

## ROTARY AUSTRALIA WORLD COMMUNITY SERVICE

### Terms of Reference

#### AUDIT AND RISK MANAGEMENT COMMITTEE

##### **Purpose**

The purpose of the Audit and Risk Management Committee is to assist the Board in complying with its financial management, risk management and reporting obligations.

##### **Responsibilities**

The Committee shall:

- (a) review the half-year and annual financial statements of the Company, together with the external auditor's opinions, to ensure they represent a true and fair view of RAWCS Ltd. financial position and performance.

The Committee should place emphasis on; (i) compliance with accounting standards.

(ii) significant or unusual transactions and accounting estimates; (iii) significant changes in accounting policies and practices.

(iv) significant audit adjustments:

- (b) review and consider external audit findings reported in the audit management letters and other reports provided by the external auditors and ensure that findings are promptly addressed.
- (c) review the half-year and annual reports and consider the accuracy and completeness of the information within it to ensure consistency with information known to members of the Committee.
- (d) approve all annual financial accounts for referral to the Board for final approval, and
- (e) monitor capital management.

##### **External Audit.**

The Committee shall:

- (a) review and approve the annual External Audit Plan and external audit budget.
- (b) review the performance of the external auditors.

##### **Risk Management.**

The Committee shall:

- (a) review RAWCS risk profiles and assessment of risk across the company.

- (b) oversee and approve strategy of the Risk Management Framework, approve Management's implementation strategy for the framework and, oversee progress in implementing the framework.
- (c) annually review and evaluate the effectiveness of, and the company's compliance with the Risk Management Framework;
- (d) review the Company's actual and potential financial, operational, legal and compliance risk exposures.
- (e) where appropriate, recommend principles, policies and processes for the management of risk for approval by the Board.

### **Fraud Control.**

The Committee shall:

- (a) oversee and approve the design and implementation of the fraud control plan.
- (b) review and evaluate annually the effectiveness of the company's compliance with the fraud control plan.

### **Reporting**

#### **Responsibilities.**

The Committee shall:

- (a) regularly report to the Board about the Committee's activities, issues, and related recommendations.

### **Committee Composition.**

The Committee shall comprise:

- (a) Immediate Past Chairman
- (b) National Treasurer
- (c) DG Representative
- (d) Independent Representative nominated by the Board