

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