



## MANDATE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

### 1 TERMS OF REFERENCE

#### 1.1 *Internal Control*

- (a) The Committee should focus on and keep under review the functioning of the Fund's Internal Control System.
- (b) The Committee shall monitor responses and follow-up of reported weaknesses in controls.

#### 1.2 *Internal Audit*

- (a) The Committee shall consider and approve the terms of reference of the Internal Audit function and shall be advised of the planned program of audits and the reason for any change or delay in the program.
- (b) The Committee shall review promptly all reports from the Internal Auditor and make any recommendations necessary to enhance the control of the Organisation.
- (c) The Committee shall review the objectives, functioning and performances of the Internal Audit section including its independence.
- (d) The committee shall ensure that resources made available for Internal Audit are sufficient to meet the Organisation's needs.

#### 1.3 *External audit*

- (a) The Committee shall focus on the scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors.
- (b) The Committee shall consider and make recommendations to the Board as regards the appointment and re-appointment of the Fund's External Auditors.
- (c) The Committee shall review any Auditor's management letter and or/reports and Management responses thereon.

The Committee shall keep under review the audit fees which should be paid to the external auditors.

#### 1.4 *Relationship between Internal and External Audit*

- (a) The Committee shall review the co-ordination of Internal and external audit procedures to promote an effective use of resources and ensure a complete audit.

### **1.5 Financial statements**

- (a) The Committee shall focus on the reliability and accuracy of the financial information provided by Management to the Board and other Users of financial information.
- (b) The Committee shall keep under review the consistency of accounting policies on a year to year basis.
- (c) The Committee shall review and challenge where necessary the Fund's Financial Statements taking into account:
  - (i) Decisions requiring a major element of judgement;
  - (ii) The extent to which financial statements are affected by unusual transactions;
  - (iii) The clarity of disclosures;
  - (iv) Significant adjustment resulting from the audit;
  - (v) The going concern assumption;
  - (vi) Compliance with accounting standards;
  - (vii) Compliance with legal requirements.

### **1.6 Risk Assessment**

- (a) Risk areas of the Fund's operations are to be covered in the scope of the Internal and External Auditing and shall be a matter for review by this Committee.
- (b) The Committee will have the responsibility for assessing and assuring the quality of the risk management process.

## **2 COMPOSITION**

The Committee shall comprise of a Chairperson with substantial Accounting or Financial experience, plus three other members other than the Chairperson of the Board appointed by the Board. The Chairman shall have an ordinary vote and a special vote in case of a tie vote.

The Chief Executive Officer shall not be a member of the Committee. The Committee shall call on the Chief Executive Officer, the Internal Auditor and any other officer or the External Auditor as required.

## **3 Report to the Board**

The Secretary of the Committee shall from time to time cause the minutes of proceedings/report to be circulated at Board meetings.