

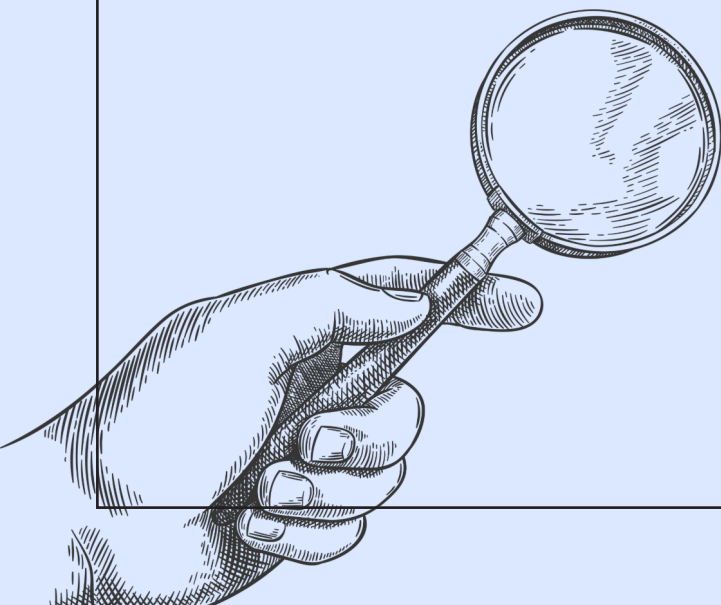


REPUBLIC OF KENYA



Name of Public Sector Entity

Model Audit Committee Charter Template



JANUARY 2025

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Overview of the Entity and the Audit Committee

[Input a summary of the background and mandate of your entity]

The PFM Act 2012 and Regulations 2015 require that each public entity shall establish an Audit Committee. PFM Regulations 167 and 174 of 2015 of County and National Government respectively provides for the purpose and authority of the Audit Committee.

Audit Committees are set up to support the the Governing Body and Senior management in fulfilling their responsibilities for the internal control, risk management and governance systems..

The Audit Committee shall comply with relevant regulatory framework as set out by [select and input the legislation relevant to your entity]:

- a. Constitution of Kenya, 2010
- b. Public Finance Management Act, 2012
- c. Public Finance Management Regulations, Legal Notice No. 34 and 35 2015 for National and County Government respectively.
- d. Audit Committee Guidelines for National and County Government entities as issued by PSASB from time to time
- e. Other relevant laws, regulations, circulars and guidelines.

1.2 Purpose of Audit Committees

The purpose of an Audit Committee is to provide a structured ,systematic oversight of the entity's governance,risk management and internal control practices.The Committee supports the Governing Body and management by providing advice and guidance on the adequacy of the entity's initiatives for:

- a. Values and ethics
- b. Governance structure
- c. Risk management
- d. Internal control framework
- e. Oversight of the internal audit activity, external auditors and other providers of assurance
- f. Financial statements and public accountability reporting.

1.3 Authority

The Audit Committee Charter sets out the authority of the Committee to carry out the responsibilities established by the Governing Body. In discharging its responsibilities, the Committee shall have:

- a. No executive powers, delegated financial responsibility or management functions
- b. Unrestricted access to management, employees and relevant information it considers necessary to effectively discharge its duties.
- c. Unrestricted access to records, data and reports, subject to any legal information protection or privacy requirements.
- d. Authority to discuss any matters with the external auditor or other external parties, subject to confidentiality considerations.
- e. The right to require attendance of management at Committee meetings.
- f. The right to obtain external legal or other professional advice, subject to prior approval of the Governing Body.

- g. To commission any appropriate special audits and/ or investigations on the public entity subject to approval by the Governing Body.

1.4 Mandate of the Audit Committee

The Committee has been established by the Governing Body in accordance with Sec 73(5) and 155(5) of the Public Finance Management Act 2012 for National and County Government entities respectively and has the authority of the Governing Body to carry out the activities prescribed in this Charter.

1.5 Roles and Responsibilities

To fulfil its roles and responsibilities, the Committee shall exercise oversight on the following areas:

1.5.1 Financial reporting process

The Audit Committee shall;

- a. Review significant accounting and reporting matters to understand their impact on the financial reporting requirements. This includes complex or unusual transactions, highly judgemental areas, as well as recent professional and regulatory pronouncement.
- b. Review quarterly and annual financial reports and disclosures before release and consider the accuracy and completeness of the information and in accordance with financial reporting standards and applicable rules and regulations.
- c. Review in consultation with the internal auditors or the Office of the Auditor General, significant accounting and reporting issues and understand their impact on the financial reporting.
- d. Apply appropriate level of scepticism, ask probing questions, and engage in frank discussions with management on the results of the audit, including any difficulties encountered.
- e. Undertake any other duty assigned by the Governing Body.

1.5.2 Internal controls and risk management systems

The Audit Committee shall;

- a. Review the efficiency and effectiveness of the entity's risk management and control processes.
- b. Receive and consider reports on all matters of significance arising from work performed by other providers of financial, risk management and internal control assurance to senior management and the Governing Body.
- c. Advising on the adequacy of risk management, internal control framework and policies.
- d. Institute and oversee special/Ad hoc audits.
- e. Undertake any other duty assigned by the Governing Body.

1.5.3 Oversight of the Internal Audit Function

The Audit Committee shall;

- a. Establish a direct reporting relationship with the HIA and the internal audit function to enable the internal audit function to fulfill its mandate.
- b. Require the HIA be positioned at a level in the entity that enables internal audit services and responsibilities to be performed without interference from management.
- c. Review and approve the Internal Audit Charter which includes the internal audit mandate and the scope and types of internal audit services and policies and procedures;
- d. Communicate the Governing Body's perspective on the entity's strategies, objectives, and risks to assist the HIA with determining internal audit priorities.
- e. Review and approve Internal audit strategic plan, annual risk based audit plan, annual per-

formance objectives, resource requirements and organizational structure of the internal audit function.

- f. At least annually, discuss with the HIA, the sufficiency, both in numbers and capabilities, of internal audit resources to fulfill the internal audit mandate and achieve the internal audit plan.
- g. Consider the impact of insufficient resources on the internal audit mandate and plan and engage senior management and the HIA on remedying the situation.
- h. Ensure that the internal audit function has a Quality Assurance and Improvement Program (QAIP) and that the results of internal and external assessments are presented to the Committee.
- i. Ensure independent quality assurance review of the internal audit function is conducted at least once every three years but not more than five years.
- j. Review results of audit work, audit recommendations and management responses, with focus on most significant findings.
- k. Review the effectiveness of the internal audit function, including compliance with relevant laws and conformance with the International Professional Practices Framework (IPPF).
- l. Ensure that agreed audit recommendations and action plans are implemented.
- m. At least annually, meet separately with the HIA without the presence of management.
- n. Drive/participate in the assessment of the performance of the HIA.
- o. Review and assess the internal audit function's performance relative to its audit plan;
- p. Engage with senior management and the HIA to establish appropriate safeguards if HIA roles and responsibilities impair or appear to impair the internal audit function's independence.
- q. Engage with senior management to ensure that the internal audit function is free from interference when determining its scope, performing internal audit engagements, and communicating results.
- r. Set expectations with the HIA for:
 - i. The frequency with which the Governing Body wants to receive communications from the HIA.
 - ii. The criteria for determining which issues should be escalated to the Governing Body, such as significant risks that exceed the entity's risk appetite/tolerance
 - iii. The process for escalating matters of importance to the Governing Body.
- d. Undertake any other duty assigned by the Governing Body.

1.5.4 Consideration of reports by the Office of the Auditor-General and other external assurance providers

The Audit Committee shall;

- a. Discuss with the external assurance providers major resolved and unresolved issues that arose during the course of the audit and explanations obtained from management.
- b. Review the report and recommendations made by the external assurance providers and advise the Governing Body and management.
- c. Where necessary, meet separately with the independent external assurance providers to discuss any matters without the presence of management in the course of the engagement.

1.5.5 Monitoring Compliance with laws and regulations

The Audit Committee shall;

- a. Review the effectiveness of the system for monitoring compliance with laws and regulations.
- b. Review mechanisms for whistleblowing and monitoring of ethical conduct.

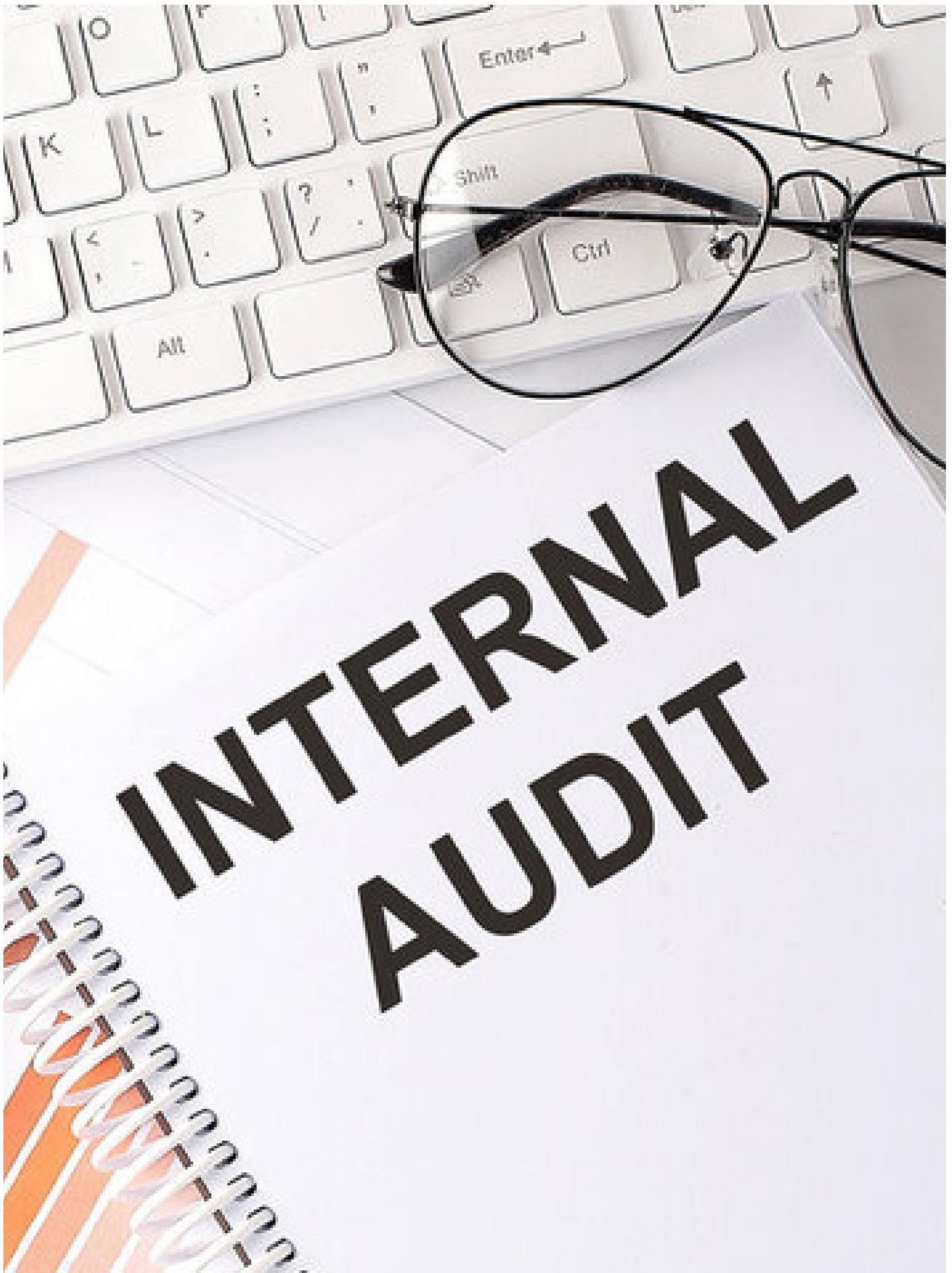
1.5.6 Reporting Responsibilities

The Audit Committee shall;

- a. Provide Quarterly, annual and special /investigative reports (and as frequently as deemed necessary) to the Governing Body. The report should be prepared in a format prescribed by

PSASB.

- b. Provide an open avenue of communication between internal audit, the external auditors, and the management, as appropriate.



CHAPTER TWO

2.0 COMPOSITION, APPOINTMENT, TERM OF OFFICE, AND REPLACEMENT

2.1 Composition

- a. The entity shall establish a Committee with a membership of at least three (3) and not more than five (5) members including a National/County Treasury representative.
- b. The entity shall ensure that the members of the Committee have appropriate skills mix to ensure effectiveness in discharge of their mandate.
- c. The Chairperson of the Committee shall be independent of the national/county government entities, be knowledgeable of the entity, have the requisite business and leadership skills and shall not be a political office holder.
- d. Majority of members appointed to the Committee shall not be past or present employees of the entity and shall not have served as an employee or agent of a business entity which has carried out any business with the concerned entity in the last two years.
- e. The Chairperson of the Committee shall not serve concurrently as a member of any other Committee of the concerned national/county government entity, but its members can serve in upto a maximum of three Committees at the same time.
- f. The entity shall satisfy itself that at least one member of the Committee has relevant qualifications and expertise in audit, financial management, or accounting with experience and knowledge in risk management.
- g. The Committee Members must be able to dedicate sufficient time to the performance of their work.
- h. Comply with other government requirements on appointment as they arise.
- i. All members of the Committee shall—
 1. have a good understanding of entity's operations, financial reporting or auditing; and
 2. have a good understanding of the objects, principles and functions of the entity to which they are to be appointed.
- c. Where the Committee requires expert advise which is not available within the committee they shall coopt a person to sit in the Committee upon approval of the Governing Body. The coopted member can neither vote nor be the Chairperson of the Committee.

2.2 Appointment

All Members of the Governing Body shall be appointed in writing.

2.2.1 Term of Office of Members (Including Chairperson)

- a. The initial term of appointment to the Committee should be for a period stipulated in Audit Committee Guidelines and/or government directives.
- b. The term should only be extended after the performance of the member has been reviewed.

2.2.2 Cessation of Membership and Replacement

A Member of the Committee shall cease to be a member if: —

- a. The Member is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months; or
- b. The Member is absent from two regular consecutive meetings of the Committee without leave of absence; or
- c. The Member resigns in writing from the Committee; or
- d. The Member's term of office expires; or

- e. The Member ceases to be member by virtue of withdrawal of his or her nomination to the Governing Body by the nominating institution; or
- f. The Member becomes an employee or officer of concerned entity; or
- g. The Member is discovered to have a conflict of interest as prescribed as at the time of his appointment and failed to disclose it; or
- h. The Committee is disbanded.

2.3 Duties And Responsibilities

2.3.1 Chairperson

The Chairperson shall:

- a. Provide overall leadership to the Committee.
- b. Play a key role in setting the agenda for Committee meetings and issuance of notice.
- c. Conduct efficient Committee meetings and guide its decision-making process.
- d. Encourage members to participate fully in Committee deliberations.
- e. Harness the collective skills of the Committee members.
- f. Lead the annual Committee Evaluation Process.
- g. Participate in the performance evaluation of the HIA.
- h. Be available for consultations with members of the Governing Body, Accounting officer, the HIA and external auditors.
- i. Provide quarterly updates on governance, risk and control processes and any issues thereof to the Governing Body.
- j. Ensure that minutes are taken at each meeting and provided to the members of the Committee before the next meeting.

2.3.2 Members

All members of a Committee shall—

- a. Have a good understanding of entity's operating, financial reporting or auditing practices,
- b. Have a good understanding of the objects and principles of the entity
- c. Have a good understanding of the functions of the entity,
- d. Ensure adequate review of the documentation prior to the meeting,
- e. Dedicate sufficient time to the performance of Audit Committee work,
- f. Prepare relevant questions on the items of the agenda.

2.3.3 Secretariat

In consultation with the Chairperson, the Secretariat shall;

- a. Draft the Committee annual work plan
- b. Draft and issue Committee's meetings notice at least within fourteen days
- c. Facilitate the distribution of the material to the Committee members
- d. Record minutes of the Committee meetings
- e. Maintain records for the Committee activities
- f. Draft Committee reports to the Governing Body.

CHAPTER THREE

3.0 MEETINGS OF THE AUDIT COMMITTEE

3.1 Agenda Setting

- a. The Committee shall determine its own agenda.
- b. The agenda, reports and supporting documents to be discussed in the meeting shall be circulated to the Committee Members and persons who are to attend the meeting at least seven (7) days in advance to provide time for consideration of matters.

3.2 Frequency and Timing of Meetings

- a. The Committee shall meet at least quarterly.
- b. The scheduling of the Committee meetings shall be as per the approved annual work plan. The schedule of meetings shall be circulated to Members of management for information.
- c. The Committee Chairperson may call for special meetings as necessary to address any matters referred to the Committee or in respect to matters that the Committee wishes to pursue provided such meetings are in line with relevant government guidelines on conduct of meetings.
- d. If at any meeting of the Committee the chair is not present, the members shall elect a chair for purposes of conducting that meeting.
- e. The Committee may invite such other person as may be considered necessary .

3.3 Attendance Quorum

- a. The quorum for the Committee meeting shall constitute at least fifty (50%) percent plus one member, one of whom shall be an independent member.
- b. No business shall be transacted in the Committee Meeting without the prescribed quorum.
- c. Where the prescribed quorum of the meeting is not met, the meeting shall be adjourned and reconvened on notice within seven days. If at the reconvened meeting a quorum is not met, members present shall be deemed to be a quorum.
- d. Quorum shall be present throughout the meeting and shall be present not only at the time of the commencement, but also while transacting the business of the Meeting.
- e. As members are appointed on the basis of personal qualities and skills, proxies are not permitted if a member is unable to attend a meeting.

3.4 Voting

- a. The notice of a meeting which will require voting must specify the issues to be deliberated on.
- b. Any member of the Committee who has any interest in a matter under consideration shall declare before deliberations and voting on such matter.
- c. The Committee shall make decisions by resolution. The Committee members, with the guidance of the Chairperson, should work towards consensus on adoption of resolutions.
- d. Views of all assenting and dissenting members shall be taken and appropriately recorded.
- e. Each member of the Committee shall have one vote. The Committee shall make decisions by resolution. In the event of a tie vote, the Chair shall be entitled to cast a second vote.

3.5 Minutes of Meetings

- a. Meetings shall be conducted on a formal basis and minutes taken by the Secretary to record the proceedings and any decisions made.
- b. The minutes shall cover each agenda item and document the discussions held and the out-

come or conclusion from the discussions. This will include:

- i. Any recommendations and action points
 - ii. Allocation of tasks to relevant person
 - iii. Allocation of time for follow up and further consultation
- c. The minutes shall contain sufficient information to provide an understanding of the activities of the Committee and its recommendations, conclusions and outcomes.
 - d. The minutes of meetings shall be prepared and distributed to Committee members as soon as possible but before the next meeting.
 - e. The minutes shall be confirmed as true record at the next meeting. If any important details have been incorrectly recorded or omitted, they should be discussed and the minutes confirmed subject to amendments.
 - f. The minutes shall be signed as a confirmation of true record of the meeting.



CHAPTER FOUR

4.0 KEY RELATIONSHIPS WITH THE AUDIT COMMITTEE

4.1 Relationship with Governing Body

The audit committee supports the board in overseeing the;

- a. Reliability of the entity's financial statements and disclosures
- b. Effectiveness of the entity's internal control and risk management systems
- c. Compliance with the entity's code of business conduct and legal and regulatory requirements
- d. Independence, qualifications and performance of the external auditors
- e. Performance of the internal audit activity

The audit committee shall report and provide feedback to the relevant Governing Body after each meeting, escalating significant issues.

4.2 Relationship with Accounting Officer

- a. The Committee supports the Accounting Officer with regard to their responsibilities on issues of governance, risk and control processes.
- b. Each Accounting Officer of an entity shall ensure that the Committee is adequately funded and supported.
- c. The Accounting Officer has a key role in supporting the effectiveness of the Committee by;

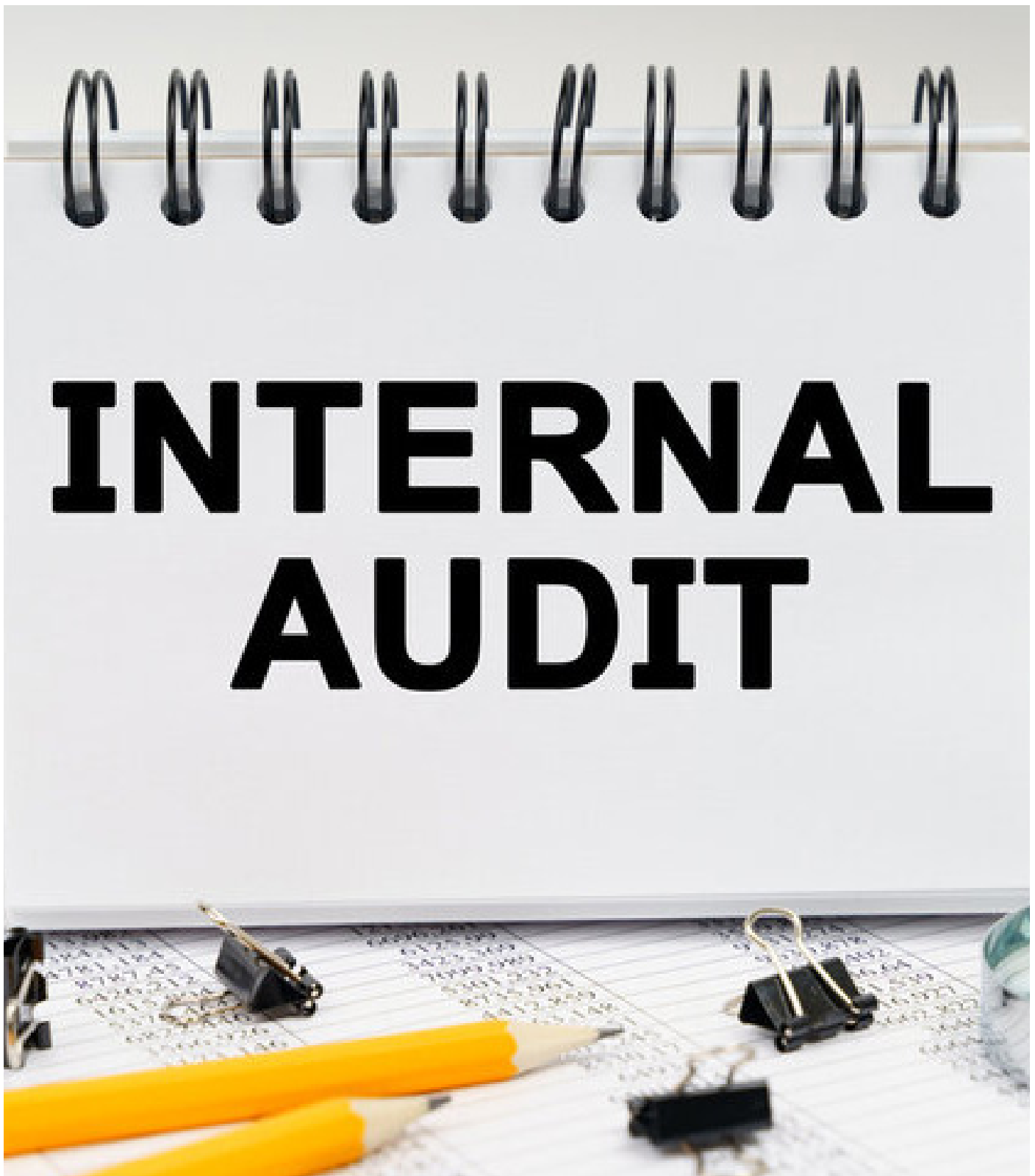
1. Providing capacity building to all Committee members.
2. Providing policies and guidelines on Committee.
3. Monitor the effectiveness of Committee.
4. Providing periodic updates of Committee activities; and
5. Providing induction and relevant information to newly appointed Committee members.

Relevant information will include:

- i. Entity's enabling legislation and applicable documents,
 - ii. The Public Finance Management Act, 2012,
 - iii. The Public Finance Management Act, Regulations 2015,
 - iv. The entity's strategic plan,
 - v. Board charter,
 - vi. The service charter,
 - vii. Entity's budget and procurement plan,
 - viii. Risk policy framework and risk profile,
 - ix. The Internal Audit Strategic plan,
 - x. An internal Audit charter,
 - xi. Internal Audit Budget and risk based Annual Work Plan,
 - xii. Audit Committee charter,
 - xiii. Any other relevant legislations, guidelines or documents as applicable.
- d. The Accounting officer and/or other members of management may by invitation attend Committee meetings.
 - e. The Accounting Officer shall be responsible for the implementation of the recommendations made in the audit reports and shall develop response and action plan which he or she shall submit to the Committee within fourteen days.
 - f. The Committee shall determine whether management's response to address the audit findings is satisfactory, cost-effective and in line with the entity risk management framework. The Committee shall also ensure that the recommendations enhance the effectiveness and efficiency with which entity delivers its services.

4.3 Relationship with External Auditor

- a. External auditor and the Committee should have a strong and candid relationship. Open, regular, frank and confidential dialogue should be the norm, allowing the Committee to utilize the technical knowledge and experience of external audit in assessing, the quality of the entity's governance, risk management, control processes and financial reports.
- b. The Committee may be instrumental in facilitating communication and effective relationship between Internal Audit and External Audit.
- c. The internal audit should, on behalf of the Committee monitor and report on the implementation of external audit findings and recommendations.



CHAPTER FIVE

5.0 PERFORMANCE EVALUATION

The Committee shall perform an evaluation of its performance and that of its members at least annually. The evaluation criteria shall be determined by the Governing Body and may include the following:

- a. Compliance of the Committee with its charter
- b. Expertise and skill mix
- c. Attitude, objectivity, judgement and independence.
- d. Commitment to the Committee's duties and responsibilities.
- e. Attendance of meetings and willingness to devote time to prepare for meetings
- f. Knowledge of entity's objectives and operations.

CHAPTER SIX

6.0 REVIEW AND APPROVAL OF THE CHARTER

6.1 Charter Review

The Committee Charter is subject to review periodically to keep it current with significant changes to entity's activities that may render the Charter inadequate and, in any case, not more than three years and/or as per the entity policy and/or Government directives and any other significant emerging issues. Such changes shall be approved by the Governing Body.

6.2 Charter Approval

Issued under the signature of: -

[Accounting Officer]

Date

[Audit Committee Chairperson]

Date

[Governing body]

Date

APPENDICES

NB: The audit committee may adopt the following templates in the execution of their oversight role.

Template A: Quarterly Audit committee report to the Governing Body

Quarterly Audit committee report Template	
Public Sector Entity	
Quarter	
Financial Year	

1. Number of meetings held and key issues discussed
2. Monitoring of internal audit reports
3. Monitoring of external audit reports and other assurance providers
4. Recommendations to the Governing Body
5. Previous recommendations to the Governing Body for which no decision has been taken
6. Significant risks and mitigating strategies
7. Internal audit plans
8. Comments on the effectiveness of governance, risk management and internal control
9. Annual financial statements (and quarterly financial statements where applicable)

Approved By: Chair, Audit Committee

Date:

Template B: Audit Committee Annual Report

1. Composition of the audit committee

- Chair, Secretary and Members – names and appointment
- Confirmation that the members of the committee met the definition of independence as required
- Appointment process
- Relevant qualifications, expertise and experience of each member (if not included in biographical details)

2. Audit Committee members and Attendance

The number of meetings actually held during the fiscal year under review compared to the number specified in the regulations or planned. The Audit Committee should further indicate the name of each Audit Committee member stating any members that were appointed or resigned, the number of meetings attended by each member.

3. Audit Committee Responsibility

The Audit Committee should, at least, address the following with additional commentary. A reference may be made to the charter

- Adoption / non-adoption of the audit committee charter,
- Its compliance/ non-compliance with the audit committee charter

4. The effectiveness of governance, risk management and internal control

Using available presentations from management and head of internal audit, the Audit Committee should, at least address the following with additional commentary:

- Efficiency and effectiveness of the system of internal control applied by the entity
- Risk management effectiveness, efficiency and transparency, Report on Governance requirements
- The Annual Financial Statements
- The management report from OAG
- The quality of in-year management and monthly/quarterly reports submitted

5. Appraisal of Financial Statements

The Audit Committee should, at least, address the following with additional commentary on in-year and annual financial statements on the following topical issues:

- a) Significant accounting policies and any changes thereof.
- b) Compliance with legal and regulatory provisions.
- c) Entity objectives
- d) OAG's audit report and the management's comments thereto.
- e) Significant adjustments made after the audit.

6. Internal Audit

The Audit Committee to conclude on the effectiveness of the internal audit function and whether or not the internal function has addressed the risks pertinent to the entity in its audit. Provide a commentary on whether or not the Audit Committee has met with the OAG to ensure that there are no unresolved issues.

7. Other work undertaken

The committee may report on other undertaken such as review of reports from other assurance providers.

8. Effectiveness of the Audit Committee

The audit committee will report on the results of

- a) Self evaluation
- b) Management feedback
- c) External evaluation (if any)

9. Conclusion

Recommendation of the committee on the annual report.

.....

Approved By: Chairperson of the Audit Committee

Date:

Template C: Audit Committee Monitoring

The audit committee minutes should reflect the information discussed in the audit committee quarterly meeting and categorised as follows for ease of tracking;

A. ISSUES NOT IMPLEMENTED

(Where no action has been taken in response to issues raised in the audit reports)

No.	Finding	Action to be taken by management and status	Audit committee Recommendation to the Management if any
Report title and date: Auditor General Report 20xx/xx			
1.	Finding in summary form	<p>Actions to be taken by management to re-solve issues reported.</p> <p>Initial Target Implementation date: (as agreed with the audit committee)</p> <p>Expected completion date:</p> <p>Responsibility: (Head of department)</p>	
2			
Report title and date: Internal Audit Report Quarter 1 20xx/xx			
1			

B. PARTIALLY IMPLEMENTED ISSUES

(Where action has been taken in response to issues raised in the audit reports but issue has not been fully resolved)

No.	Finding	Action taken or to be taken by management	Audit committee Recommendation to the Management if any
Report title and date: Auditor General Report 20xx/xx			
1	Finding in summary form	<p>Actions taken</p> <p>Additional action to be taken in response to issues reported.</p> <p>Initial Target Implementation date: (as agreed with the audit committee)</p> <p>Expected completion date:</p> <p>Responsibility: (Head of department)</p>	

C. ISSUES REPORTED DURING THE QUARTER

No.	Finding	Update on action taken by management	Audit committee Recommendation to the Management if any
Report title and date:			
1	Finding in summary form	<p>Include actions taken or to be taken in response to issues reported</p> <p>Target Implementation date: (as agreed with the audit committee)</p> <p>Responsibility: (Head of department)</p>	

Template D: Audit committee Self-Assessment questionnaire

Name.....Position.....(Optional)

Ranking.5=Very good, 4=Good, 3=Satisfactory, 2= Needs improvement, 1= Completely unsatisfactory	Rating	Comments
1. Governance		
1.1 Ownership. There is appropriate positioning, ownership understanding of the role and interaction with Governing Body and the committee work is seen to add value to the governance, control and risk management systems.		
1.2 Legal framework. Enabling legal framework and audit committee guidelines provide sufficient arrangement for operationalization of Committees.		
1.3 Reporting. Committee prepares meaningful focused reports, holds discussions with the Governing Body for consideration of its recommendation.		
1.4 Interface with other Oversight Bodies. Committee monitors recommendations of regulators and others oversight bodies and regulators.		

Ranking.5=Very good, 4=Good, 3=Satisfactory, 2= Needs improvement, 1= Completely unsatisfactory	Rating	Comments
2. Purpose		
2.1 Charter. Nature and scope of responsibilities is clearly set in Charter approved by Governing Body, understood by all committee members, guides committee activities and is reviewed annually.		
2.2 Role: Committee members listen emphatically, balance ability and courage to challenge and advice where necessary.		
2.3 Expectations: Committee expectations are clearly discussed with, and understood by management, auditors and advisors.		
3. Composition		
3.1 Membership. Members have diverse mix of appropriate skills and experience including financial literacy, internal control, risk management, technical knowledge and public financial management and co-opts where necessary and a succession plan is in place.		
Audit Committee Chair is independent and provides appropriate leadership and engagements outside meetings.		
3.2 Independence. All members are independent in mindset, bringing consistently objective insight to all aspects of monitoring and oversight activities		

Ranking.5=Very good, 4=Good, 3=Satisfactory, 2= Needs improvement, 1= Completely unsatisfactory	Rating	Comments
4. Process		
4.1 Organization. There is effective organizational support and facilitation from external audit, internal audit (secretarial services) and management.		
4.2 Resources. Appropriate time and resources are dedicated to the Committee and its members to execute their responsibilities and investigations.		
4.3 Meetings. Meetings are well organized, efficient, and effective, occur at least quarterly and are of appropriate length to allow discussion of relevant matters. Quality pre-read materials with appropriate detail are provided in advance and the right people attend meetings.		
Minutes and matters arising capture committee decisions and management action plan.		
4.4 Activities. An annual work plan and calendar with input of auditors and management is in place to track responsibilities in the Charter.		
4.5 Meeting Agenda. Highly focused meeting agenda responsive to Charter and with appropriate input of committee, audit and management exist.		

Ranking.5=Very good, 4=Good, 3=Satisfactory, 2= Needs improvement, 1= Completely unsatisfactory	Rating	Comments
4.6 Relationships: Committee members are open, honest, and effective in communicating with management, internal and external (OAG) audit and other stakeholders. There is mutual trust and confidence.		
4.7 Training. Robust induction is conducted for new committee members. Training is provided to improve knowledge of financial reporting, internal controls and risk management issues.		
4.8 Evaluation: Annual committee self-assessment on all responsibilities outlined in the charter, Committee and individual member performance conducted and corrective action taken and reflected in annual report.		
5. Roles and responsibilities		
(a.) Financial Reporting. Committee reviews financial reports, accounting policies, complex transactions, fraud risks, control deficiencies, estimates and risk of misstatement before they are submitted to external audit and considers competency of financial management team and quarterly reports.		
(c.) Internal controls. Committee helps to establish the tone from the top.		

Ranking.5=Very good, 4=Good, 3=Satisfactory, 2= Needs improvement, 1= Completely unsatisfactory	Rating	Comments
Committee holds private meetings with management and considers information on strategic plans, budgets, projects and programs.		
(d.) Risk management. Committee considers risk assessments, risk appetite and adequacy of risk management policy framework implementation.		
(e.) Internal audit. There is appropriate consideration of charter, annual work plan and scope, risk-based audit approach, resources (skills and numbers) and budget, audit and quarterly reports, quality assurance program, independence and professional standards.		
Committee is involved in decisions on appointment, reassignment, dismissal, performance evaluation and position of head of internal audit. Committee meets HIAU privately to discuss performance and sensitive matters.		
(f.) Audit Cycle. Committee has direct responsibility for oversight over the work of external auditor, evaluation of qualifications, performance, independence concerns, planned scope, priority areas, and coordination with internal audit, management letter, representation letter and auditor's report. Committee holds executive sessions with external audit to discuss sensitive matters.		

Ranking.5=Very good, 4=Good, 3=Satisfactory, 2= Needs improvement, 1= Completely unsatisfactory	Rating	Comments
(g.) Compliance with laws and regulations. Committee understands legal and regulatory compliance requirements and considers programs put in place to address systematic compliance and ethical issues.		
(h.) Entity performance information. Committee considers accuracy, reliability and completeness of published key performance information.		
6. Overall Rating		

Template E: Individual Audit Committee Member Performance Assessment

Individual Audit Committee Member Assessment Template	
Public Sector Entity	
Name of Audit committee member	
Period	

This form should be completed by the Chairperson and discussed with the audit committee member.

1. Attendance at meetings

a) Number of audit committee meetings held during the year:

b) Number of meetings attended by audit committee member:

c) Chairperson's comments on attendance at meetings:

- Attends on time and stays for full duration of meeting
- Attends briefly

2. Preparation for meetings

a) How well does the audit committee member prepare for meetings?

Outstanding Very Good Good Satisfactory Not Acceptable

b) Chairperson's comments:

Participation at meetings

a) What level of effective participation does the audit committee member have in meetings:

Outstanding Very Good Good Satisfactory Not Acceptable

b) Chairperson's comments: _____

3. Personal Attributes

The chairperson's assessment of the audit committee member's attributes with comment, in particular, on the members understanding of the operations of the entity, the business environment, the legal and regulatory framework, level of ethical and moral judgment, ability

to keep up to date with latest developments in the sector, communication and relationship with other committee members, relationship with management, confidentiality, experience and judgement and their relationship with stakeholders.

4. Professional attributes


The Chairperson's assessment of the audit committee member's professional attributes with comments on the director's strategic awareness, the risks facing the entity, independence and objectivity, understanding of governance and responsibilities relating to internal auditors, financial reporting and external audit.


5. Chairperson's general comments


The above assessment has been discussed between the Audit Committee Chairperson and the Audit Committee member concerned and the points raised have been agreed.

	Name	Signed	Date
Chairperson			
Audit Committee Member:			

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