

## **Board Risk and Audit Committee**

*Terms of Reference approved by the Board of Directors, 15 March 2004  
and updated 29 January 2018*

The Risk and Audit Committee (RAC) shall have at least three members, with at least two members from the Board and one or more co-opted with preference given to those who have previously served as directors. The chair should be a full TI Board director.

The purpose of the Risk and Audit Committee is to report to the Board of Directors of TI on the state of the organisation's financial position and the arrangement pursued by TI's management to ensure sound and prudent control of the organisation's finances. To fulfil this mandate the Audit Committee will provide an annual report to the Board of Directors and such periodic reports as it may consider appropriate. Its activities will cover the following issues:

- a. It shall review the annual financial statements (if necessary by direct contact with the external auditor) for accuracy, consistency and compliance with sound disclosure requirements and it shall report to the Board on these matters;
- b. It shall recommend to the board the appointment of the external auditor;
- c. It shall determine where TI's major risks lie and how management is dealing with them. It shall ensure that there is a proper system of internal control in operation at TI-S with regard to all aspects of financial management;
- d. It shall evaluate the competence of the finance team, allocation of responsibilities within the team, steps to enhance skills and evaluation of individual performance; and
- e. It shall review the extent to which the TI-S Finance Department is able to assess the compliance of National Chapters with the TI-S accounting and auditing requirements.