



TERMS OF REFERENCE AUDIT COMMITTEE

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TERMS OF REFERENCE AUDIT COMMITTEE

1. Policy Statement

Pursuant to Section 8 of the Public Bodies Management & Accountability Act, 2001 (the "PBMA"), the Board shall establish an Audit Committee consisting of no less than two Commissioners. The Audit Committee shall report to the Commission, as set forth in Section 9 of the PBMA Act. The Committee exercises an independent review function to assist the Commission in fulfilling its oversight responsibilities.

2. Purpose

The Audit Committee (the "Committee") is appointed to assist the Commission in fulfilling its oversight responsibilities with respect to matters concerning:

- a. the systems and structures of internal control;
- b. the internal audit function;
- c. the external audit process, and
- d. compliance with regulatory and statutory reporting requirements.

3. Roles and Responsibilities

The roles and responsibilities of the Committee are as follows:

- A. Advise the Commission on:
 - (i) practices and procedures which will promote productivity and the quality and volume of service;
 - (ii) the extent to which the objectives of the Commission are being achieved;
 - (iii) the adequacy, efficiency and effectiveness of the accounting and internal control structure and systems of the Commission; and
 - (iv) the independence of the auditors auditing the Commission
- B. review and advise the Commission on the audited financial statements that are to be included in the annual report of the Commission;
- C. oversee any internal audit of the Commission;
- D. review and advise the Commission on the annual auditor's report;
- E. in the case of the Commission undergoing a special audit or examination, review and advise the Commission with respect to the report of that audit or examination; and
- F. perform such other functions as are assigned to it by the Commission.

3.1 Risk Assessment, Internal Controls and Financial Reporting

The Committee shall:

- A. Consider the adequacy of risk management and internal controls as well as the accuracy of financial reporting through reviewing (inter alia) the:
 - i. mechanisms for the assessment and management of risk;
 - ii. plans and results of internal audit activities ;
 - iii. plans and results of external audit activities;
 - iv. adequacy of managements' response to issues identified by all audit activities; and
 - v. submission of all regulatory and statutory reports.

3.2 External Audit

The Committee shall:

- a) review the audit engagement letter, audit plans, timing and scope of the external audit, identifying special areas of concern to the external auditors;
- b) review minutes of any oral presentation or written reports made by the external auditors;
- c) review the contents of the management representation letter to the external auditors;
- d) review the annual audit report and audited financial statements with the external auditors, prior to their recommendation to the Commission;
- e) review all recommendations of the external auditors and, where appropriate, recommend or ascertain that necessary corrective actions have been taken;
- f) review with management, the external auditors and Legal Officer any significant litigation, claim, or contingency which could have a material effect on the financial position of the Commission;
- g) review and discuss all reports from and to the Auditor General;
- h) review and discuss all reports from and to the Contractor General; and
- i) review external auditor's performance within the framework of established policy and review annual audit fees in the context of the plan and scope of the audit and make recommendation to the Commission
- j) Recommend to the Commission the appointment of external auditors as required by law.
- k) Ensure there is mandatory rotation of the engagement partner of the external auditors in keeping with the stipulation of the Code of Audit Practice.

3.3 Internal Audit

The Committee shall:

- a) annually, review and approve changes, if any, to the internal audit charter;
- b) review and approve the annual audit plan and all major changes to the plan;
- c) review the Internal Audits' activity and performance relative to its plan;
- d) review with the Internal Auditor the internal audit budget.
- e) ensure there are no unjustified restrictions or limitations on the internal audit function;
- f) periodically, meet with the Internal Auditor, without management, to discuss any matters that the Committee or the Internal Auditor believes should be discussed privately;
- g) initiate special internal audits, if required;
- h) review the reports prepared by internal auditor and the response or determination of management with respect to any findings or recommendations;
- i) evaluate the performance of the Internal Auditor
- j) approve the selection and termination of the Internal Auditor; and

4. Composition

The Members of the Audit Committee shall be appointed by the Commission and should consist of no less than three individuals with at least two (2) Commissioners, one of whom is to be designated as the Chairperson.

- A. The Commission may co-opt, to perform the duties of the Committee, individuals who are not Commissioners but who possess a broad range of qualifications relevant to the functions of the Commission.
- B. Every co-opted individual shall have all the rights and responsibilities of the other members of the Committee with respect to the work of the Committee.¹
- C. The majority of the members of the Committee should be financially literate and at least one member of the Committee should be a qualified accountant registered under the Public Accountancy Act or should have significant, recent and relevant financial experience and knowledge.
- D. The Committee should not include the Chairperson of the Commission and the Chairperson of the Finance, Administration & Outreach Committee.
- E. The Executive Director, Finance Officer and the Internal Auditor shall be invitees to all Committee meetings.

5. Meetings

- A. The Audit Committee shall meet every quarterly and have the authority to convene additional meetings, as may be required. A meeting may be called by the Chairperson or by the majority of the members of the Committee.
- B. Failure to attend at least 3 consecutive meetings without acceptable reasons to the Committee Chairman, will give rise to a consideration of continued membership.
- C. The Committee shall determine its own procedures.
- D. The Committee may request any member of management or staff to attend meetings of the Committee in order to carry out its responsibilities.
- E. Meeting agendas and documents will be prepared for each meeting and provided at least 3 working days in advance to the Committee members along with appropriate briefing materials.
- F. The membership of the Committee should be rotated every 3 years.

¹ (Section 8(8) – PBMA Act)

6. Authority

The Committee has the authority to conduct investigations into any matters within its scope of responsibility. It is empowered to:

- A. seek any information it requires from employees, all of whom are directed to cooperate with the Committee's requests;
- B. meet with officers, external auditors or outside counsel, as necessary; and
- C. recommend to the Commission that independent counsel, experts and other advisors be retained to advise the Committee or assist in the conduct of an investigation.

7. Reporting Responsibilities

The Committee shall submit reports of its meetings to the Commission on the Committee's activities, findings and related recommendations.

8. Quorum

The quorum for meetings consists of 2 members of the Committee of which 1 must be a member of the Commission.

9. Committee Secretary/Minutes

The Secretary for the Committee shall be the Corporate Secretary who shall take the Minutes of the meetings.

The Committee Secretary is required to:

- I. circulate the notices and minutes of the Committee meetings;
- II. distribute to Committee members, 3 working days prior to the meetings of the Committee, all agenda of meetings, reports and/or related documents which are prepared for consideration by the Committee;
- III. keep detailed records of the Committee's meetings; and
- IV. have such other duties as may be assigned by the Committee.

The Audit Committee shall keep detailed records of its meetings and such records shall be made available to the external auditor and any examiner of the Commission during any external audit or examination.

10. Remuneration

The legislation makes provision for remuneration of Committee Members and this is determined according to prescribed rates as formulated by the Minister responsible for Finance.

11. Committee Evaluation



The Committee will conduct annually a self-evaluation of its performance taking into consideration specific goals and objectives which have been identified each year.

12. Conflict of Interest

Where there is a conflict of interest, the Committee Member so affected shall declare his/her interest to the Committee and the details of the conflict are to be recorded by the Committee Secretary.

The Committee Member who has a conflict of interest shall not participate in the deliberations on the particular matter and will excuse himself from the discussions in respect of those interests during the period of discussion of the matter.

13. Confidentiality of Committee Information

- I. All information received by the Committee is confidential and is the property of the Broadcasting Commission and cannot be disclosed to parties outside of the organisation without prior approval of the Commission.
- II. The decisions or recommendations of the Committee are to be communicated by the Committee Secretary to the Executive Director for relevant management action.

14. Review and Assessment of Terms of Reference

The Committee will review and assess the adequacy of its Terms of Reference at least every 2 years, and request the Commission's approval for proposed changes, and ensure appropriate dissemination.

Board Approved: July 20, 2017