



# Scancom PLC (MTN Ghana) Internal Audit and Forensic Services Charter

|                                |                                      |                         |   |
|--------------------------------|--------------------------------------|-------------------------|---|
| <b>Business Area</b>           | Internal Audit and Forensic Services |                         |   |
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| <b>Policy Owner</b>            | Michael Gbewonyo                     | <b>Signature</b>        |  |
| <b>CEO behalf of the Board</b> | Selorm Adadevoh                      | <b>Signature</b>        |  |

Contents

|  |    |
|--|----|
| 1. EXECUTIVE SUMMARY .....                                       | 2  |
| 2. POLICY APPROVAL .....   | 2  |
| 3. DEFINITIONS AND ABBREVIATIONS.....                            | 3  |
| 4. INTRODUCTION AND PREAMBLE.....                                | 4  |
| 5. PURPOSE AND MANDATE.....                                      | 5  |
| 6. INDEPENDENCE AND REPORTING LINES.....                         | 6  |
| 7. OBJECTIVE AND SCOPE .....                                     | 7  |
| 8. RESPONSIBILITIES – INTERNAL AUDIT AND FORENSIC SERVICES ..... | 9  |
| 9. AUTHORITY.....  | 12 |
| 10. STANDARDS, ORGANIZATION AND STAFFING & PERFORMANCE .....     | 14 |
| 11. REVIEW .....   | 14 |
| 12. REFERENCE DOCUMENTS .....                                    | 15 |

**SCANCOM PLC (MTN GHANA)  
INTERNAL AUDIT AND FORENSIC SERVICES CHARTER**

**1. EXECUTIVE SUMMARY**

This Scancom PLC (MTN Ghana) Internal Audit and Forensic Services Charter (IAFS) is a governance policy as defined in the MTN Ghana Master Policy. It defines the purpose, authority, responsibility and position of internal audit and forensic services within the Company and same have been documented in compliance with SEC Code.

The primary role of IAFS is to assist the MTN Board and EXCOM in protecting the assets, reputation and sustainability of the organization by assessing whether all significant risks are identified and appropriately reported by Management and the Risk and Compliance function to the Board and EXCOM.

IAFS shall be free from interference by any element of the Company, and shall have no direct operational responsibility or authority over any of the activities for which assurance is to be provided. The Head of IAFS shall report directly to the Audit Committee with an administrative reporting line to the CEO.

IAFS possesses unrestricted auditing and investigation rights within MTN Ghana and is authorised to perform assurance, investigation and advisory services to all businesses within MTN, to all subsidiaries, joint ventures and affiliates where the Company has a controlling interest, and intermediaries and agents undertaking business on behalf of MTN.

It shall be responsible for developing and maintaining an agile and flexible internal auditing and forensics services function that considers the rapidly changing and dynamic business environment and emerging risks.

IAFS activities are to comply with international and local IAFS and forensic standards and leading industry and best practices. It shall issue quarterly reports providing a broad overview of significant audit, forensic investigations and proactive fraud plan results and key issues, control themes and trends based on significant/critical audit and investigation results, continuous risk assessment and issue assurance results.

**2. POLICY APPROVAL**

This Scancom PLC (MTN Ghana) Internal Audit and Forensic Services Charter is a governance policy as defined in the MTN Group Master Policy. Thus, the Policy approval process, as set out in Annexure A herein applies.

### 3. DEFINITIONS AND ABBREVIATIONS

| Term/Abbreviation                 | Definition   |
|-----------------------------------|--|
| 'Board' or "Directors"            | Board of Directors of Scancom PLC  |
| 'Audit Committee'                 | Audit Committee of the Board of Scancom PLC  |
| 'CEO'                             | Chief Executive Officer  |
| 'Company' or 'MTN' or 'MTN Ghana' | Scancom PLC, a public listed company registered under the laws of the Republic of Ghana  |
| 'EXCOM'                           | Executive Committee of Scancom PLC   |
| 'FS'                              | The Forensics Services function. Forensic Services (Or Fraud Risk Management) is defined as a process whereby MTN's fraud risk is proactively managed as a standalone risk portfolio as per the standard Enterprise Risk Management (ERM) processes. Further, the function serves as an independent, objective investigatory body with the objective of identifying potential fraud incidents and effectively responding to fraud incidents. Fraud incident response includes investigating and reporting on fraud incidents, identification of mitigating controls/ control weaknesses, and implementing loss prevention and recovery measures. |
| 'GIAFS'                           | The Group Internal Audit and Forensic Services Function  |
| 'Group'                           | MTN Group Limited  |
| 'IA'                              | The Internal Audit function. IA is defined as an independent, objective, assurance and consulting activity designed to add value and improve MTN's operations. Internal auditing helps MTN accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.   |

|               |  |
|---------------|--|
| 'IAFS'        | The Internal Audit and Forensics Services Function of Scancom PLC. |
| 'IIA'         | The Institute of Internal Auditors.                                |
| 'Methodology' | IAFS methodologies   |
| 'SEC Code'    | The Corporate Governance Code for Listed Companies                 |

## 4. INTRODUCTION AND PREAMBLE

### 4.1 Introduction

4.1.1 The IAFS charter is a governance document that defines internal audit and forensic services' purpose, authority, responsibility and position within the Company. The charter sets out the nature of services that IAFS will provide and how IAFS will help MTN Ghana to achieve its objectives. The IAFS charter establishes the IAFS activity's position within the Company, including the Head of IAFS' reporting lines, access to records, people and property, and the scope of its activities.

4.1.2 In line with the Security and Exchange Commission's Corporate Governance Code for Listed Companies, this charter describes the role, responsibilities and authorities as well as the scope, objectives and position of Internal Audit and Forensics Services (IAFS) of MTN Ghana.

### 4.2 Preamble

4.2.1 The Internal Audit and Forensics Services Function is established by the Board.

4.2.2 On the advice of the Audit Committee of the Board, an Internal Auditor shall be appointed who shall have appropriate qualifications.

4.2.3 IAFS vision is to be a leading, digitally enabled business partner, focusing on quality and excellence to create value, through providing independent assurance, investigation and consulting services and proactive fraud risk management to make our relevant Stakeholders' lives a whole lot brighter.

4.2.4 The Company believes that strong corporate governance is essential for the achievement of sustainable value for all stakeholders. Accordingly, MTN Ghana is committed to entrenching

the highest levels of corporate governance and continues to make significant progress in implementing structures, policies and procedures all aimed at strengthening governance within the Company.

- 4.2.5 The Board is responsible for the total process of risk management and for the effectiveness of the process. Management is accountable to the Board for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of MTN Ghana.
- 4.2.6 The Board must ensure that appropriate systems are in place to effectively manage the identified risks and measure their impact.
- 4.2.7 The Board must ensure the protection of the assets and reputation of MTN Ghana.
- 4.2.8 The Board, assisted by Management, will compile a list of risks relevant to MTN Ghana and ensure that such are monitored and addressed by Management and that regular reports are submitted to the Board on the management of such risks, as well as other matters considered by the Board to be appropriate.
- 4.2.9 The Board is ultimately responsible for the system of internal control. The Board will normally delegate to Management the task of establishing, operating and monitoring the system, but they cannot delegate their responsibility for it.
- 4.2.10 The EXCOM is directly responsible for implementing the overall strategy and policies approved by the Board for all key activities of the Company, including the operation of the internal control system.
- 4.2.11 The Board has thus created the Internal Audit and Forensics function to provide independent assurance, investigation and consultancy services, so as to provide insights into the health of the overall control environment of the company.

## **5. PURPOSE AND MANDATE**

### **5.1 Purpose**

- 5.1.1 The primary role of IAFS is to assist the Board and EXCOM in protecting the assets, reputation and sustainability of the organisation. IAFS helps MTN Ghana to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, control environment and governance processes. Further, it provides

independent and objective investigation and proactive fraud risk management services to effectively respond to the risk of fraud within the Company.

- 5.1.2 IAFS does this by assessing whether all significant risks are identified and appropriately reported by Management and the Risk and Compliance function to the Board and EXCOM; assessing whether they are adequately controlled; and by challenging the EXCOM to improve the effectiveness of Corporate Governance principles, risk management and internal control environment.
- 5.1.3 IAFS is an independent, objective assurance, investigation and consulting function designed to add value and improve the operations of the Company.
- 5.1.4 IAFS supports MTN in achieving its defined strategic, operational, financial and compliance objectives, and the Board and its committees in discharging their governance responsibilities.

## 5.2 Mandate

This Charter sets out the mandate of the IAFS function, within the Company, as contained in the following documents:

- 5.2.1 Board Charter;
- 5.2.2 Terms of Reference of the Audit Committee; and
- 5.2.3 The SEC Code.

## 6. INDEPENDENCE AND REPORTING LINES

### 6.1 Independence

- 6.1.1 IAFS must be free from interference by any element of the Company, including matters of audit and investigation planning, selection, scope, procedures, coverage, frequency, timing or report content in order to maintain an independent and objective mind set.
- 6.1.2 IAFS will have no direct operational responsibility or authority over any of the activities for which assurance is to be provided.

- 6.1.3 IAFS function will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement.
- 6.1.4 However, the IAFS can consult on any of the matters above on elements of risks and controls while ensuring that the consultation is not in form of operational implementation or activity which puts IAFS directly responsible for execution or operationalization of controls, control activity or business procedure.
- 6.1.5 IAFS shall ensure that its staff members are independent and objective at all times.
- 6.1.6 IAFS shall adhere to the standards on independence set by the IIA and all related professional bodies.
- 6.1.7 The independence of the IAFS function shall be assessed on an annual basis by the Chairperson of the Audit Committee.

## 6.2 Reporting Lines

- 6.2.1 The Head of IAFS shall report directly to the Audit Committee with an administrative reporting line to the CEO.
- 6.2.2 The Audit Committee in consultation with the CFO of the Company will consider and approve the IAFS budget and resource plan and recommend same to the Board for approval.

## 7. OBJECTIVE AND SCOPE

### 7.1 Objective

- 7.1.1 This Charter describes the role, responsibilities and authorities as well as the scope, objectives and position of the IAFS.
- 7.1.2 IAFS is authorised to perform assurance, investigation and advisory services to all businesses within MTN Ghana, all subsidiaries, joint ventures and affiliates where the Company has a controlling interest, and intermediaries and agents undertaking business on behalf of MTN Ghana; and to all officers, directors, employees and representatives of any of the above entities, whether permanent, temporary or contract, within all territories, regions, areas and functions.

- 7.1.3 Assurance, investigation and advisory services will be performed in accordance with international and local practices, standards (including the IIA standards) and interpretations.
- 7.1.4 Assurance Objectives: IAFS provides independent assurance to the Audit Committee and EXCOM on the organization's risk management, processes and control framework to ensure that they are operating effectively and efficiently, and that there is compliance with the Board's policies and procedures.
- 7.1.5 Consulting Objectives: IAFS provides independent assessments and advice for improvements to processes and risk management that will advance the goals and objectives of the organization. This is best achieved through assessments and advice at the beginning of projects so that risks may be identified and managed, and that internal controls may be designed at the most efficient time. The services are client service related and are intended to add value and improve MTN's governance, risk management and control processes without assuming management responsibility. The nature and scope of these services are agreed upon with Management.
- 7.1.6 Forensic Services: The objective of forensic services is to provide independent and objective investigatory services to the Board and Management in providing factual findings and value-added recommendations in relation to any fraud, misconduct or governance related incident. Further, to develop and implement where relevant, a robust and dynamic fraud prevention strategy to effectively prevent, detect, deter and respond to the risk of fraud, bribery and corruption within the Company.

## 7.2 Scope

- 7.2.1 IAFS coverage is extended to all operations and all high-risk processes in line with the internal audit and forensic services methodologies.
- 7.2.2 The scope of IAFS work, which will be specified in the IAFS Internal Audit and Proactive Fraud Plans approved by the Audit Committee, shall not be limited in anyway. It encompasses the examination and evaluation of the organization's policies, procedures and data to address the above objectives and key activities which include the review of:

- 7.2.2.1 Policies and procedures approved by the Board;
- 7.2.2.2 Governance and oversight structures and processes;
- 7.2.2.3 Risk management procedures and reports;
- 7.2.2.4 Financial and operating information;
- 7.2.2.5 Compliance to procedures and relevant regulations;
- 7.2.2.6 Organizational culture, ethics and fraud risk management;
- 7.2.2.7 Business operations and their effectiveness and efficiency in managing risk;
- 7.2.2.8 Projects and business change initiatives.

7.2.3 Any opportunities arising out of audits, investigations and consulting activities for improving risk management, internal control environment, governance, margins, cost optimization and the organization's efficiency and effectiveness may be identified during the engagements. This information will be communicated as part of governance reporting by IAFS.

7.2.4 IAFS activity shall be conducted at all times in accordance with the International Standards for the Professional Practice of Internal Auditing adopted by the Institute of Internal Auditors (IIA).

7.2.5 All members of the IAFS team shall meet or exceed the ethical standards delineated by the IIA in its Code of Ethics.

## **8. RESPONSIBILITIES – INTERNAL AUDIT AND FORENSIC SERVICES**

- 8.1 IAFS shall be responsible for developing and maintaining an agile and flexible internal auditing and forensics services function that considers the rapidly changing and dynamic business environment and emerging risks.
- 8.2 IAFS shall ensure that the necessary methodologies and frameworks are in place to standardise the execution of IAFS mandate, ensure quality of services, provide sufficient guidance during execution and that these methodologies and frameworks are aligned to international best practice and MTN Ghana's operating environment.

- 8.3 IAFS shall oversee the development of annual audit and proactive fraud plans based on an annual risk assessment, considering input from the business executives, and EXCOM, as well as the members of the Audit Committee.
- 8.4 IAFS shall continuously consider MTN Ghana's risk profile, fraud and audit universe, including new or emerging risks, business changes, new initiatives and business trends.
- 8.5 IAFS shall ensure that any changes proposed to the IAFS Plans are approved by the Audit Committee.
- 8.6 IAFS shall implement the approved annual audit and proactive fraud plan (including any changes and special projects) and covering the audit and fraud universe in a risk-based audit cycle according to the procedures defined in the IAFS Methodologies.
- 8.7 IAFS shall implement a risk-based approach to assure the effective and sustainable remediation of issues.
- 8.8 IAFS shall issue quarterly reports providing a broad overview of significant audit, forensic investigations and proactive fraud plan results and key issues, control themes and trends based on significant/critical audit and investigation results, continuous risk assessment and issue assurance results. The reports shall be provided to the CEO and members of the Audit Committee, and other stakeholders as may be directed or permitted by the Audit Committee.
- 8.9 IAFS shall also update a detailed annual overall assessment of the state of Governance, Risk Management and Internal controls for the Company. IAFS will further provide an assessment of its activities, processes, audit and proactive fraud plans and resourcing requirements and other important developments affecting the function. The detailed report will be provided to the Audit Committee.
- 8.10 IAFS will ensure that its policies, processes and procedures are subject to regular quality assurance, in line with acceptable professional standards and MTN standards.
- 8.11 IAFS functions should comply with the Internal Audit and Forensic Services Methodologies in the execution of its duties and responsibilities.
- 8.12 IAFS will meet with external auditors to exchange information on a regular basis to strengthen the third line of defence.

- 8.13 IAFS shall maintain and develop a professional audit and forensic services team and support development of adequate technical, functional and industry skill set to equip the team with sufficient knowledge, skills and experience to meet the requirements of this charter and future challenges.
- 8.14 IAFS will establish an overall vision, plans, key milestones and success measures for the IAFS function.
- 8.15 IAFS will provide Management with a preliminary written report of the results and recommendations of each audit, analyses, review or investigation performed.
- 8.16 IAFS will follow up on Management's response to IAFS's recommendations to determine if agreed upon internal control improvements have been appropriately and adequately implemented.
- 8.17 IAFS will carry out any special project, audit or investigation that does not form part of the annual coverage plan at the request of Management, the Audit Committee or the Board.
- 8.18 IAFS recommendations shall follow in through in-depth analysis of root cause of the findings.
- 8.19 IAFS will meet regularly with the Audit Committee, to discuss the audit and proactive fraud plan activities, material investigations and findings; Identify significant departures from the approved plans and reasons for departure.
- 8.20 IAFS may adopt any reporting templates issued by Group IAFS function.
- 8.21 IAFS will identify, evaluate and recommend for remediation and monitor the fraud risks facing the Company.
- 8.22 IAFS will provide adequate fraud awareness and prevention training to business and in particular, high fraud risk areas.
- 8.23 IAFS will implement an independent whistle blowing facility and will ensure adequate awareness and training is given to IAFS staff in the utilisation thereof. Further, all incidents reported through the facility will be considered and investigated should the information provided be relevant and supports further investigation
- 8.24 IAFS will implement any other necessary internal or external reporting channels to ensure that its stakeholders are able to effectively report fraud incidents.

- 8.25 IAFS will implement proactive fraud data analysis, where relevant, to aid in the detection of fraud incidents in business processes.
- 8.26 IAFS will investigate all reported fraud incidents, independently and objectively based on the circumstances and facts around each individual case.
- 8.27 All investigations performed by IAFS will be supported by a formal report. All findings will be factual and supported by sufficient evidence. Hearsay evidence and non-collaborative statements will be highlighted and excluded where necessary.
- 8.28 IAFS will ensure that the necessary remedial, sanctions, recoveries and control recommendations are fully detailed within each report to management, depending on the nature and circumstances of each case.
- 8.29 IAFS shall advise the audit committee on the evaluation of the effectiveness of internal controls, risk management and management information systems.
- 8.30 IAFS shall report any weaknesses in internal controls to the Audit Committee.
- 8.31 IAFS shall report to the audit committee no less frequently than every three (3) months.
- 8.32 IAFS shall review major transactions and related party transactions.
- 8.33 IAFS shall review other transactions as required by the Audit Committee, including when requested by the director with particular responsibility for relations with minority shareholders, to consider the effect of such transactions on company as a whole and on the rights of minority shareholders in particular.
- 8.34 IAFS will ensure that the relevant fraud incidents, are reported to law enforcement authorities if the evidence obtained is sufficient for criminal prosecution.

## **9. AUTHORITY**

- 9.1 IAFS possesses unrestricted auditing and investigation rights within MTN Ghana.

- 9.2 The IAFS function will have full, free and unrestricted access to all activities, functions, information systems, records (in both paper and electronic format), property, including where contractually authorised, relevant records of joint ventures, contractors, suppliers, and other third-party service providers and personnel necessary to accomplish its stated purpose. Documents and information given to IAFS will be handled by IAFS in the same prudent manner as by those employees normally accountable for them, with stringent regard for safekeeping and confidentiality.
- 9.3 IAFS function shall have unrestricted access to the Audit Committee, Chairman of the Board, CEO and other EXCOM members as may be necessary.
- 9.4 The IAFS function shall have authority to access advisors, senior management or other employees of the Company and may also, subject to the approval of the Audit Committee, appoint independent experts where necessary to carry out its duties.
- 9.5 IAFS is authorized to:
- 9.5.1 Allocate resources, set frequencies, select subjects, determine scope of work, & apply the techniques required to accomplish audit, investigation and consulting objectives, within the scope of work and staffing as periodically reviewed and/ or approved by the Audit Committee; and
  - 9.5.2 Coordinate with the Management of the function being audited to obtain the necessary assistance of personnel, and to obtain other specialised services from within or outside MTN related to IAFS function.
- 9.6 IAFS is not authorized to:
- 9.6.1 Perform operational duties for the Company or its affiliates;
  - 9.6.2 Develop and install procedures, prepare records, or engage in activities which would normally be audited; and
  - 9.6.3 Direct the activities of any employee not employed for the IAFS function, except where such employees are assigned to IA teams on rotational basis.

## **10. STANDARDS, ORGANIZATION AND STAFFING & PERFORMANCE**

### **10.1 Standards**

10.1.1 IAFS shall ensure that its activities are conducted in accordance with MTN policies, values and where it is deemed necessary industry best practice.

10.1.2 IAFS activities are to comply with international and local IAFS and forensic standards and leading industry and best practices.

10.1.3 IAFS must adhere to the best professional and ethical practices, such as the mandatory elements of the International Professional Practices Framework of Internal Auditing of the Institute of Internal Auditors, and must comply with all legal and regulatory requirements affecting the internal audit and forensic services function in the Republic of Ghana.

10.1.4 IAFS defines its policies, working procedures and methods in the Internal Audit and Fraud Risk Management methodologies which provides comprehensive guidance regarding the IAFS processes, such audit and investigation plans, individual engagement planning, fraud risk management, execution, reporting, issue assurance as well as quality assurance and improvement programs and training requirements.

### **10.2 Organization**

IAFS maintains an adequate organization structure in compliance with the applicable regulations capable of effectively fulfilling its objectives. It is led by the General Manager, Internal Audit and Forensic Services.

### **10.3 Staffing and Performance**

The performance of the General Manager Internal Audit and Forensic Services will be reviewed by the Chairperson of the Audit Committee with input, as appropriate, from the CEO or other EXCOM members as the Chairperson of the Audit Committee may direct.

## **11. REVIEW**

The Audit Committee shall annually assess the effectiveness of the IAFS function against the following criteria:

11.1 Achievement of the annual IAFS plans;

- 11.2 Compliance with IIA's professional standards, inclusive of quality assurance assessments on the level of compliance achieved;
- 11.3 Achievement of reporting protocols;
- 11.4 Timeliness of reporting of findings and activities;
- 11.5 Responsiveness to a changing business/operational environment;
- 11.6 Management's acceptance of the IAFS findings;
- 11.7 Quality and relevance of the annual assessment reports;
- 11.8 Level of co-operation and interaction with other assurance providers within the agreed combined assurance approach;
- 11.9 Maintenance of adequate staffing/sourcing levels to achieve the required skills to meet the requirements of this charter.

## 12. REFERENCE DOCUMENTS

| Document   | Publication Date | Published By                     |
|--|------------------|----------------------------------|
| MTN Ghana Master Policy                            | November, 2018   | Risk and Compliance              |
| The Corporate Governance Code for Listed Companies | October, 2020    | Security and Exchange Commission |
| Terms of Reference of the Audit Committee          | February, 2022   | The Board                        |
| Board Charter                                      | February, 2022   | The Board                        |

## ANNEXURE A

### POLICY APPROVAL PROCESS

- A. This Policy must be submitted to the Board for approval in accordance with the MTN Ghana Master Policy and the Policy approval matrix and the applicable Delegation and Level of Authority.
- B. Should this Policy not be approved by the Board, it will not be regarded as a valid Policy.
- C. No individual has the authority to approve this Policy. In all instances the provisions of the MTN Ghana Master Policy, read with the Delegation and Levels of Authority, must be considered before submitting this Policy for approval.
- D. Where it has been decided that this Policy requires supplementation with a specific set of Processes, Procedures or Standards, the following shall apply:
- Standards must be approved at the same forum as that of the Policy, as a standard is a mandatory document; and
  - Processes, Procedures, Guidelines and Manuals documents do not need to follow the same approval Process as the Policy but may be approved by the executive responsible for the Business Area. In addition, any immaterial amendments to Policies can be approved by the head of the Business Area.