

19th March, 2024

The Secretary

Colombo Swimming Club

Colombo

Dear Sir

Amendment to Resolution circulated, dated 8th March, 2024, pertaining to the "Establishment and Appointment of an Audit Committee at the Colombo Swimming Club" (Resolution), pursuant to Article 28(a)(iv).

The rationale for the requested amendment for the above Resolution.

The Resolution proposed to "*Establish and appoint Audit Committee Members*". However, presently pursuant to Article 13 A of the Constitution, an Audit Committee had been established and the procedure of appointing of Members provided. Hence, I believe what was proposed by the Resolution, would have been to amend the existing Article 13A, by providing the Members the right to appoint the members to the Audit Committee, rather than the Additional Trustees, ex-officio, becoming Members of the Audit Committee and incorporating other safeguards, in the best interest of the Members.

Amended Resolution

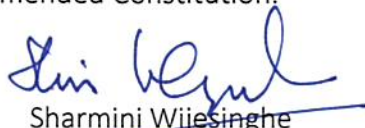
As there would be ambiguity, as to what amendments are required to be made and to which Articles in the Constitution pursuant to the Resolution, it is now proposed to amend the Resolution by completing deleting Article 13A, as was envisaged by the Resolution, and substituting same, with a new Article 13A, as provided in Attachment A, to this amended Resolution, submitted pursuant to Article 28(a)(iv).

The proposed amendment to the Resolution, is keeping with the rationale stated in the Resolution that "The resolution incorporates additional criteria for the membership and the Independent Audit Committee to ensure a high Degree of independence and objectivity, reflecting the Clubs' commitment, to the highest standards of financial transparency accountability and ethical conduct"

If the Members so desire, this Resolution, could also be made part of the proposed repealing of the Constitution, and replacing same with an up to date amended Constitution.


Mohan Wijesinghe

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Sharmini Wijesinghe

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ATTACHMENT A

Item #	Original Version	Suggested Amendment	Comments
1	<p>13 A. Audit Committee</p> <p>There shall be appointed an Independent Committee called the "Audit Committee" which shall be comprised of and shall meet and be empowered to carry out the duties and functions, as follows:</p> <p>I. Composition of the Audit Committee and Meetings</p> <p>(a) The Audit Committee shall be constituted by 5 members of the Club, as follows:</p> <p>(i) The 3 Additional Trustees of the Club, who shall be ex-officio Audit Committee members;</p> <p>(ii) 2 members of the club with suitable experience/ expertise who shall both be nominated by the Additional Trustees, of whom at least one shall be a qualified Accountant [hereinafter, the "Nominated Audit Committee Members"]</p> <p>(b) Notice of the Nominated Audit Committee Members shall be given by the Additional Trustees to the General Committee within thirty (30) days of the Annual General Meeting (AGM) of the Club.</p> <p>(c) The Nominated Audit Committee Members shall take office as Audit</p>	<p><u>13 A. Audit Committee</u></p> <p>There shall be appointed an Independent Committee called the "Audit Committee" which shall be comprised of and shall meet and be empowered to carry out the duties and functions, as follows:</p> <p>I. Composition of the Audit Committee and Meetings</p> <p>(a) The Audit Committee shall be constituted by Three (3) Members of the Club, appointed by the Members at an Annual General or a General Meeting.</p> <p>(a) The nominated Members shall have suitable experience/ expertise, in the sphere of Finance/Accounting/Auditing, as would be decided by the General Committee from time to time;</p> <p>(b) A nominee for the position of Audit Committee Member, shall not have held any position as a previous Member of the Audit Committee, or an Office Bearer or a member of the General Committee of the Club, for a period of Ten (10) years from the date of nomination.</p>	<p>The additional trustees being Members of the Audit Committee and then having the right to elect other members, was seen as a conflict of interest and not in the best interest of the Members.</p> <p>As the AC is an important Committee, it is of vital importance that the members of the AC, be selected by the Members.</p> <p>It is proposed to delete the existing Article 13A in its entirety and be replaced with the new Article 13A.</p> <p>The new Article 13A shall be effective with immediate effect.</p> <p>However, the Present Audit Committee under the existing Article 13A shall only be replaced, with the holding of a General Meeting, subsequent to the Annual General Meeting at which the new Article 13 A was approved.</p>

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<p>Committee members upon notice of their nominations being communicated to the General Committee, who shall forthwith cause the said notice to be displayed on the Notice Board of the Club.</p> <p>(d) — The Nominated Audit Committee Members shall serve for a term of two (2) years, and may be re-appointed, except that they shall not serve as such continuously for more than 2 consecutive terms. Any vacancy shall be filled by the Additional Trustees, with notice to the General Committee, for the balance period of office. For clarity, the aforesaid term shall expire at the Annual General Meeting of the Club held in the third calendar year of holding office.</p> <p>(e) — The Chairman of the Audit Committee shall be appointed by the Additional Trustees from amongst themselves.</p> <p>(f) — Any Nominated Audit Committee Member may be removed at a meeting of the Audit Committee by the unanimous vote of the Additional Trustees.</p> <p>(g) — The quorum for any meeting of the Audit Committee shall be 3 members, of which at least 2 shall be Additional Trustees.</p> <p>(h) — The Audit Committee shall meet at least once quarterly and shall determine</p>	<p>(c) The Audit Committee shall be responsible to the Membership and shall not be required to report or take instructions from the General Committee, other than where required do so under this Constitution</p> <p>(d) Nomination of the Audit Committee Members shall be given by a Member at least Twenty (20) days prior to the holding of an Annual General or General Meeting. The Nominated Audit Committee Members shall take office immediately, as Audit Committee Members upon being elected at an Annual General or a General Meeting.</p> <p>(e) The Nominated Audit Committee Members shall serve for a term of Two (2) years, and may be re-appointed, except that they shall not serve as such continuously for more than Two (2) consecutive terms. In any event an Audit Committee member shall not hold such position for no more than Four (4) Years.</p> <p>(f) Any vacancy arising during the term for which the Audit Committee Member/s were elected for, shall be filled by the Trustees, with notice to the General Committee, for the balance period of</p>	
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<p>the procedure for the convening and conduct of such meetings.</p> <p>H. Scope of the Audit Committee</p> <p>a) Meet with external Auditor to plan and identify the scope of work of the year-end financial audit.</p> <p>b) Independent review and discussion with the external Auditor regarding the draft Auditor's Report and Management Letter, and making observations to the General Committee on the audit findings, prior to finalization of the Audited Final Accounts.</p> <p>(c) Recommending the Final Audited Accounts for adoption by the General Committee and presentation to the Membership.</p> <p>(d) Periodical review of Accounting practices of the Club, and recommending internal audit assignments as and when deemed necessary.</p> <p>(e) Make recommendations as regards the presentation of Final Accounts, to improve transparency and good governance.</p> <p>(f) Make recommendations to the General Committee on improving internal controls and to recommend engaging an independent audit firm (other than the external Auditor) to examine internal</p>	<p>office. For clarity, the aforesaid term shall expire at the Annual General Meeting of the Club held in the third calendar year of holding office.</p> <p>(g) The Chairperson of the Audit Committee shall be appointed by the Audit Committee Members, from amongst themselves.</p> <p>(h) The quorum for any meeting of the Audit Committee shall be Three (3) members, with one being the Chairperson.</p> <p>(i) The Audit Committee shall meet at least once a month and shall determine the procedure for the convening and conduct of such meetings, which shall be notified in writing to the General Committee, within Thirty (30) days of such determination. Any amendments to the initial process adopted shall be only by a majority of votes.</p> <p>(j) Where any change of status or circumstances of an Audit Committee Member, would for all intents and purposes, bring disrepute to the Club, the related Member shall immediately bring such to the notice of the General</p>	
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<p>controls and processes and suggest improvements thereto, as and when deemed necessary.</p> <p>(g) Make recommendations to the General Committee on strengthening internal controls and processes.</p> <p>(h) Review and make recommendations to the General Committee on the investment policy.</p> <p>(i) Provide advice or recommendations on any audit or finance related matter as referred to the Audit Committee by the General Committee.</p> <p>(j) Recommend an Auditor for appointment at Annual General Meeting.</p> <p>(k) To prepare and present an Audit Committee Report for each financial year to the General Committee at least 30 days prior to the next succeeding Annual General Meeting, for publication to the membership along with the year end Audited Financial Statements.</p>	<p>Committee and resign forthwith from the position of an Audit Committee Member. A failure to do so by the Member, shall be treated as a grave misconduct on the part of the Member and if proven to be veritable, after a due inquiry, terminated forthwith</p> <p>(k) An Audit Committee Member acting outside the powers granted to the Audit Committee Member under the Constitution, shall be removed by the General Committee, and subsequently by the Membership, from such position, after the holding of an inquiry.</p> <p><u>II. Scope of the Audit Committee</u></p> <p>(a) Meet with external Auditor to plan and identify the scope of work of the year-end financial audit.</p> <p>(b) Independent review and discussion with the external Auditor regarding the draft Auditor's Report and Management Letter, and making observations to the General Committee on the audit findings, prior to finalization of the Audited Final Accounts.</p> <p>(c) Recommending the Final Audited Accounts for adoption by the General</p>	
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	<p>Committee and presentation to the Membership.</p> <p>(d) Periodical review of Accounting practices of the Club, including but not limited to the perusal and reviewing of the Monthly Statements submitted by the General/Club Manager to the General Committee, and recommending internal audit assignments as and when deemed necessary.</p> <p>(e) Make recommendations as regards the presentation of Final Accounts, to improve transparency and good governance.</p> <p>(f) Make recommendations to the General Committee on improving internal controls and to recommend engaging an independent audit firm (other than the external Auditor) to examine internal controls and processes and suggest improvements thereto, as and when deemed necessary.</p> <p>(g) Make recommendations to the General Committee on strengthening internal controls and processes.</p> <p>(h) Review and make recommendations to the Trustees and the</p>	
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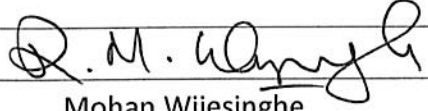
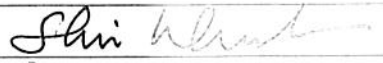
R. M. Kumbh

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	<p>General Committee on the investment policy.</p> <p>(i) Provide advice or recommendations on any audit or finance related matter as referred to the Audit Committee by the General Committee.</p> <p>(j) Recommend an Auditor for appointment at Annual General Meeting.</p> <p>(k) To prepare and present an Audit Committee Report for each financial year to the Membership through the General Committee, at least 30 days prior to the next succeeding Annual General Meeting, for publication to the membership along with the year-end Audited Financial Statements.</p> <p>(l) The Audit Committee, where required to meet with any member, for purposes of meeting the scope entrusted to the Audit Committee, shall notice such Members, only through the General Committee.</p> <p><u>III Applicability of the Amendment</u></p> <p>The Present Audit Committee appointed under the existing Article 13A shall only be replaced, with the subsequent holding of a General Meeting or an Annual General</p>	
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D. M. Wadhwa

Saini Wadhwa

		Meeting, subsequent to the Annual General Meeting at which the new Article 13 A was approved.	
			
	Mohan Wijesinghe		Sharmini Wijesinghe
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