

## **Policy on Audit – internal and external**

### **Introduction**

The Rolls-Royce Export Control function works with Quality and the Corporate Audit Programme to ensure that Rolls-Royce procedures are correctly utilized by employees and that the processes the company has in place facilitate compliance with export control regulations.

Export control managers in businesses and functions and the corporate export control team also undertake independent compliance checks. They review export authorisations held and (where appropriate) agreements, exemptions and authorisation exceptions to ensure they are being used in a compliant manner. They also check that records are maintained to the level of detail and completeness required by regulators and the company.

In addition regulatory bodies audit Rolls-Royce. Those in the UK and Germany visit our sites regularly to ensure that adequate records are kept and the terms and conditions of the authorisations used are being adhered to.

### **Policy**

1. Internal Audit, Quality and the Export Control function agree targets for audit, and the tailored questions that should be asked.
2. Where issues are identified by either internal or external auditors, the corporate export control team follows up with the business, functional or regional area audited, including relevant export control staff, to ensure remedial measures are adopted. They also determine whether to communicate lessons learnt and remedial measures more widely to improve compliance throughout the company.
3. Internal audits are undertaken at a frequency that meets regulatory demands.
4. If an audit identifies serious issues, the auditing team considers raising a Major Quality Investigation.
5. If an internal audit identifies a violation of export control regulations, the business, or in some cases an individual site will be responsible for submitting a voluntary disclosure once approved by the corporate export control team and for taking ownership of remedial measures.