Report of the Audit Committee (“the Committee”) for the Year ended 31 December 2020 and activities during 2021.

Activities and Achievements

On 25th February 2021 Council voted to accept the Board’s entire list of nominees, meaning the following individuals have been appointed to the Committee for the 2021-2024 Quadrennial:

- As the independent chair, Phil Cotton
- As the second independent member, Stephanie Lyons; and
- The Board member, Marcus Spillane.

In order to progress matters, notably to approve the external audit strategy for the year ended 31 December 2020, the Board’s proposed Committee, (as recommended by the Board on 9th February 2021) had their first virtual meeting on 10th February 2021. In addition to the Committee, this meeting was attended by our external auditors, Haysmacintyre with audit partner and audit manager, Tom Wilson and Shane McCormack present. David Graham and Raksha Patel also attended on behalf of World Sailing. The audit strategy, fee and timetable were duly approved.

The audit close-out meeting was held on 30th April 2021 with all the above present. The primary matter dealt with at the April meeting was the review of the Consolidated Financial Statements of World Sailing Limited for the year ended 31 December 2020 and to consider the Independent Auditor’s draft findings report. The principal matter raised by the independent auditor was the going concern review including evidence and confirmation of the International Olympic Committee’s ("the IOC’s") continued support of World Sailing through this period of uncertainty. The IOC has been contacted to provide assurance that Tokyo 2020 ("the Games") will go ahead and accordingly continued support of World Sailing will be forthcoming. At the time of writing this report however this confirmation has yet to be received and in order to eliminate any risk of reference to a material uncertainty (with regard to going concern) in the Annual Financial Statements, this Committee’s recommendation to the Board is to delay approval of the Consolidated Annual Financial Statements until such confirmation is received or to a time when the Games are 100% certain to proceed.

It should be noted that Cash flow projections were tabled for the period through to 31st December 2022 based on various scenarios including the very unlikely scenario of cancellation of Tokyo 2020. Under all scenarios World Sailing has sufficient funds for the foreseeable future.

The Committee had private discussions with the external Audit partner and manager without management present. No reportable matters arose from either their reporting or these discussions other than to praise the work of the Finance Director, Raksha Patel.

The Committee recommends the reappointment of Haysmacintyre as the Independent Auditor for all World Sailing group companies for the year ending 31 December 2021.

Other standing items on the Committee’s agenda for meetings covered by this report include:

- A review of the Contract Register
- Consideration of the quarterly management accounts
- The short term reserves position
In addition to the year-end audit and the other standing items listed above, the Committee has also recently started a project looking into World Sailing’s approach to risk management. We will present our proposed approach and suggested next steps at a future Board meeting within the next quarter.

The scope of our review will cover the organisation’s risk appetite, a risk management framework, a risk work plan and a material risk register. Specific risks being considered include:

- Human Health & Safety
- Financial risk
- Strategic risk
- Commercial and contractual risk
- Reputational risk
- Legal and Compliance risk
- Technology, Data Privacy and Security risk
- Safeguarding risk.

Phil Cotton

Independent Audit Committee Chairman

12th May 2021