



SCANCOM PLC (MTN GHANA)

Audit Committee Terms of Reference



Business Area	Company Secretariat		
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TOR Owner	Audit Committee Chair	Signature	
Board Chair on behalf of the Board	Ishmael Yamson	Signature	

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1. EXECUTIVE SUMMARY

These Terms of Reference are a governance document intended to be used as a reference for Scancom PLC's (MTN Ghana) Audit Committee and have been drafted in accordance with the Securities and Exchange Commission's Corporate Governance Code.

The Terms of Reference set out the standards for measuring the integrity and reliance of the accounting and financial reporting system of MTN Ghana.

The Terms of Reference define the mandate of the AC and set out the standards and procedures for the appointment of internal and external auditors.

2. APPROVAL OF TERMS OF REFERENCE

These Terms of Reference constitute a governance document and shall take effect upon approval by the Board.

3. DEFINITIONS

Term	Definition
AC/ Committee	means the Audit Committee of the Company.
Board	means the Board of Directors of the Company, acting either through itself, through any committee of its members appointed by it and/or through a duly authorized Company official.
Companies Act	means the Companies Act, 2019 (Act 992).
CFO	means the Chief Financial Officer of the Company.
CIA	means the Chief Internal Auditor of the Company.
Executive	means an employee of the Company in a senior management role.
IAFS	means Internal Audit and Forensics Division.
IFRS	means International Financial Reporting Standards.
INED	means Independent Non-Executive Director.
Internal Audit	means the system in place to evaluate a company's internal controls, including its corporate governance and accounting processes. It ensures compliance with laws and

Term	Definition
	regulations and helps to maintain accurate and timely financial reporting and data collection.
Internal Auditor	means the trained professional employed by MTN Ghana to provide independent and objective evaluations of financial and operational business activities, including corporate governance and review of related party transactions and material transactions as defined under the Company's policy on related party transactions.
NED	means Non-Executive Director.
Scancom PLC/MTN Ghana/the Company	means Scancom PLC, a publicly listed company registered under the laws of the Republic of Ghana.
SEC Corporate Governance Code	means the Securities and Exchange Commission's Corporate Governance Code for Listed Companies 2020 (SEC/CD/001/10/2020).
Terms of Reference/ToR	means the Terms of Reference of the Committee.

4. INTRODUCTION

The Committee is constituted as a committee of the Board in accordance with Paragraph 18 of the SEC Corporate Governance Code.

5. PURPOSE

The Committee has been established to oversee the integrity of the accounting and financial reporting system of the Company and report to the Board on these matters.

6. COMPOSITION OF THE COMMITTEE

- 6.1. The Committee shall be composed of at least three (3) members, all of whom shall be NEDs, and a majority of whom shall be INEDs.
- 6.2. The chairman of the AC shall be a chartered accountant and an INED (recommended by the Human Resources Remuneration and Nominating Committee and approved by the Board) with recent and relevant financial

experience. Ad-hoc meetings of the Committee will be chaired by the chairman of the Committee or his/her nominee who shall also be an INED

- 6.3. The Board shall appoint members of the Committee, and the chairman shall not be the chairman of the Board.
- 6.4. Members of the Committee shall be members of the Board.
- 6.5. Members of the Committee should have relevant knowledge and experience across the subject areas of taxation, financial reporting, auditing, telecommunications and related areas as well as broad business knowledge relevant to the Company's business including:
 - 6.5.1. awareness of the interests of the investing public;
 - 6.5.2. reasonable knowledge of the laws relating to the Company and its business;
 - 6.5.3. familiarity with finance, taxation and accounting principles; and
 - 6.5.4. objectivity in carrying out their mandate and with no conflict of interest.
- 6.6. The Company secretary shall serve as secretary to the Committee and shall be responsible for the formulation and recommendation of improvements to this ToR annually or whenever necessary.
- 6.7. Members of the Committee shall retire after three (3) years continuous service but will be eligible for immediate re-appointment for two (2) further three (3) year periods. Their membership on the Committee will run concurrently with the member's nomination as director of Scancom PLC Board.
- 6.8. The Board shall have powers at any time to remove any member(s) from the Committee and to fill any vacancies created by such removal.

7. AUTHORITY

- 7.1. The Committee in carrying out its responsibilities under this ToR:
 - 7.1.1. is authorized to investigate any activity within the ToR;
 - 7.1.2. may, at the discretion of the Committee, require other employees of the Company to attend full meetings or parts of meetings;

- 7.1.3. may consult with and seek information it requires from any employees and all employees shall be required to cooperate with any request made by the Committee in the course of the Committee's duties;
 - 7.1.4. shall permit a director who has been granted approval by the chairman of the Committee to attend a meeting provided that upon approval of such request, such director shall not be entitled to remuneration or fees for such attendance and shall not be entitled to vote at the meeting;
 - 7.1.5. shall have adequate resources and authority to discharge its responsibilities;
 - 7.1.6. shall have authority to employ professional advice or assistance if it considers this necessary; and
 - 7.1.7. shall have full access to any information it considers relevant.
- 7.2. The Committee shall not perform any executive functions or responsibilities which remain the responsibility of the executive directors, officers and other members of senior management.

8. DUTIES AND RESPONSIBILITIES

- 8.1. The AC shall:
- 8.1.1. be responsible for overseeing the integrity of the accounting and financial reporting system and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained therein;
 - 8.1.2. be responsible for reviewing and monitoring the performance of the external auditor and the effectiveness of the Internal Audit function;
 - 8.1.3. be in charge of reviewing and interrogating the Company systems of internal controls, including financial controls, cybersecurity and general compliance;
 - 8.1.4. generally ensure that the accounting and financial systems are reliable, that the controls work and that the independence of the external auditor and the Internal Audit unit are not compromised;
 - 8.1.5. commission studies, reviews, audits and investigations as requested by the Director with responsibility for relations with minority shareholders; and

- 8.1.6. review appropriate segments of the annual report and returns to the Board and Group.

8.2. Financial Reporting:

8.2.1. The AC shall:

- 8.2.1.1. oversee the integrity of the accounting and financial reporting system and reporting to the Board on these matters;
- 8.2.1.2. review the quarterly and year-end financial statements of the Company, focusing particularly on:
 - 8.2.1.2.1. accounting policies and practices;
 - 8.2.1.2.2. significant adjustments arising from the audit;
 - 8.2.1.2.3. the going concern assumption; and
 - 8.2.1.2.4. compliance with the accounting and financial reporting standards (i.e. IFRS) adopted by the Institute of Chartered Accountants (Ghana) and other legal requirements;
- 8.2.1.3. review the impact of new IFRS standards and tax treatment of unusual transactions. In addition, review management's recommendations for accounting and tax treatments of transactions where judgement calls have to be made;
- 8.2.1.4. ensure that the accounting (including taxation) and financial reporting functions are adequately resourced to execute their mandate;
- 8.2.1.5. advise the Board whether the financial statements present a true and fair position of the Company and whether additional information contained in the company's Annual Report are fair, balanced and complete; and
- 8.2.1.6. meet with the CFO at least once every year without the presence of Executives.

8.3. External Auditing:

8.3.1. The AC's duties/responsibilities with respect to the external audit shall include the following:

- 8.3.1.1. oversee the tender selection process for the appointment of the external auditor once every six (6) years including agreeing to the engagement letter, and where appropriate, resignation or dismissal of the external auditor;
- 8.3.1.2. agree to the audit fees and satisfy itself that the fee payable is commensurate with the quality of resources required for an effective high-quality audit prior to recommending same to the Board for approval;
- 8.3.1.3. satisfy itself that the external auditor is independent and is properly qualified in accordance with the Companies Act;
- 8.3.1.4. discuss with the external auditor before the audit commences, (i.e. annual work plan) the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved (including group auditors);
- 8.3.1.5. discuss problems and reservations arising from the interim and final audits and any matter the external auditor may wish to discuss (in the absence of management where necessary);
- 8.3.1.6. review management's response to the audit report and the auditor's letter to management;
- 8.3.1.7. review and recommend the Letter of Representation for the Board's approval;
- 8.3.1.8. be a channel of communication between the external audit function and the Board;
- 8.3.1.9. meet with external auditors no less frequently than annually without the presence of executive Board members;
- 8.3.1.10. assist the auditor and management in protecting the auditor's independence; and

- 8.3.1.11. include, within the Board's annual report, a report on its work. That report shall include the AC's confirmation that the external auditor was independent, appropriately qualified and acted with due care.

8.4. Internal Auditing: With regard to the Internal Auditing function, the AC's responsibilities shall include the following:

- 8.4.1. monitor and review the effectiveness, independence and objectivity of the Internal Audit function;
- 8.4.2. approve the charter of the IAFS and ensure it is aligned to the key risks of the Company;
- 8.4.3. advise the Board on the senior appointments of IAFS and where it is outsourced, on the appointment of the third- party Internal Auditor;
- 8.4.4. meet with the CIA at least once every year without the presence of Executives;
- 8.4.5. be responsible for the Internal Audit function and ensure that where the Internal Audit department is within the Company, the Chief Internal Auditor reports to the chairman of the AC; where it is outsourced, the AC should be responsible for the oversight of the third party;
- 8.4.6. ensure that the reporting line enables it to be independent of management and so able to exercise independent judgement;
- 8.4.7. review the adequacy, scope, functions, capacity, effectiveness and resources of the Internal Audit function, and ensure that it has the necessary authority to carry out its work;
- 8.4.8. review the Internal Audit programme and results of the Internal Audit process and where necessary ensure that appropriate action is taken on the recommendations of the Internal Audit function;
- 8.4.9. review any appraisal or assessment of the performance of members of the Internal Audit function;
- 8.4.10. ensure that the Internal Audit function is independent of the activities of the Company and is performed with impartiality, proficiency and due professional care;

- 8.4.11. consider the implications of the resignation of Internal Audit staff members and provide the resigning staff members an opportunity to submit to the AC reasons for resigning;
 - 8.4.12. review the Internal Auditor's report on internal controls no less frequently than every six (6) months, give their views to the Board on the report and document such action as the AC deems appropriate;
 - 8.4.13. ensure that the Internal Auditor communicates regularly with the external auditor and shares reports, audit findings and risk information;
 - 8.4.14. to approve any appointment or termination of senior staff members of the Internal Audit function; and
 - 8.4.15. consider whether periodically (three (3) to five (5) year intervals), an external assessment of IAFS should be carried out by an independent assessor.
- 8.5. **Internal Controls:** The responsibilities of the AC with regard to Internal Controls shall include the following:
- 8.5.1. review the adequacy of internal controls and of the degree of compliance with material policies, laws, the code of ethics and business practices of the Company and include the outcome of its review in a report on its activities in the Company's annual report;
 - 8.5.2. consider (and enquire of management) the existence of any significant control deficiencies, any material weaknesses in internal controls and any fraud, regardless of materiality that involves management or other employees;
 - 8.5.3. make recommendations to the Board with respect to the effectiveness of internal controls through reviews of management, Internal Audit functions and the external auditor's reports on internal controls;
 - 8.5.4. consider the major findings of internal investigations and management's response to same;
 - 8.5.5. jointly with other committees such as Ethics, Risk and Compliance Committees, establish procedures for dealing fairly, promptly and effectively with complaints or other reports (whether anonymous or not and including those submitted through the Company's whistle blowing facility) concerning the accounting, internal accounting controls, audit

concerns, the code of ethics, violations of the law and other relevant matters referred to it by the Board;

8.5.6. consider and report on any related party transactions that may arise within the Company, assessing in particular whether the price and other terms are consistent with an arm's length transaction and considering whether or not they are in the long term interests of the Company as a whole and whether or not they should be subject to the approval of the shareholders at a general meeting; and

8.5.7. commission and review Internal Audit reports on major transactions and other transactions where requested by the director with particular responsibility for relations with minority shareholders, and to consider and report on the effect of such transactions on the rights of minority shareholders.

8.6. Other Responsibilities & Duties:

8.6.1. The AC must take reasonable steps to ensure that they are properly informed so that they can be vigilant and effective overseers of the financial reporting process and the Company's internal controls.

8.6.2. The AC shall advise the Board on the purpose, responsibility, resources and authority of the Internal Auditor of MTN Ghana.

8.6.3. The AC shall monitor and review the implementation of MTN Ghana's code of ethics regularly and shall report to the Board its findings at least once annually.

8.6.4. The AC will perform any other duties as assigned by the Board.

8.7. Overlap of Responsibilities & Duties:

Where there are perceived or real overlaps between the responsibilities/duties of the Audit Committee and other Committees of the Board, the chairmen of the respective Committees shall have the discretion to agree on the most appropriate Committee to fulfil the obligation and notify the Board chairman and Company secretary of such decision.

9. REPORTING RESPONSIBILITIES, ACCOUNTABILITY & PROCEDURES

9.1. The chairman of the Committee shall be responsible for reporting to the Board on its activities and make recommendations to the Board regarding the adoption of any matters arising from the stated responsibilities.

- 9.2. **Delegation:** The Committee may in its discretion, delegate a portion of its duties and responsibilities to a subcommittee or Executives. Where the Committee delegates duties and responsibilities to a subcommittee or the Executive, it shall retain the ultimate responsibility for such duties and responsibilities and shall be liable.
- 9.3. **Professional advice:** The Committee in carrying out its tasks under this ToR, may obtain such external or other independent professional advice in accordance with the Company's Policy on engaging external professional experts as it considers necessary to effectively assist with the execution of its duties.
- 9.4. **Limitations:** Whilst the Committee has the responsibilities and powers set forth in this ToR and as spelt out by relevant authorities such as the SEC Corporate Governance Code, it is management's responsibility to develop or implement the risk and compliance programme of the Company.
- 9.5. **Annual Report:** The Committee shall report on its activities in the Company's annual report including to describe and assess material foreseeable risk factors, with measures taken to mitigate the risk.
- 9.6. **Annual general meeting:** The chairman of the Committee shall attend the annual general meeting of the Company to answer questions falling within the ambit of the Committee.

10. COMMITTEE MEETINGS & OPERATION

- 10.1. Meetings of the Committee will be held as frequently as deemed appropriate, but not less than four (4) times a year to discharge its duties as set out under this ToR. Further meetings may be called by the Board or any member of the Board, members of the Committee, the CEO and the Internal Auditor.
- 10.2. **Agenda:** A minimum of five (5) working days prior notice of meetings and the business to be conducted shall be given to the members of the Committee, the Chairman of the Board, the CEO, the Internal Auditor and other Executives as applicable, in order for them to make agenda proposals as necessary.
- 10.3. **Receipt of notice:** All attendees shall receive notice of the meeting from the secretary of the Committee, and not less than five (5) working days prior to the meeting, shall receive a formal agenda together with the working documentation where necessary, to ensure adequate preparation for and effective contribution at meetings. This minimum notice requirement shall not apply in the case of emergency meetings and may be varied by the Committee as appropriate.

- 10.4. **Quorum:** The quorum required for Committee meetings shall be a simple majority of members present, of whom at least one (1) must be an INED, present throughout the meeting.
- 10.5. A decision or resolution of the Committee given in writing such as by electronic means, but not in a meeting of the Committee, shall require the signatures of all members of the Committee to be as effective as a decision passed at a meeting of the Committee.
- 10.6. **Attendance:** The CEO, the Internal Auditor, and any other members of the Executive deemed necessary by the Committee for its business.
- 10.7. **Voting rights:** Where circumstances necessitate the conduct of a vote, apart from members of the Committee, no attendee shall be entitled to vote at meetings of the Committee.
- 10.8. **Minutes:** Minutes of meetings shall be taken by the Committee secretary and shall be reviewed and approved by members of the Committee and a summarized report thereof shall be tabled for noting at the first available Board meeting thereafter.
- 10.9. **Recusal:** The chairman of the Committee shall have the right to recuse an Executive director, or a Committee member from the meeting or exclude an agenda item, if in the chairman's opinion, maintaining the Executive director, Committee member or agenda item for the meeting may result in a conflict of interest.
- 10.10. The Committee and the chairman may hold periodic meetings with the Internal Auditor and other members of senior management where necessary, at least once a year.
- 10.11. Unless varied by this ToR, meetings and proceedings of the Committee shall be governed, by the relevant provisions of the Company's Constitution.
- 10.12. Each regularly scheduled meeting shall conclude with an internal session of the Committee, without the involvement of management.

11. TRAINING, EVALUATION AND REVIEW

- 11.1. **Training:** Committee members are required to undertake continuous development training on related matters in order to keep their skills and knowledge abreast with industry, legislative and regulatory changes and to make meaningful contribution in directing the affairs of the Company.
- 11.2. **Annual performance evaluation:** The Committee shall perform a review and evaluation at least annually, of the performance of the Committee and its members, including an evaluation of the compliance of the Committee with this

ToR, and shall submit the outcome of the evaluation to the Board.

- 11.3. In addition, the Committee shall review and reassess, at least annually, the adequacy of these ToR and recommend any improvements that the Committee considers necessary to the Board.

12. REMUNERATION / FEES

The remuneration or fees of the chairman and Committee members will be recommended by the Human Resource Remuneration and Nominating Committee to the Board for approval by the shareholders.

13. DISPUTES

Any material issue on which consensus cannot be reached by the Committee shall be determined by a simple majority of members present and voting and recommended to the Board for approval, setting out dissenting views for the consideration of the Board.

14. DISSOLUTION

The Committee shall be dissolved on the passing of an ordinary resolution by the Board.

APPENDICES

APPENDIX 1: GUIDANCE ON AUDITOR INDEPENDENCE AND ON THE PROVISION OF NON-AUDIT SERVICES

1. Introduction

- 1.1. The Company's appointed external auditors are required to be independent and also to be perceived as independent. The performance of non-audit services by external auditors could raise concerns as to the fact and perception of their independence. It must be recognised however that there are circumstances in which the external auditors are best placed to perform certain types of non-audit services, provided that this can be done in a manner in which their independence is beyond reproach.
- 1.2. Pursuant to the Companies Act, external auditors, while performing their duties, shall stand in a fiduciary relationship to the members of the Company as a whole and shall act in such manner as faithful, diligent, careful, and ordinarily skilful auditors would act in the circumstances, and accordingly should:
 - 1.2.1. observe the highest level of business and professional ethics and, in particular, that their independence should not be impaired in any way; and
 - 1.2.2. that they should be objective and consciously aware of their accountability to shareholders.
- 1.3. External Auditors shall not provide both consulting and auditing services to the Company unless it is appropriate in terms of section 143 of the Companies Act. Accordingly, the Committee shall provide principles for recommending the use of external auditors for non-audit services, such as management consultancy and corporate financial services. Committee members should have the necessary business acumen to address auditor independence on a case by case basis thereby preserving the Company's ability to select its external auditors for non-audit services if that is in the best interests of the Company and its investors. Nevertheless, without doubting the abilities of the Committee, it is considered that certain non-audit services should be categorically excluded from the ambit of non-audit services that can be provided to the Company by its external auditors.
- 1.4. This document sets out principles to be applied when determining whether or not the external auditors can provide a specific non-audit service to the Company.

1.5. The term non-audit service relates to any assignment that is not specifically part of the expression of an opinion on the financial statements.

2. Policy on Non-Audit Services

2.1. Prohibited Non-Audit Services

2.1.1 An auditor shall not engage in the following:

- 2.1.1.1. book keeping or other services related to the accounting records;
- 2.1.1.2. appraisal or valuation services and services involving the issuance of fairness opinions;
- 2.1.1.3. actuarial services;
- 2.1.1.4. internal auditing outsourcing services;
- 2.1.1.5. all management functions or employment services;
- 2.1.1.6. broker-dealer, investment advisor or investment banking services;
- 2.1.1.7. legal services; and
- 2.1.1.8. advocating an institution's interests in litigation, regulatory or administrative investigations and proceedings unrelated to external audit work.

2.1.2 Furthermore, in accordance with Section 143 of the Companies Act, an auditor of a company shall ensure that in carrying out the duties of an auditor, the personal judgment of the auditor is not impaired by reason of any relationship with or interest in the company or any of the subsidiaries of the company.

Without limiting the provisions in 2.1.2 above, a company, person or firm that carries out duties of an auditor shall not engage in any relationship with a client that will result in a conflict of interest between that person or firm and that client including a relationship with a client that will—

- 2.1.2.1 place the person or firm in the position of auditing work of that person or firm;
- 2.1.2.2 result in that person or firm acting as management or an employee of the client; or
- 2.1.2.3 place that person or firm in a position of being an advocate for the client.

2.1.3 The above provisions apply to the appointment of an auditor who is appointed to perform the services of a receiver.

2.1.4 It is recognised that in exceptional circumstances, it may be necessary for the external auditors to perform some of the above prohibited services. In such event, in addition to the prior approval of the Committee, it will be necessary to obtain the prior consent of the chairman of the Board to these services.

2.2 Conditions Permitted for Non-Audit Services

Services other than those specifically prohibited above may be provided by the external auditors subject to the provisions of section 143 of the Companies Act and the following:

- 2.2.3 Any non-audit service must be approved in advance by a designated member of the Committee;
- 2.2.4 In approving such service, the Committee member will have regard to the principle that in determining whether or not a service could impair independence, an auditor should not:
 - 2.2.4.1 audit his or her own work;
 - 2.2.4.2 perform management functions;
 - 2.2.4.3 act as an advocate for the Company; or
 - 2.2.4.4 develop an inappropriate mutuality of interest with the Company.
- 2.2.5 Non-audit services performed by the external auditors should be the responsibility of a partner not involved in the Company's audit. However there may be instances where it would be prudent for the audit partner involved in the Company's audit to undertake the assignment.
- 2.2.6 Details of all pre-approved non-audit services and fees paid and payable in respect thereof must be tabled at each Committee meeting for consideration by the Committee.

3 **Annual Review of External Auditor Independence**

It is a requirement of the ToR that the independence of the external auditors be assessed annually. In conducting this assessment, the following matters will be specifically addressed:

- 3.1 Non-audit services provided by the external auditors to the Company - the appropriateness of the services, the quantum of the total non-audit fee earnings compared with the fee for audit services and the proper functioning of the approval process.
- 3.2 Safeguards in place within the external audit firm to ensure independence and audit quality, including:
 - 3.2.3 the involvement of a second partner in reviewing important accounting and auditing judgements;
 - 3.2.4 protocols for resolving professional differences of opinion;

- 3.2.5 involvement and authority of the firm's national office technical specialists;
- 3.2.6 quality control review of partner's work;
- 3.2.7 the firm's policies for compensating and otherwise rewarding partners;
- 3.2.8 policies regarding the holding of and trading in shares in client companies; and
- 3.2.9 compliance with the independence criteria specified by the Institute of Chartered Accountants.

APPENDIX 2: STANDING ITEMS FOR COMMITTEE MEETINGS

Action	Q1	Q2	Q3	Q4
Financial Reporting				
Types of annual reports required:				
Interim financial statements			✓	
Annual financial statements	✓			
Interim and preliminary financial reports - media releases	✓		✓	
Sustainability report		✓		
Activities to be performed in the review of the financial statements:				
Review accounting policies and practices and any proposed changes thereto	✓		✓	
Review significant financial estimates based on judgements and assumptions	✓		✓	
Review significant tax matters involving uncertainty	✓	✓	✓	✓
Review the appropriateness of major adjustments processed at the period end	✓		✓	
Review the going concern status and underlying assumptions	✓		✓	
Review extraordinary items, abnormal disclosures or significant adjustments arising from the external audit	✓		✓	
Review the dividend policy / dividend proposal	✓		✓	
Review compliance with local and international accounting standards	✓		✓	
Assess the financial statements from the perspective of providing a balanced and understandable assessment of the Company's position, performance and prospects	✓		✓	
Review compliance with loan covenants	✓		✓	
Assess the potential impact of accounting exposure drafts		✓		✓
Company Internal Audit				

Reports for review:				
Company Internal Audit annual plan				✓
Company Internal Audit reports	✓	✓	✓	✓
Company Internal Audit annual budget and manpower plan				✓
Forensics report	✓	✓	✓	✓
Activities to be performed:				
Review and approve the Company's Internal Audit annual plan after assessing the extent of coverage over those areas for which the Audit Committee is responsible according to its Terms of Reference (e.g. risks over financial and operational controls, safeguarding of assets, etc.)				✓
Review Internal Audit reports and conclusions as to the adequacy and effectiveness of the Company's system of internal control	✓		✓	
Review all significant matters reported by Internal Audit arising from audits performed and management's responses thereto	✓		✓	
Review coordination between internal and external auditors	✓		✓	
Consider any difficulties encountered in the course of the audits, including any restrictions on the scope of work or access to required information	✓		✓	
Approve the Internal Audit mandate and any amendments thereto				✓
Review the quality of financial information produced (to ensure integrity and reliability)	✓		✓	
Confirm and ensure the independence of the Internal Audit function		✓		✓

Ensure that the objectives, goals, staffing, budgets and plans provide adequate support for the proper functioning of the Internal Audit function		✓		
Enquire about significant risks or exposures and assess the steps taken by management to minimize such risks to the Company	✓		✓	
Evaluate the effectiveness of the Internal Audit function				✓
External Auditors				
Reports for review:				
Action	Q1	Q2	Q3	Q4
Auditors' reports on (i) audit issues; (ii) material internal control weaknesses	✓	✓	✓	
Annual and interim audit plan		✓		✓
Activities to be performed:				
Consider whether any other external audit procedures are required beyond the minimum statutory and professional duties				✓
Consider whether any significant ventures, investments or operations are not subject to external audit	✓		✓	
Review all significant unresolved accounting or auditing problems encountered during the audit together with any differences of opinion between management and the external auditors	✓		✓	
Review whether there were any significant difficulties encountered during the audit, including any restrictions on the scope of the audit or on access to required information	✓		✓	
Review external auditors' reports on material weaknesses in systems of accounting and internal controls, management's	✓		✓	

responses thereto and recommendations for improvement				
Approve estimated and final audit fees	✓	✓	✓	✓
Review the independence and objectivity of external auditors; ensure that non-audit services do not infringe on the restrictions detailed in this Terms of Reference and that all significant non-audit services have been pre-approved by the Audit Committee				✓
Enquire about significant risks or exposures and assess the steps taken by management to minimize such risks to the Company	✓		✓	
Review the management letter and management's responses thereto	✓		✓	
Evaluate the performance of the external auditors				✓
Control Environment				
Activities to be performed:				
Action	Q1	Q2	Q3	Q4
Review relevant controls in respect of significant outsource relationships				✓
Review effectiveness of internal control systems including computerised information systems controls and security		✓		✓
Review significant cases of fraud		✓		✓
Review the appropriateness of the Board delegated limits of authority and the effectiveness of this delegation		✓		✓
General				
Activities to be performed:				
Review Audit Committee Terms of Reference				✓
Conduct a formal assessment of the efficiency and effectiveness				✓

of the committee and take remedial action in the event of any significant deficiencies				
Attendance by the chairman of the Audit Committee at the Company's AGM in order to respond to questions relating to the work of the committee				✓
Review policies and procedures with respect to senior executives' discretionary expenditure and consider the results of any review of such by internal and/or external auditors				✓
Consider any other topics as requested by the Board of directors from time to time	✓	✓	✓	✓
Prepare a statement for inclusion in the annual report describing the composition of the Audit Committee, its main responsibilities and how these were discharged and certifying that the auditors are independent of the Company.	✓			
Meet separately with each of the external auditors, the Internal Auditor and management	✓		✓	

APPENDIX 3: FRAMEWORK FOR ASSESSING INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT FUNCTION

Confidentiality
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List of Abbreviations

Abbreviation	Description
IAFS	Internal Audit and Forensic Services Division
GIAFS	Group Internal Audit and Forensic Services
OPCO	Operating Companies of MTN
PPF	New Professional Practices Framework
IIA	Institute of Internal Auditors
GM IAFS	General Manager, Internal Audit and Forensic Services
CRCO	Chief Risk and Compliance Officer
CEO	Chief Executive Officer

1. INTRODUCTION

- 1.1. Internal Auditing is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.2. Throughout the world and within MTN, Internal Auditing is performed in diverse environments and within operations that vary in purpose, size and structure. In addition, the laws and customs within various countries differ from one another. These differences may affect the practice of Internal Auditing in each environment. However, it remains the responsibility of Internal Audit to promote an ethical culture in the profession of Internal Auditing.

2. BACKGROUND

In June of 1999, the Institute of Internal Auditors' Board of Directors (IIA), a global body representing, promoting and developing the professional practice of Internal Auditing, voted to approve a new Professional Practices Framework (PPF). The PPF details the mandatory elements which the IIA's members agree to abide by when they join the Institute. This has been further updated in 2013. For this reason, the framework presented in this document sets out the requirements for independence and objectivity and aligns to the PPF in terms of the definition of Internal Audit, Code of Ethics and the

Standards.

3. PURPOSE

The purpose of this document is to provide the Audit Committee with a framework detailing the major assessment areas that are considered fundamental in establishing a comprehensive view of the independence and objectivity of an Internal Audit function.

4. APPLICABILITY & ENFORCEMENT

This document applies to both individuals and functions that provide Internal Auditing services irrespective of whether we are assessing GIAFS or the OPCO IAFS function. Although the Internal Audit activity should achieve full compliance with the framework there may be instances in which full compliance is not achieved. This may result in independence or objectivity being impaired in fact or appearance especially in the smaller local audit activities due to resource constraints. In these instances, where non-compliance impacts the overall scope or operation of the Internal Audit activity, appropriate disclosure in terms of the details of the impairment should be made to Executives and the Board. The nature of the disclosure will depend upon the impairment.

5. FREQUENCY

Unless specifically prescribed or otherwise referenced in the Internal Audit and Forensic Services Mandate, such an assessment should be performed by the Audit Committee at least annually.

6. DISCLAIMER

The following framework is only a guideline and is not intended to represent all the considerations that may be necessary when conducting such an evaluation.

7. FRAMEWORK

7.1. Fundamentally, this framework makes reference to the *Attribute Standard 1100: Independence & Objectivity* which states that the Internal Audit function should be independent and Internal Auditors should be objective in performing their work.

7.2. Whilst independence and objectivity is sometimes used interchangeably, it is important for the reader to make the distinction between organizational independence and individual objectivity. In this regard, the following major assessment areas will be elaborated upon as part of the framework:

7.2.1. Organizational Independence

Organizational independence is achieved through organizational status and objectivity and comprises:

- i. Internal Auditors having the support of senior management and the Board so that they can gain the cooperation of engagement clients and perform their work free from interference.
- ii. The GM IAFS being responsible to an individual in the organisation with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of engagement communications and appropriate action on engagement recommendations.
- iii. The GM IAFS having direct communication with the Board and/or relevant Board sub-committees. Regular communication helps to assure independence and keep each informed of matters of mutual interest.
- iv. Direct communication occurs when the GM IAFS regularly attends and participates in meetings of the Board related to its oversight responsibilities for auditing financial reporting, organizational governance and control.
- v. The GM IAFS meeting privately with the Board at least annually.
- vi. Independence is enhanced when the Board concurs in the appointment or removal of the GM IAFS.

7.2.2. GM IAFS reporting lines

The following guidance should be considered when establishing or evaluating the reporting lines and relationship with organizational officials to whom the GM IAFS reports:

- i. The GM IAFS should report to a level within the organisation that allows the Internal Audit function to fulfil its responsibilities. Ideally, this would require a structure that allows the GM IAFS to report functionally to the Group Executive IAFS and the Audit Committee or its equivalent. For administrative purposes, the GM IAFS should report directly to the Chief Executive Officer of the organization.
- ii. Functional reporting involves:
 - a. Final authorising and approving of the overall Terms of Reference, Internal Audit risk assessment and related audit plan and any changes to the plan;
 - b. Receiving communications from the GM IAFS on results of the Internal Audit activities;
 - c. Private meetings with GM IAFS without management present to reinforce the independence;
 - d. Approving decisions regarding the appointment and removal as well as annual compensation and salary adjustments of GM

IAFS through reviewing at least annually the performance of the GM IAFS;

- e. Making appropriate enquiries of management and the GM IAFS to determine whether there is scope or budgetary limitations that impede the ability of the IAFS Division to execute its responsibilities; and
- f. At all times, the GM IAFS should have open and direct access to the chair of the Audit Committee and its members; or the chair of the Board or full Board if appropriate.

iii. Administrative reporting involves:

- a. Facilitating the day to day operations of the Internal Audit and forensic services division within the organization's management structure;
- b. Positioning the Internal Audit and forensic services division and the GM IAFS in the organizational structure in a manner that affords appropriate stature for the function within the organisation;
- c. Not having ultimate authority over the scope or reporting of results of the Internal Audit function;
- d. Facilitating open and direct communications with executive and line management including direct communication at all levels up to and including the CEO;
- e. Imposing budgetary and management accounting controls and considerations but not to the extent that these controls impede the ability of the Internal Audit function to accomplish its mission;
- f. HR administration;
- g. The reporting line enabling adequate internal communications and information flows such that there is adequate and timely flow of information concerning the activities, plans and business initiatives of the organisation; and
- h. Administration of MTN's internal policies and procedures.

In considering the appropriateness of the administrative reporting line, it is important to evaluate the following attributes:

- Does the individual have sufficient authority and stature to ensure the effectiveness of the function?
- Does the individual have an appropriate control and governance mind-set to assist the GM IAFS in their role?
- Does the individual have the time and interest to actively support the GM IAFS on audit issues?
- Does the individual understand the administrative reporting relationship and support it?

- Is the individual responsible for the administrative reporting line also responsible for other activities in the organisation, which are subject to Internal Audit? These include among other the accounting functions, governance and risk management activities.

GM IAFS should also consider their relationship with other control and monitoring functions such as risk management, compliance, security, legal, ethics, environmental, external audit, etc.

7.2.3. Disclosing reasons for information requests

As Internal Audit and forensic services division should be free from interference in determining the scope of Internal Auditing, forensic investigations, performing work and communicating results, disclosure or nondisclosure of reasons for information requests should be determined based on the circumstances.

In certain instances, significant irregularities may dictate a less open environment than would be normally conducive to a cooperative engagement.

7.2.4. Individual Objectivity

Some considerations in evaluating individual objectivity include:

- Objectivity is an independent mental attitude which Internal Auditors and forensic investigators should maintain in performing engagements. This requires that Internal Auditors and investigators do not subordinate their judgment on audit and forensic matters to that of others.
- Internal Auditors and investigators have an honest belief in their work product and with no significant compromise in the quality of their work.
- Internal Auditors and investigators are not to be placed in situations in which they feel unable to make objective professional judgments.
- Staff assignments should be made so that potential and actual conflicts of interest and bias are avoided. The GM IAFS should periodically obtain Internal Audit and forensic services staff information concerning potential conflicts of interest and bias. Staff assignments should be rotated periodically whenever it is practicable to do so.
- The results of internal work should be reviewed before the related engagement communications are released to provide reasonable assurance that the work was performed objectively.
- It is unethical for an Internal Auditor or investigator to accept a fee, gift, or entertainment from an employee, client, customer, supplier or business associate. Accepting the above may create an

appearance that objectivity has been impaired. As such, Internal Auditors and investigators should report the offer of all material fees or gifts immediately to their supervisors.

- vii. The Internal Audit and forensic services division should adopt a policy that addresses its commitment to conduct activities so as to avoid conflicts of interest and to disclose any activities that could result in a possible conflict of interest.
- viii. Internal Auditors are expected to apply and uphold the following principles as set out in the IIA's Code of Ethics:
 - *Integrity* - Establishes trust and thus provides the basis for reliance on Internal Auditors' judgment.
 - *Objectivity* - Internal Auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal Auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.
 - *Confidentiality* - Internal Auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
 - *Competency* - Internal Auditors apply the knowledge, skills and experience needed in the performance of Internal Auditing services.

7.2.5. Impairments to Independence or Objectivity

In evaluating impairments to independence and objectivity, irrespective of whether independence or objectivity is impaired in fact or appearance, the details of the impairment should be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment.

- i. Internal Auditors should report to the GM IAFS any situation in which conflict of interest or bias is present or maybe reasonably inferred. Reassignment of engagement is advisable;
- ii. A scope limitation along with its potential effect must be communicated, preferably in writing to the Board; and
- iii. The GM IAFS must consider it appropriate to inform the Board regarding scope limitations that were previously communicated to and accepted by the Board particularly where these Board structure have changed somewhat.

7.2.6. Assessing Operations for which Internal Auditors were previously responsible

When faced with a situation where the auditor has been assigned to assess an operation for which they were previously responsible, the following should serve as a guide:

- i. Internal Auditors should not assume operational responsibilities. Where Internal Audit is directed to perform non-audit work, it should be clearly understood that they are not functioning as Internal Auditors. Moreover, objectivity is presumed to be impaired when an Internal Auditor performs an assurance review of any activity for which they had authority or responsibility within the past year. At any point that assigned activities involve the assumption of operating authority, audit objectivity would be presumed to be impaired with respect to that activity.
- ii. Internal Auditors whether permanently or temporarily engaged should refrain from assessing specific operations for which they were previously responsible until a reasonable period of time has elapsed. However, Internal Auditors may provide consulting services relating to operations for which they had previous responsibilities.
- iii. Assurance engagements for functions over which the GM IAFS has responsibility should be overseen by a party outside the Internal Audit activity e.g. Risk Management.
- iv. The Internal Auditor's objectivity is not adversely affected when the auditor recommends standards of control for systems or reviews procedures before they are implemented. The auditor's objectivity is considered to be impaired if the auditor designs, installs, drafts procedures for or operates such systems.
- v. If Internal Auditors have potential impairments to independence or objectivity relating to proposed consulting services, disclosure should be made to the engagement client prior to accepting the engagement.

7.2.7. Internal Auditor's Responsibility for Other (Non-audit) Functions

The following guidance is offered to Internal Auditors faced with accepting the responsibility for non-audit, operational functions or duties. Acceptance of such responsibilities can impair independence and objectivity and if possible, should be avoided or otherwise limited to not more than ten percent (10%) of the planned assurance duties.

- i. If Internal Auditors are directed to perform non-audit duties that may impair objectivity, the GM IAFS must inform senior management and the Board that such activities is not assurance related and therefore audit-related conclusions cannot be drawn.

- ii. If Internal Auditors are directed to perform non-audit duties that are in excess of ten percent (10%) of the planned assurance duties, the GM IAFS must inform senior management and the Board and obtain the required approvals before accepting such duties.
- iii. For the purposes of stressing its importance, we have repeated this point which states that where Internal Audit is directed to perform non-audit work, it should be clearly understood that they are not functioning as Internal Auditors. Moreover, objectivity is presumed to be impaired when Internal Audit performs an assurance review of any activity for which they had authority or responsibility within the past year.
- iv. The occasional performance of non-audit work by the Internal Audit, with full disclosure in the reporting process, would not necessarily impair independence. However, careful consideration by both management and the Internal Auditor would be required to avoid adversely affecting the Internal Auditor's objectivity.
- v. When an Internal Audit function or individual Internal Auditor is responsible for, or management is considering assigning, an operation that it might audit, the Internal Auditor's independence and objectivity may be impaired. As such, there are several avenues for Internal Audit to consider:
 - The audit may be performed by a contractor, 3rd party entity, external auditors or the Internal Audit function. In the first three (3) situations, impairment of objectivity is minimised by the use of auditors outside the organisation. In the latter case, objectivity would be impaired.
 - Individual auditors with operational responsibility must not participate in the audit of the operation. If possible, auditors conducting the assessment should be supervised by and report the results of the assessment to those whose independence or objectivity is not impaired.
 - Disclosure must be made regarding operational responsibilities of the auditor for the function, the significance of the operation to the organisation and the relationship of those who audited the function to the auditor.
 - Disclosure of the auditor's operational responsibilities must be made in the related audit report and in the auditor's standard communication to the Audit Committee or other governing body.

CHECKLIST FOR ASSESSING THE INDEPENDENCE & OBJECTIVITY OF THE INTERNAL AUDIT FUNCTION

The Checklist is a list of minimum requirements which can be used for assessing the Independence & Objectivity of the Internal Audit Function.

The top 10 basics of independence and objectivity are as detailed in the table below:

Assessing the Independence & Objectivity of the Internal Audit Function	
1	Organisational Independence
	<p>a) GM IAFS has direct administrative reporting line to the Chief Executive Officer of the organisation.</p> <p>b) GM IAFS has direct communication with the Board.</p> <p>c) GM IAFS meets privately with the Board at least annually.</p> <p>d) Board concurs in the appointment or removal of the GM IAFS.</p>
2	GM IAFS reporting lines
	<p>a) GM IAFS reports to a level within the organisation that allows the Internal Audit function to fulfil its responsibilities.</p> <p>b) GM IAFS reports functionally to the Group Executive IAFS and Audit Committee or its equivalent.</p> <p>c) GM IAFS also considers their relationship with other control and monitoring functions.</p>
3	Disclosing reasons for information requests
	<p>a) Internal Audit function is free from interference in determining the scope of Internal Auditing, performing work and communicating results, disclosure or nondisclosure of reasons for information requests are determined based on the circumstances.</p>
4	Individual Objectivity
	<p>a) Internal Auditors are members of the IIA who are expected to apply and uphold the principles as set out in the IIA's Code of Ethics including:</p> <ul style="list-style-type: none"> • Integrity; • Objectivity; • Confidentiality; and • Competency. <p>b) Internal Auditors have an honest belief in their work product without significant compromise in the quality.</p> <p>c) Internal Auditors are not placed in situations in which they feel unable to make objective professional judgements.</p>

	<p>d) Staff assignments are made so that potential and actual conflict of interest and bias are avoided.</p> <p>e) The results of internal work are reviewed before the related engagement communications are released to provide reasonable assurance that the work was performed objectively.</p> <p>f) Internal Auditors do not accept a fee, gift or entertainment from an employee, client, customer, supplier or business associate.</p> <p>g) The Internal Audit function adopts a policy that addresses its commitment to conduct activities so as to avoid conflicts of interest and discloses any activities that could result in a possible conflict of interest.</p>	
5	Impairments to Independence or Objectivity	
	<p>a) Internal Auditors and investigators report to the GM IAFS any situation in which conflict of interest or bias is present or maybe reasonably inferred.</p> <p>b) Reassignment of engagement does take place where a conflict of interest or bias is present or maybe reasonably inferred.</p> <p>c) A scope limitation along with its potential effect is communicated to the Board.</p> <p>d) The GM IAFS informs the Board regarding scope limitations even where these were previously communicated.</p>	
6	Assessing Operations for Which Internal Auditors Were Previously Responsible	
	<p>a) Internal Auditors do not assume operational responsibilities.</p> <p>b) Where Internal Audit is directed to perform non-audit work, it is clearly understood and indicated that they are not functioning as Internal Auditors.</p> <p>c) Assurance engagements for functions over which the GM IAFS has responsibility are being overseen by a party outside the Internal Audit activity e.g. Risk Management.</p> <p>d) Internal Auditors do not assess the specific operations for which they were previously responsible until a reasonable period of time has elapsed (i.e. at least 1 year).</p> <p>e) The Internal Auditor is able to recommend standards of control for systems or reviews procedures before they are implemented without adversely affecting their objectivity.</p> <p>f) Disclosures are made to the engagement client prior to accepting the engagement where Internal Auditors have potential impairments to independence or objectivity.</p>	
7	Internal Auditing's Responsibility for Other (Non-audit) Functions	

	<p>a) Where Internal Auditors are directed to perform non-audit duties that may impair objectivity, the GM IAFS inform senior management and the Board that such activities are not assurance related and therefore audit-related conclusions cannot be drawn.</p> <p>b) Where Internal Auditors are directed to perform non-audit duties that are in excess of ten percent (10%) of the planned assurance duties, the GM IAFS must inform senior management and the Board and obtain the required approvals before accepting such duties.</p> <p>c) All non-audit work performed by Internal Auditors are fully disclosed as part of the reporting process.</p> <p>d) Where an Internal Audit function or individual Internal Auditor is responsible for, or management is considering assigning, an operation that it might audit, the Internal Auditors make the appropriate disclosure.</p>	
8	Applicability & Enforcement	
	<p>a) Unless specifically prescribed or otherwise referenced in the Internal Audit and Forensic Services Mandate, such an assessment should be performed by individuals and/or functions that provide Internal Auditing services.</p> <p>b) If independence or objectivity is impaired in fact or appearance, the details of the impairment should be disclosed to senior management and the Board. The nature of the disclosure will depend upon the impairment.</p>	
9	Frequency of Assessment	
	Unless specifically prescribed or otherwise referenced in the Internal Audit and Forensic Services Mandate, such an assessment should be performed by the Committee at least annually.	

APPENDIX 4: EVALUATION OF COMMITTEE PERFORMANCE

SECTION 1: AUTHORITY & ORGANISATION

Please indicate whether the practices in each of the following areas are being followed (yes or no).

Please also detail any suggested follow-up steps to assist in improving performance.

Committee practices	Also involved	Is practice being followed (Yes/No/NA)	Follow-up steps
1.1 Authority The Board has authorised the committee to seek information required from any employee and external party, to obtain outside advice and to require employee attendance at meetings.	Board		
1.2 Organisation – Terms of Reference (ToR) The committee operates in terms of a written ToR setting out its duties and responsibilities The ToR is approved by the Board, reviewed annually and modified as necessary.	Board		
1.3 Organisation – membership The experience and qualifications of committee members are compatible with the duties of the committee, in particular, the ability to understand financial statements.	Board/ Committee/ Chairman		
The Board annually reviews the mix of experience and skills of committee members to maintain an appropriate balance.	Board/ Committee/ Chairman		
The size of the committee is appropriate to the organisation.			
All committee members are independent of management.	Board		
Committee members are appointed by the Board or by the nominating committee as appropriate.	Board		
Term of membership of the committee is at the discretion of	Board		

the Board but maintenance of continuity, while bringing a fresh perspective to the committee, is considered.			
1.4 Organisation – Meetings The committee meets regularly (at least three (3) or four (4) meetings a year is desirable) with special meetings called as required.			
Senior management, internal and external auditors are invited to attend meetings as necessary.			
Written meeting agendas are prepared.	Committee secretary		
Meeting agendas are distributed in advance together with sufficient background information to enable committee members to prepare for meetings.	Committee secretary		
All proceedings are minuted.	Committee secretary		

SECTION 2: KEY PRINCIPLES & PRACTICES

Please rate the extent to which the committee complies with each statement on a scale where 1 = Strongly Disagree and 5 = Strongly Agree. If the practice is not being followed or if the rating is below what you consider acceptable, please indicate the steps the committee should take to raise its performance.

Principal components of an effective audit committee	Committee Follow-up actions suggested Rating (1 to 5)
The Committee	
2.1 Financial statements Is satisfied that the company adequately addresses the risk that the financial statements may be materially misstated, intentionally or unintentionally	
Is comfortable, through discussions with management and external auditors, that accounting principles followed and any changes thereto are appropriate	
Thoroughly reviews any proposed changes in accounting principle made at management’s discretion, understanding	

the reasons therefore, compliance with accepted accounting practices and the financial effects before granting approval	
Scrutinises areas involving management's judgement - significant accounting accruals, reserves or other estimates - that have a material impact on the financial statements	
Discusses with management reasons for all significant variances in the financial statements between years and from budget, ensuring that the explanations are consistent with members' understanding of the business	
Thoroughly discusses with management unusual or complex items and their accounting treatment, ensuring consistency with knowledge of the company	
Reviews narrative reporting and other information included in reports to ensure they are supportable by information in the financial statements or other information known to members	
Discusses with management, the internal and the external auditors, any significant accounting and reporting issues during the period and agrees with their resolution	
Discusses audit results with the external auditors and considers management's handling of proposed audit adjustments	
Meets as required with the group's internal legal counsel to discuss legal matters having significant impact on the financial statements	
Discusses with management and external auditors, the substance of any significant issues concerning litigation, contingencies, claims or assessments, understanding their impact on the financial statements	
Assesses the financial statements as a whole for completeness and consistency with information known to members, and also confirming such with management and the external auditors. In addition, consider whether the statements present a balanced and understandable assessment of the company's position, performance and prospects	

Reviews and considers the interim reporting process, examining and discussing before recommending the adoption of the interim financial statements	
2.2 Control and compliance Clearly understands and agrees with the Board which elements of internal control, financial reporting, operational effectiveness and efficiency, and compliance with laws and regulations, the committee oversees on behalf of the Board	
Reviews the extent of control testing by internal and external auditors, understanding the degree to which it can be relied upon to detect internal control weaknesses or fraud	
Reviews policies and procedures with respect to senior executives' discretionary expenditure, including expense accounts, perquisites and use of corporate assets	
Discusses with internal and external auditors, their observations on internal control effectiveness and any significant weaknesses or issues discovered	
Sees that management addresses, on a timely basis, significant control exposures, relying on internal and external auditors as required to assess the adequacy of corrective actions taken	
Monitors company compliance with laws and regulations in areas in which it has oversight responsibility, through periodic briefings from Internal Auditors and management as appropriate. These shall include but not be limited to the Companies Act 992, the SEC Corporate Governance Code for Listed Companies and applicable statements of IFRS	
Retains the authority to conduct special investigations, doing so and engaging external resources to assist as appropriate	
Is comfortable with the nature and extent of responsibilities delegated to the committee by the Board and has sufficient time and resources to carry them out effectively	

Contributes on the formulation of an appropriate risk appetite which takes cognisance of shareholders expectations regarding acceptable returns on investment as well as capital appreciation.	
2.3 Interaction with management and auditors Maintains a productive relationship with management, with open lines of communication and ongoing dialogue	
Meets periodically in executive session to assess management's effectiveness	
Reviews and approves the Internal Audit mandate, also ensuring that the function reports to an appropriately senior position within the company, so maintaining Internal Audit's objectivity	
Reviews and concurs in the appointment, replacement or dismissal of the Internal Audit manager, ensuring Internal Audit's continued objectivity	
Reviews IAFS plans, ensuring appropriate coverage of key control systems and proper degree of coordination of work with external auditors	
Reviews the adequacy of IAFS staffing and budget, focusing on staff quality and continuity as well as the impact of any outsourcing	
Discusses significant IAFS and R&C findings reported to the committee as well as the status of past audit commendations	
Is satisfied through discussions with management and external auditors, that Internal Audit is operationally independent of the areas it assesses and, by its support, assists in preserving such independence	
Accepts authority for selection and reappointment of the external auditors, considering management input and its own observations on firm quality, and ensures any recommendation for change/dismissal is for appropriate reasons	
Ensures external auditors' independence, receiving and discussing reports on the extent of non-audit services and other relationships that could bear on independence, and	

Reviews the external audit scope and related fees, ensuring members understand and are comfortable with the extent of audit work anticipated	
Receives and considers information required to be communicated under auditing standards, covering such matters as significant accounting principles and the auditors' judgements about their quality, audit adjustments, major issues encountered, fraud and illegal acts, and significant deficiencies in internal control	
Is satisfied that the engagement of any audit firm other than the principal auditors, is based on sound rationale	
Is familiar with situations in which management seeks a second opinion on significant accounting or auditing issues	
Instructs IAFS and external auditors that the committee expects to be promptly advised of any areas requiring its attention	
Builds constructive professional relationships with both IAFS, R&C and external auditors, facilitating their ease at bringing forward sensitive issues to the committee	
Meets privately with both IAFS, R&C and external auditors on a routine basis	
Creates an atmosphere of trust, encouraging candid discussions with all parties	
Monitors and evaluates the performance of the IAFS and external audit functions	
2.4 Committee composition	
Has new members selected by designated independent directors identifying needed skills and attributes	
Members possess characteristics such as integrity, judgement, credibility, trustworthiness, intuition, industry knowledge, willingness to actively participate, ability to handle conflict and communication, decision-making and interpersonal skills	

Members possess requisite level of financial reporting knowledge	
Is satisfied that it has a sufficiently independent voice, in no way beholden to the Managing Director or CEO, and is constantly ready to constructively challenge the management team	
Considers with the Board the need to balance continuity with fresh perspective when considering members' terms of service	
Is the right size, bringing requisite knowledge, abilities and skills in a group small enough to act cohesively	
2.5 Training and resources	
Ensures that new members have the orientation required to understand the committee's responsibilities and the financial reporting process they will oversee	
Is confident that management and auditor briefings provide the required development that members need to be effective	
Makes sure that it commands adequate resources to support it in accomplishing its objectives	
2.6 ToR, evaluation and reporting	
Operates in terms of a written ToR that has been approved by the Board of directors	
ToR clearly articulates the committee's: <ul style="list-style-type: none"> • Purpose • Responsibilities • Composition • Authority • Reporting responsibilities 	
Assesses its ToR annually, suggesting required updates to the Board for approval	
Ensures annually that it has carried out all the responsibilities outlined in its ToR/checklist/Standing Items	

Is satisfied that it is properly positioned to comply with any new rules or requirements	
Annually evaluates the performance of the committee as a whole and takes corrective action where necessary	
Operates in an environment of openness and trust where members feel free to speak their minds and pursue issues to completion	
Reports to the Board on its activities, key issues and major recommendations	
Provides reports to shareholders on committee responsibilities and other matters as required by regulation	
2.7 Meetings	
Holds sufficient number of meetings scheduled at appropriate times to address its responsibilities on a timely basis	
Meetings are of adequate duration to allow the committee to accomplish its agenda, with enough time to fully discuss important issues	
Meetings are effective with advance approval of the agenda and the right amount of advance material distributed in a timely manner, which members review before the meeting	
Makes sure that the right individuals attend, particularly those with meaningful input on agenda items	
Members meet in closed session with external auditors and IAFS as well as R&C to allow full and frank discussion of potentially sensitive matters	
Members meet in executive session, allowing confidential discussion of financial reporting reliability and auditor and management performance	
2.8 The future	

Considers whether there are emerging issues that will demand its attention going forward, and is proactive in positioning itself to deal with them	

Completed By _____

Date _____

APPENDIX 5: EVALUATION OF EXTERNAL AUDITOR

The Audit Committee should evaluate external audit based on its own experience and ask management and Internal Audit to provide their own assessments

Foreword

The checklist framework below is intended to enable the Audit Committee to carry out a formal review of the efficiency and effectiveness of their external auditor. Such review provides the Audit Committee with a disciplined approach to keeping the auditor’s performance under review. It will also help ensure that the auditor remains alert to the company’s needs and to maintaining an appropriate relationship with the executive management, the Audit Committee and the Board as a whole.

Please indicate the extent of compliance/performance with each question on a scale where 1 = “inadequate” and 5 = “best practice”. If not considered applicable or an assessment cannot be made, please mark “NA”

1. Calibre of the external audit firm	
What is the reputation of the external audit firm? Are there recent or current litigation cases against the firm?	1 2 3 4 5
What is the reputation and presence of the external audit firm in this industry?	1 2 3 4 5
Does the firm have the size, resources and geographic coverage required to audit this company?	1 2 3 4 5
<u>Comments:</u>	
2. Quality processes	
What are the quality control processes in the external audit firm? Factors to be considered include:	
The level and nature of review procedures?	1 2 3 4 5
The approach to judgements and issues?	1 2 3 4 5
Independent quality control reviews?	1 2 3 4 5
The firms approach to risk?	1 2 3 4 5
How are key audit individuals at the firm compensated and evaluated and do these evaluation schemes run the risk of impairing the external auditor’s independence?	1 2 3 4 5

What is the external audit firm's process for internal reviews of accounting judgements, including an understanding of the key issues?	1 2 3 4 5
What relevant specialists does the firm employ and how are these linked to the audit process?	1 2 3 4 5
<u>Comments:</u>	
3. Audit team	
Do the individuals assigned to the external audit team have the requisite expertise, including industry knowledge, to audit this company effectively?	1 2 3 4 5
Are sufficient resources allocated to the audit?	1 2 3 4 5
What is the scope of the engagement partner's/other senior personnel's involvement in the audit process and is this sufficient?	1 2 3 4 5
<u>Comments</u>	
4. Audit scope	
Is the external audit scope adequate to address all of the financial reporting risks facing the company? Factors to be considered include:	
Geographic coverage	1 2 3 4 5
Allocated resources?	1 2 3 4 5
Level of audit testing?	1 2 3 4 5
Nature of audit reports issued?	1 2 3 4 5
Does the firm agree the audit scope and plan with the Audit Committee?	1 2 3 4 5
Is specialist input to the audit in areas such as taxation, pensions and regulation at an appropriate level?	1 2 3 4 5
What is the external audit firm's approach to seeking and assessing management representations?	1 2 3 4 5
Does the firm have an effective working relationship with IAFS?	1 2 3 4 5
<u>Comments:</u>	

5. Audit fee	
Is the external audit fee reasonable given the scope of the external audit, and how does the fee compare with other similarly sized companies in this industry?	1 2 3 4 5
How are differences between actual and estimated fees handled?	1 2 3 4 5
Is an assessment made of the amounts and the relationship between audit and non-audit fees and services?	1 2 3 4 5
<u>Comments:</u>	
6. Audit communications	
Does the external audit firm advise the Audit Committee timeously about significant issues and new developments regarding:	
risk management?	1 2 3 4 5
corporate governance?	1 2 3 4 5
financial accounting?	1 2 3 4 5
related risks and controls?	1 2 3 4 5
Does the external auditor discuss the critical accounting policies and whether the accounting treatment is conservative or aggressive?	1 2 3 4 5
Does the firm meet regularly and on a confidential basis with the Audit Committee?	1 2 3 4 5
Does the firm resolve accounting issues in a timely manner?	1 2 3 4 5
Does the firm seek feedback on the quality and effectiveness of the service it is providing?	1 2 3 4 5
<u>Comments:</u>	
7. Audit governance and independence	
Does the Audit Committee control the relationship with the external auditor or does management control the relationship?	1 2 3 4 5
Does the external audit firm have open lines of communication and reporting with the Audit Committee?	1 2 3 4 5
Are unadjusted audit differences and significant weaknesses in internal control appropriately communicated?	1 2 3 4 5

Do the individuals assigned to the audit demonstrate a high degree of integrity in their dealings with the Audit Committee?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Does the firm discuss its internal process for ensuring independence with the Audit Committee?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Does management respect the external auditors as providers of an objective and challenging audit process?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Is the level and nature of entertainment between the external audit firm and management appropriate?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Does the nature of non-audit services provide any potential to impair audit independence?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
<u>Comments:</u>						

APPENDIX 6: EVALUATION OF INTERNAL AUDIT AND FORENSIC SERVICES PERFORMANCE

Foreword

The Committee should evaluate Internal Audit and Forensic Services (IAFS) based on its own expectations and request management and external audit to provide their own assessments. If measurement criteria have been set to assess IAFS' performance, the Audit Committee needs to incorporate these into the evaluation.

In addition to these assessments, the head of Internal Audit and forensic services should be asked to self-assess the department's performance.

When the committee has considered the answers, other issues may become evident, including matters relating to the Audit Committee's own performance, the performance of management or the performance of the external auditors.

The head of IAFS should be advised of the outcome of the evaluation and be given the opportunity to discuss the findings.

Where the same questionnaire has been used in the prior year, the committee should consider the responses for the year and the prior year to identify trends.

On a regular basis, possibly every two (2) or three (3) years, the committee should consider commissioning an external review.

To be completed by members of the Audit Committee prior to feedback from other areas of the organization

Please indicate the extent of compliance/performance with each question on a scale where 1 = "inadequate" and 5 = "best practice". If not considered applicable or an assessment cannot be made, please mark "NA"

1. Understanding	
How well does Internal Audit and forensic services (IAFS) demonstrate that it recognises its direct reporting responsibility to the Board of directors and its Audit Committee?	1 2 3 4 5
How strongly does IAFS demonstrate an understanding of the responsibilities and operation of the committee?	1 2 3 4 5
How well does IAFS demonstrate that it understands the expectations of the committee and the chairman?	1 2 3 4 5
How well does IAFS demonstrate that it understands the organisation's business and risk environment?	1 2 3 4 5
Does IAFS consistently demonstrate a realistic commercial view of the business?	1 2 3 4 5
Comments:	

2. Charter and structure	
Do the Terms of Reference for IAFS define:	
roles and responsibilities, including those in relation to other internal functions?	1 2 3 4 5
expectations of management?	1 2 3 4 5
scope of IAFS work?	1 2 3 4 5
access to information?	1 2 3 4 5
Has IAFS Terms of Reference been reviewed in the past two (2) years?	1 2 3 4 5
Is IAFS Terms of Reference visible to everyone in the organisation?	1 2 3 4 5
Does the structure of IAFS facilitate consistency in the quality of service to the organisation?	1 2 3 4 5
Does the structure of IAFS facilitate an understanding of the organisation's business issues?	1 2 3 4 5
Does the structure of IAFS facilitate the delivery of value to the organisation?	1 2 3 4 5
<u>Comments:</u>	
3. Skills and experience	
How well does IAFS staff reflect its role and responsibilities?	1 2 3 4 5
On the basis of the work performed by IAFS over the past twelve (12) months, does Internal Audit appear to have the right mix of competencies?	1 2 3 4 5
How would you assess the Audit Committee's confidence in IAFS?	1 2 3 4 5
<u>Comments</u>	
4. Communication	
Has IAFS attended all the Audit Committee meetings it was scheduled to attend?	1 2 3 4 5

Has IAFS made itself available for consultation outside of committee meetings?	1 2 3 4 5
How responsive has IAFS been to requests from the committee, including requests for special investigations?	1 2 3 4 5
What is the level of IAFS's frankness and candour with the committee?	1 2 3 4 5
How well has IAFS handled difficult or contentious issues?	1 2 3 4 5
Does IAFS ensure that the chairman of the committee is fully briefed on significant findings or developments prior to committee meetings?	1 2 3 4 5
Is IAFS adequately prepared for committee meetings?	1 2 3 4 5
Does IAFS prepare relevant and clear Internal Audit reports and papers tabled with the committee?	1 2 3 4 5
Have reports been received from IAFS on a sufficiently timely basis?	1 2 3 4 5
Does IAFS promptly advise the committee about significant issues and significant developments, including on special projects such as fraud investigations?	1 2 3 4 5
Does IAFS promptly advise the committee about significant changes to the Internal Audit plan?	1 2 3 4 5
How strong is IAFS's process to monitor the status of open matters/recommendations?	1 2 3 4 5
Did IAFS contribute to the committee's understanding of the overall assurance framework within the organisation and monitor the role Internal Audit plays in this framework?	1 2 3 4 5
<u>Comments:</u>	
5. Performance	
Is the IAFS plan (Combined Assurance Plan) complete, understandable and timely?	1 2 3 4 5
Does the plan cover all priority and high-risk areas?	1 2 3 4 5
Is the plan focused on testing the controls framework?	1 2 3 4 5
Did the original plan leave unanswered any significant issues of concern to the committee?	1 2 3 4 5
What was your assessment of the scope of Internal Audit as outlined in the plan?	1 2 3 4 5
Was it clear from its reporting to the committee that IAFS delivered the services outlined in the plan?	1 2 3 4 5
Was it clear from its reporting to the committee that the services delivered by IAFS were in accordance with the agreed timetable?	1 2 3 4 5
Is there evidence of effective co-ordination of internal and external audit work?	1 2 3 4 5

Do you consider that IAFS has added value to the organisation?	1 2 3 4 5
In what way has Internal Audit added value to the organisation? _____ _____ _____	1 2 3 4 5
How would you assess IAFS's overall performance?	1 2 3 4 5
<u>Comments:</u>	
<p>To be completed by the heads of major business units and the Chief Financial Officer/Finance Director</p> <p>(Where significant subsidiaries of major business units are subject to Internal Audit, the leaders of these businesses should also be asked to complete this survey)</p> <p>Please indicate the extent of compliance/performance with each question on a scale where 1 = "inadequate" and 5 = "best practice". If not considered applicable or an assessment cannot be made, please mark "NA"</p>	
6. Planning	
Are Internal Audit and forensic services (IAFS's) Terms of Reference sufficiently visible to everyone in your business?	1 2 3 4 5
Was there sufficient pre-planning and co-ordination by the Internal Auditors and investigators with the business unit/department before each phase of the Internal Audit or special project commenced?	1 2 3 4 5
Did IAFS discuss its approach and major areas of Internal Audit focus with you?	1 2 3 4 5
Did you raise any major areas of concern that were not reviewed by the IAFS team?	1 2 3 4 5
<u>Comments:</u>	
7. Skills and experience	
From the dealings with members of IAFS, do you consider that they have sufficient professional experience, project management, interpersonal skills and seniority to effectively carry out the work required?	1 2 3 4 5

From the dealings with members of IAFS, do you consider that they have sufficient expertise in the functional specialisation areas to effectively carry out the work required?	1 2 3 4 5
From your dealings with senior members of IAFS, assess the strength of Internal Audit's understanding of the organisation and its risk environment?	1 2 3 4 5
From your dealings with senior members of IAFS, how strongly did they demonstrate an appreciation of the issues key to your role and responsibilities?	1 2 3 4 5
Did members of the IAFS team consistently demonstrate independence in all of their obligations?	1 2 3 4 5
In your view, does the way in which IAFS is funded impair its independence?	1 2 3 4 5
From your dealings with members of the IAFS team, do you believe that they are independent of the activities that they audit?	1 2 3 4 5
Were members of the IAFS team adequately supervised?	1 2 3 4 5
<u>Comments:</u>	
8. Work programme	
Was effective co-operation achieved between the IAFS and your business/department, including the avoidance of undue disruption of normal activities?	1 2 3 4 5
Was there a formal process to ensure IAFS kept you up to date with the audit/project progress?	1 2 3 4 5
Did IAFS provide early identification of and advice on contentious issues, problem areas and delays?	1 2 3 4 5
Did IAFS suggest how such issues could be resolved?	1 2 3 4 5
Were IAFS's suggestions realistic, robust and presented clearly, and on a timely basis?	1 2 3 4 5
How responsive was IAFS to the business's needs, including requests for special investigations?	1 2 3 4 5
Were IAFS reports relevant, clear and constructive?	1 2 3 4 5
Were IAFS reports sufficiently detailed to enable effective management action?	1 2 3 4 5
Were IAFS reports issued on a timely basis?	1 2 3 4 5
Were IAFS functions reports discussed with you prior to being tabled with the Audit Committee?	1 2 3 4 5
Did IAFS follow-up on recommendations to see whether or not they had been implemented?	1 2 3 4 5
Did you have any major unresolved disagreements with IAFS?	1 2 3 4 5
<u>Comments:</u>	

To be completed by the External Auditor						
Please indicate the extent of compliance/performance with each question on a scale where 1 = "inadequate" and 5 = "best practice". If not considered applicable or an assessment cannot be made, please mark "NA"						
9. Terms of Reference						
How would you evaluate Internal Audit and forensic services's (IAFS) overall performance given your understanding of the organisation's business needs, complexity and risk environment?	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
How would you evaluate IAFS's current Terms of Reference given your understanding of developments in IAFS?	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
From your understanding of IAFS and industry best practice, do you consider IAFS's current Terms of Reference to reflect a "high water mark"?	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
<u>Comments:</u>						
10. Skills and experience						
From your dealings with IAFS, do you consider that they have the professional experience, technical skills, interpersonal skills and seniority to carry out the IAFS work effectively?	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
From your dealings with senior members on IAFS, how would you evaluate their understanding of the organisation, its business and its risk environment?	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
From your dealings with IAFS, assess their experience in the following key functional specialisations in the context of what is required for the proper discharge of their responsibilities:						
IT	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Risk management	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Treasury	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Accounting	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Tax	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Supply chain	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Regulatory environment	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Other	<table border="1" style="display: inline-table;"> <tr> <td style="width: 20px; text-align: center;">1</td> <td style="width: 20px; text-align: center;">2</td> <td style="width: 20px; text-align: center;">3</td> <td style="width: 20px; text-align: center;">4</td> <td style="width: 20px; text-align: center;">5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		

From your dealings with IAFS and your knowledge of IAFS and the industry, do you consider IAFS has sufficient resources to satisfy their Terms of Reference?	1 2 3 4 5
From your dealings with IAFS and your knowledge of IAFS and industry best practice, evaluate the sufficiency of IAFS's resources to deliver the services outlined in its audit plan adequately in the time frames identified?	1 2 3 4 5
Does the structure of IAFS appear to facilitate understanding of the organisation's business issues?	1 2 3 4 5
Does IAFS's staffing appear to adequately reflect its roles and responsibilities?	1 2 3 4 5
In your assessment, is the IAFS methodology robust and does it reflect the latest thinking in IAFS?	1 2 3 4 5
<u>Comments:</u>	
11. Work programme	
Are there regular discussions between internal and external audit on internal and external audit strategies, assessment of risks and the implications of audit findings/audit work?	1 2 3 4 5
Has progress against plan been monitored jointly by internal and external audit throughout the year?	1 2 3 4 5
Did you receive copies of all IAFS reports issued?	
Were copies of IAFS reports received timeously?	1 2 3 4 5
Are IAFS reports of a standard comparable to best practice in comparable organisations?	1 2 3 4 5
To the best of your knowledge, are there any major areas of concern that IAFS did not appear to cover?	1 2 3 4 5
<u>Comments:</u>	
To be completed by the Head of Internal Audit and Forensic Services (IAFS) – Self Assessment	
Please indicate the extent of compliance/performance with each question on a scale where 1 = "inadequate" and 5 = "best practice". If not considered applicable or an assessment cannot be made, please mark "NA"	
12. Understanding	
What is your assessment of IAFS's understanding of the responsibilities and operation of the Audit Committee?	1 2 3 4 5

What is your assessment of IAFS's commercial understanding of the organisation's business?	1 2 3 4 5
What is your assessment of IAFS's understanding of the organisation's risk environment?	1 2 3 4 5
What is your understanding of the organisation's control framework?	1 2 3 4 5
<u>Comments:</u>	
13. Terms of Reference and structure	
Do the Terms of Reference for IAFS define in sufficient detail, for the purposes of directing IAFS:	
Roles and responsibilities, including those in relation to other internal functions?	1 2 3 4 5
Expectations of management?	1 2 3 4 5
Scope of IAFS work?	1 2 3 4 5
Access to information?	1 2 3 4 5
What is your assessment of IAFS current Terms of Reference in the light of the organisation's current needs?	1 2 3 4 5
What is your assessment of IAFS's current Terms of Reference in the light of the organisations future needs?	1 2 3 4 5
Assess the structure of IAFS in terms of enhancing its understanding of the organisation's business needs?	1 2 3 4 5
Assess the structure of IAFS in terms of enhancing its objectivity?	1 2 3 4 5
Assess the structure of IAFS in terms of enhancing its ability to respond to business needs?	1 2 3 4 5
<u>Comments:</u>	
14. Skills and experience	
How well does IAFS staff reflect their roles and responsibilities?	1 2 3 4 5
Assess the staff mix and competencies of the IAFS team?	1 2 3 4 5
What is your assessment of IAFS's independence from the activities it audits?	1 2 3 4 5
<u>Comments:</u>	

14. Communication						
What is your assessment of IAFS's responsiveness to requests from the Audit Committee, including requests for special investigations?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
What is your assessment of IAFS's frankness and candour with the Audit Committee?						
What is your assessment of IAFS's handling of difficult or contentious issues?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
Over the past twelve (12) months, has the chairman of the Audit Committee been fully briefed on significant findings or developments prior to Audit Committee meetings?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
What is your assessment of IAFS's process to monitor the status of open matters/recommendations?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
<u>Comments:</u>						
15. Performance						
In what way has IAFS added value to the organisation?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
How would you assess IAFS's overall performance?	<table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table>	1	2	3	4	5
1	2	3	4	5		
<u>Comments:</u>						