Pakistan Institute of Corporate Governance

TERMS OF REFERENCE (TORS)
BOARD AUDIT COMMITTEE (BAC)

The terms of reference (TORs) of the Audit Committee have been explicitly documented and approved by the Board. The BAC assists the Board in overseeing the integrity of financial reporting, legal and regulatory compliance, internal audit, external audit, internal controls, risk management and safeguarding of PICG's assets.

The BAC comprises at least three non-executive directors, with the Chairman being an independent director. At least one member should be financially literate, and the Committee Secretary is appointed by the Committee.

The salient features of TORs of the Committee are:

- Review quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board.
- Reviews accounting policies, significant estimates, disclosures, financial reporting issues, fraud and irregularities, going concern matters, and significant or unusual transactions.
- Oversees the external audit plan, recommend appointment, remuneration and performance evaluation of external auditors, review audit findings, management letters and Management's response thereto.
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits.
- Ensuring coordination between the internal and external auditors of the Company.
- Review the adequacy and effectiveness of internal controls, oversee internal audit and risk management systems, monitor identified control gaps.
- Review the scope and extent of Internal Audit process ensuring that the Internal Audit function has adequate resources, and recommend the appointment, remuneration and removal of the outsourced Internal Audit function.
- Review the adequacy of the internal control systems including financial, business and operational risks and controls.
- Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.
- Review compliance with applicable laws, regulations and governance requirements including Code of Corporate Governance.
- Reviews fraud and regulatory non-compliance matters, whistleblowing cases, related-party transactions, and any special investigations or value-for-money studies assigned by the Board.
- Report significant matters, findings and recommendations to the Board.

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