



AUDIT COMMITTEE

TERMS OF REFERENCE

1. PURPOSE/ OBJECTIVES: -

- 1.1 The Audit Committee (the 'Committee') is established by the Board of Directors (the 'Board') of British Gymnastics (the 'Company') to assist the Board in fulfilling its oversight responsibilities. The Committee is more specifically mandated to monitor the financial reporting process and system of internal controls regarding financial reporting and accounting compliance, and the audit of its financial statements.

2. DUTIES & RESPONSIBILITIES

- 2.1 The primary duties and responsibilities of the Committee include:

- Review of the external Auditors' Audit Plan
- Internal auditing process, accounting standards and practices
- Financial information, system of accounting systems, internal controls and the reliability of information
- Review of the Company's Policies and Procedures relating to governance and Risk Management, including annual review of the Risk Management Policy and Risk Register (Board and Departmental)
- Any certifications required by Regulatory Authorities
- Review of quarterly and annual Financial Statements and Reports and budgets prior to approval by the Board
- Litigation, contingent liabilities and tax matters, including compliance with statutory tax obligations
- Accounting and auditing issues
- Incidents of fraud and the operation of the Company's Financial Regulations relating to whistleblowing
- The Company's Policies and Procedures relating to fraud and the prevention of corruption
- Recommending the appointment and reappointment of the Company's external Auditors

- 2.2 The Committee is responsible for ensuring the independence of the external Auditors. The Committee must maintain a direct relationship with the Board, the management as well as with the external Auditors. The external Auditors must report directly to the Committee.

3. COMPOSITION OF THE COMMITTEE

3.1 The Board is responsible for the appointment of members to the Committee, for setting the term of members' appointments and for the revocation of any such appointments. The Board will seek recommendations from the Nominations Committee for positions on the Committee.

3.2 The Committee will have the following members:

Chair – Independent Non- Executive Director (NED)
Chairman NED (Provided the Chairman was an Independent NED prior to appointment as Chairman.)
NED
Chief Executive Officer

(At least one of the NED's will have recent and relevant financial experience.)

3.3 Only members of the Committee have the right to attend Committee Meetings. However, other individuals such as the BG Group Accountant and appointed Auditors may be invited to attend for all or part of any Meeting as and when appropriate.

4. MEETINGS

4.1 The Committee will meet at least once a year in August or at such times as required by the Chair.

4.2 The Meeting date in August is to be agreed once the following annual audit plan is adopted:

June	External audit conducted at BG premises
August	Finalisation of accounts meeting with Auditors Accounts to be approved by the Board
September	Annual accounts to be approved at the AGM

4.3 The Agenda will be agreed by the Chair and distributed prior to each Meeting.

4.4 Standing Agenda items are:

- Draft End of Year Financial Report
- Auditors Report
- Finalisation of accounts for Board approval
- BG Financial Regulations

4.5 The Committee will present a Report to the Board following its Meeting in August, recommending the following documents for approval:

- Audited annual financial statements, in addition to any documents which accompany these financial statements
- The Report of the external Auditors
- All public disclosure documents containing audited or unaudited financial information, including management's discussion and analysis

5. OTHER

5.1 The Committee shall also review annually the written Report of the external Auditors, identifying important relationships maintained with the Company or any other elements raised, which could compromise their independence, including a description of their services and fees.

5.2 The Committee should also review annually:

- The performance of the external Auditors
- The audit findings and recommendations of external Auditors and Management's response thereto
- The BG Financial Regulations to ensure that the document is updated annually