association's outside counsel

- or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
29. The Committee shall make regular reports to the Board.
  30. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
  31. Committee meeting deliberations shall be kept strictly confidential but all relevant information obtained as a result of the Committee's work shall be shared freely amongst all of the Committee members. The Finance Chair shall be the public spokesperson for the Committee.
  32. The Committee Chair shall maintain and provide their successor with a "Standing File" that will include all information the Chair deems relevant to a smooth transition.