



## **Audit Committee**

### Terms of Reference

The Audit Committee, a sub-committee of the Board of Trustees of Transparency International Bangladesh (TIB) shall have at least three members, consisting of an incumbent Trustee nominated by the Board, another member who may be a Trustee of TIB or an external member co-opted by the Board, and the Executive Director of TIB who will function as member-secretary. The Board will select one of the two members other than the member-secretary as the chairperson of the Audit Committee. The Board may reconstitute the Audit Committee as and when necessary.

The purpose of the Audit Committee is to periodically assess on behalf of the Board of Trustees the state of the TIB's financial position and TIB management's efforts to ensure sound and prudent control and risk management of the organisation's finances and financial operation. Such periodic assessments should usually coincide with, but should not be limited to, the annual statutory audit or such other audits as may be conducted for specific projects. The Audit Committee shall meet on a quarterly basis or frequently as required, and shall have the following terms of reference:

1. Review the annual and/or other periodic financial statements for accuracy, consistency and compliance with sound disclosure requirements, and report to the Board;
2. Recommend to the Board the appointment of the external auditor;
3. Discharge its tasks by direct contact with the external auditors, as and when necessary;
4. Determine if and where TIB's financial risks lie, and guide the management on ways to deal with them;
5. Guide the management to ensure that a proper system of internal control and risk mitigation with regard to financial management is in place in TIB and duly enforced;
6. Periodically review internal audit reports of TIB and guide the management, as and when applicable, to ensure compliance;
7. Guide the management to ensure that the internal audit function of TIB is adequately resourced and has appropriate standing within the organization;
8. Evaluate the competence of the finance and accounts team, allocation of responsibilities within the team, and guide the management on steps to enhance skills and performance;
9. Review the extent to which the TIB's finance and accounts team is able to ensure compliance of financial, accounting and auditing requirements at the level of Committees of Concerned Citizens (CCCs) with those of TIB; and
10. Report to the Board about any conflict of interest, suspected or presumed fraud or irregularities, infringement of relevant laws, rules and standards and any other matters of financial risk for prompt and effective Board action to ensure highest levels of financial integrity, transparency and accountability of TIB.

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