

MRCI Audit Committee Terms of Reference

Composition

The chair of MRCI's board can be an audit committee member but cannot chair the audit committee. At least one board members will sit on the committee at any time. At least one of the committee members should have recent and relevant financial experience. At least one external member of the finance sub-group will be the represented the audit committee. The Director and the Finance and Operations Manager will attend meetings.

Selection and Representation

It is the responsibility of the Board to select the most appropriate Board members to serve on the Audit Committee. It is preferable that members would serve on the committee for no less than two years and be reviewed thereafter.

Purpose

The overall purpose of the Audit Committee is to ensure the board of directors fulfil its corporate governance duties and oversees its responsibilities in relation to financial reporting, internal control system, risk management system and internal and external audit functions.

Its tasks include the following: -

Monitoring and review

- of the accuracy of the financial statements of the organisation;
- announcements about the organisation's financial performance and financial controls;
- control and risk management systems;
- the effectiveness of the organisation's internal audit role;
- the external auditor's independence and the effectiveness of the audit process;
- arrangements by which staff of the organisation may, in confidence, raise concerns
- about possible improprieties in matters of financial reporting or other matters.

Approval

- approving the terms of engagement of the external auditor.

Recommendations

- making recommendations to the board about the appointment, pay and conditions of the external auditor.

Meetings

- **Frequency:** The Audit Committee will meet once yearly. It can also meet periodically on a need's basis.
- **Chairperson:** The Chairperson of this committee will be a board member.
- **Minutes:** The Finance and Operations Manager will be responsible for minute taking and dissemination.
- **Decision-Making:** All decisions will be made by consensus and where necessary reported to the board for final approval.