

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

1. PURPOSE

- 1.1 This mandate shall apply to the SALB Audit Committee.
- 1.2 The Audit Committee (“Committee”) is a statutory committee of SALB in respect of its statutory duties in terms section 77 of the PFMA and a committee of the Board of directors in respect of all other duties assigned to it by the Board.
- 1.3 The Committee is accountable to the Board and to Stakeholders.
- 1.4 The Committee does not relieve the directors of any of their responsibilities, but assists them to fulfil those responsibilities.
- 1.5 The Committee assists the Board in discharging its duties relating to the oversight of the following:
 - Risk management, control and governance;
 - The quality and integrity of the SALB’s reporting practices and controls and the annual reporting (including financial statements) of the SALB;
 - The External Auditor’s qualifications, independence, and performance;
 - The performance of the Internal Audit function; and
 - The SALB’s process for monitoring compliance with laws and regulations and the code of ethics.

2. COMMITTEE MEMBERSHIP (CONSTITUTION)

- 2.1 The Audit Committee must be appointed at each Annual General Meeting.
- 2.2 The membership of the Committee will comprise a minimum of three and maximum of five independent non-executive directors of the SALB. A quorum will be two members of the Committee.
- 2.3 The Chairperson of the Committee will be an independent non-executive director of the SALB and will be appointed by the Board. The minimum term of office for the Chairperson shall be one year. In order to provide for continuity, the Chairperson should preferably have served on the Committee for a period of two years prior to being appointed as Chairperson. The Chairperson of the Board shall not be eligible to be appointed as Chairperson of the Committee.
- 2.4 The members of the Committee must collectively have sufficient skills and experience to fulfil their duties, including an understanding of the following: annual reporting (which includes financial reporting), internal financial controls, External and Internal Audit processes, corporate law, risk management, sustainability issues, information technology governance, and governance processes within the SALB.
 - 2.4.1 At least one-third of the members of the Committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.
 - 2.4.2 The majority of the members are to be financially literate, and at least one member should have significant, recent and relevant financial experience (“Financial Expert”). The Committee members must keep up-to-date with developments affecting the required skill-set.
 - 2.4.3 The Board or Nomination and Governance Committee shall, from time to time, review and recommend revision (when appropriate) of the composition of the Committee.

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

- 2.4.4 Members of the Committee should be provided with appropriate and timely training, both in the form of induction and on an on-going basis.
- 2.5 The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal. The Board must appoint a person to fill any vacancy on the Committee within 40 business days after the vacancy arises.
- 2.6 The Secretary of the SALB shall be the Secretary of the Committee.

3. RESPONSIBILITIES AND DUTIES OF THE AUDIT COMMITTEE

3.1 Combined Assurance and Internal Control

The Committee will ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities, and in particular the Committee should:

- ensure that the combined assurance received is appropriate and that the significant risks facing the SALB are adequately addressed via suitable mitigating controls;
- monitor the relationship between the external assurance providers and the SALB; and
- provide an effective counterbalance to executive management, thereby upholding the independence of internal and external assurance providers, to enhance effectiveness.

The Committee will:

- 3.1.1 review the documented annual report by management of the design, implementation and effectiveness of internal financial controls. The nature and extent of the annual review of financial controls by management, including Internal Audit, should be determined by the Audit Committee. The Committee should consider whether management has adequate capacity to perform the review.
- 3.1.1.1 Based on the findings of the financial review conducted by management, consider the appropriateness and effectiveness of the SALB's systems of internal control, including internal financial control, management information systems and business risk management. This should include providing guidance that ensures that internal financial controls are embedded in the business processes, evolve over time, are risk based, and cost effective.
- 3.1.1.2 Conclude and report to the Board annually on the effectiveness of the SALB's internal financial controls based on the information provided by management and all other sources of assurance.
- 3.1.1.3 Material control inadequacies should be included in the report to the Board and these should be included in the Board's report disclosed in the annual report.
- 3.1.2 in particular, review the appropriateness and effectiveness of policies and procedures for:
- identifying business risks and controlling their impact on the SALB;
 - preventing or detecting fraud; and
 - ensuring that the SALB complies with relevant international regulatory and legal requirements.

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

- 3.1.3 review the appropriateness of the SALB’s risk management programme in identifying and managing significant risks;
- 3.1.4 review the SALB’s statement on internal control systems prior to endorsement by the Board.
- 3.1.5 review major issues as to the adequacy of the SALB’s internal controls and any special steps adopted in light of material or potentially significant control deficiencies.

3.2 Internal Audit

The Committee will be responsible for overseeing of Internal Audit, and in particular the Committee will:

- 3.2.1 review and approve the Internal Audit Charter;
- 3.2.2 consider whether the objectives, organisation, resources and staffing plans, financial budgets, audit plans and standing of the Internal Audit function provide adequate support to enable the Committee to meet its objectives;
- 3.2.3 satisfy itself that the Internal Audit coverage plans and approach are informed by and addresses the strategy and risks of the SALB;
- 3.2.4 review and approve any required changes to Internal Audit scope or access to required information;
- 3.2.5 review the co-operation and co-ordination between the Internal and External Audit functions, and other assurance providers, as well as risk management and compliance functions to ensure completeness of coverage, effective use of resources, and avoid duplication, as well as deal with any issues of material or significant dispute or concern;
- 3.2.6 consider the appointment, performance assessment, dismissal or re-assignment of outsourced Internal Audit function;
- 3.2.7 ensure that Internal Audit reports functionally to and has unrestricted access to the Chairperson of the Committee;
- 3.2.8 consider the results of work performed by, and the conclusions of the Internal Audit function.
- 3.2.9 review the adequacy of management’s corrective action taken in response to significant Internal Audit findings, and any significant differences of opinion between management and the Internal Audit function;
- 3.2.10 assess and evaluate the independence and effectiveness of the Internal Audit function, in accordance with its mandate; ensure that the Internal Audit function is subject to an independent quality review, as and when, the Committee determines it is appropriate. The Committee should report to the Board on the assessment from Internal Audit on the adequacy of internal controls.

3.3 External Audit

SALB has the Auditor General as their External Audit providers and as such cannot exercise powers over the recommendation and appointment of an External Auditor. However, the Committee shall:

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

- 3.3.1 be directly responsible for, compensation of the External Auditors, as well as oversight of the work of the External Auditors. The External Auditors shall report directly to the Committee and the Chairperson shall sign the engagement letter on an annual basis.
- 3.3.2 ensure that the appointment of the auditor complies with relevant legislation (including the Public Finance Management Act 1999, and the Auditing Professions Act 2005);
- 3.3.3 discuss and review with the External Auditors before the audit commences, the nature and scope of the audit, the impact of regulatory changes and related audit requirements, and the auditors’ quality control procedures. Consider whether any significant ventures, investments or operations are not subject to External Audit, and the impact thereof;
- 3.3.4 develop and recommend to the Board the SALB’s policy in relation to the provision of non-audit services by the External Auditor and ensure compliance with this policy with regard to consultancy, advisory, or any other work undertaken by the auditor; pre-approve any proposed contract with External Audit for the provision of non-audit services to the SALB.
- 3.3.5 develop and recommend to the Board the SALB’s policy regarding rotation of External Audit partners;
- 3.3.6 set clear hiring policies for employees or former employees of the External Auditor;
- 3.3.7 consider any material problems, reservations and observations, or any potentially contentious accounting treatments or judgements, or significant unusual transactions, or going concern issues arising from the External Audit; identify key matters arising in the current year’s management letter, consider management’s responses and satisfy itself that issues are being dealt with properly;
- 3.3.8 assist with the resolution of any differences of opinion between the External Auditors and management;
- 3.3.9 obtain External Auditors assurance that adequate accounting records are being maintained;
- 3.3.10 to review and monitor the External Auditors’ credibility, independence and objectivity and the effectiveness of the audit process; taking into consideration relevant professional and regulatory requirements as well as their audit and non-audit fees. The Committee should assess annually the qualification, expertise and resources of the External Auditors, including the lead and engagement partners and obtain a report on the Auditor General’s own internal quality control procedures. The Audit Committee should obtain written confirmation of the External Auditor’s independence and report on the independence of the External Auditor in the annual financial statements; and
- 3.3.11 to ensure co-ordination where more than one audit firm is involved (particularly when the Auditor General function is outsourced to an External Audit firm).

3.4 Annual Reporting

The Audit Committee should oversee annual reporting and should have regard to all factors and risks that may impact on the integrity of the annual report.

With due consideration of matters raised either by internal or external assurance providers:

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

- 3.4.1 examine and review the annual financial statements, the quarterly reports, the SALB’s reports to shareholders, the preliminary announcement of results, shareholders’ circulars, prospectuses and any other announcement regarding the SALB’s results or other financial information to be made public, prior to submission and approval by the Board focusing particularly on:
- major issues regarding accounting principles and financial statement presentation;
 - the implementation of new systems;
 - tax and litigation matters involving uncertainty;
 - any significant changes in the selection or application of accounting principles;
 - major judgmental areas;
 - the basis on which the SALB has been determined as a going concern, capital adequacy;
 - internal control;
 - compliance with accounting standards, local and international compliance with legal requirements;
 - the effect of major adjustments processed at year-end; including significant adjustments resulting from the audit compliance with the financial conditions of loan covenants;
 - Any finance/off balance sheet structures or changes to existing finance/off balance sheet structures, from an accounting treatment, risk and control perspective.
 - significant transactions not directly related to the SALB’s normal business;
 - review of forward looking statements, to ensure these statements provide a proper appreciation of the key drivers that will enable the organisation to achieve these forward statements;
- 3.4.2 review the annual report and accounts taken as a whole to ensure they present a balanced and understandable assessment of the position, performance and prospects of the SALB; review the quality of information produced to ensure reliability and integrity;
- 3.4.3 Ensure that sustainability issues are appropriately reported; The Audit Committee should review the disclosure of sustainability issues in the annual report to ensure that it is complete, timely and reliable and does not conflict with the financial information. The Audit Committee should recommend to the Board to engage an external assurance provider on material sustainability issues (if considered appropriate) and if done, should consider the independence of this external assurance provider;
- 3.4.4 review the External Auditors proposed audit opinion and schedule of unadjusted errors; review analyses prepared by management/External Auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including the effects of alternative accounting methods on the financial statements;
- 3.4.5 to discuss and resolve any significant problems or reservations arising from the interim and final audits and any matters the auditors wish to discuss (in the absence of management, where necessary);
- 3.4.6 to review measures to enhance the credibility and objectivity of the financial statements as well as any evidence that comes to its attention that brings into question any previously published financial information and to consider actions that could be taken by the Board to publicly correct any material misinformation;

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

- 3.4.7 meet to review and discuss the annual audited financial statements and quarterly reports with management and the independent auditor, including reviewing the SALB’s specific disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations”;
- 3.4.8 review the expertise, resources as well as experience and suitability of the SALB’s finance function, and disclose the results of the review in the annual report and make any recommendations for change to the Board;
- 3.4.9 The Audit Committee should provide a summary of its role and details of its composition, number of meetings and activities, in the annual report. The report should:
- describe how the Audit Committee carried out its functions;
 - state whether the Audit Committee is satisfied that the External Auditor was independent; and
 - comment as appropriate on the financial statements, accounting practices, and internal financial controls, including disclosure controls, of the SALB.
- 3.4.10 The Audit Committee should recommend the annual report for approval by the Board.

3.5 Risk Management

Risk management is an integral component of the Audit Committee oversight process. In relation to risk management, the Audit Committee is:

- 3.5.1 Responsible for the oversight of the development and implementation of a policy and a plan for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management processes within the SALB.
- To ensure that:
- 3.5.1.1 Systematic documented, formal risk assessments are performed using a top-down approach that considers the risks affecting the various income streams of the SALB, the critical dependencies of the business, the sustainability and the legitimate interests and expectations of stakeholders.
- 3.5.1.2 Risk Management is integrated into the day-to-day activities of the SALB.
- 3.5.1.3 Frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.
- 3.5.1.4 Management’s risk response provides for the identification and exploitation of opportunities to improve the performance of the SALB.
- 3.5.1.5 Effective and continual monitoring of risk management takes place.
- 3.5.1.6 There are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.
- 3.5.2 discuss the SALB’s major financial and accounting risk exposures and the steps management has undertaken to mitigate them. The Audit Committee should specifically have oversight of financial reporting risks; internal financial controls; fraud risks as they relate to financial reporting; and IT risks as they relate to financial reporting.

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

3.5.3 To review the reports from Internal Audit on the effectiveness of the risk management

3.6 Taxation

To receive and review any Tax status reports from the Chief Financial Officer and consider any significant issues as may be required.

3.7 Governance

- Together with External and Internal Audit, to review developments in corporate governance and best practice and consider their impact and implication for the SALB processes and structures.
- To consider the disclosure about the role of the Audit Committee to be included in the annual report.
- To evaluate and monitor the regulatory governance requirements and code of business conduct within the SALB.
- To ensure that the principles of the King Report on Corporate Governance as set out in the Code of Corporate Practices and Conduct are being embedded within the SALB.
- To be available to advise the Chairperson of the Board on any questions relating to the financial affairs and internal controls (including financial, operating and compliance controls and risk management) of the SALB.
- To consider and report on other topics, as may be required by the Board.

3.8 IT Governance

In its oversight of IT, the Audit Committee:

- 3.8.1 should consider IT as it relates to financial reporting and the going concern of the SALB as well as IT risk management, related controls and IT governance and should specifically oversee: IT risks and controls, business continuity and data recovery, IT security and data privacy;
- 3.8.2 should consider the use of technology to improve internal control and audit coverage and efficiency;
- 3.8.3 may need to rely on advice from outside or inside the SALB on IT matters, and
- 3.8.4 should be provided with regular information from the IT Service Providers, IT management and internal and external assurance providers regarding significant IT risk and control matters.

3.9 Sustainability

The Audit Committee is charged with:

- 3.9.1 General oversight and reporting of sustainability which has been delegated by the Board to it. The Audit Committee should assist the Board by reviewing the annual report to ensure that the information contained in it is reliable and that it does not contradict the financial aspects of the report.
- 3.9.2 overseeing the provision of assurance over sustainability issues.

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

3.10 Ethics, Compliance, and Whistleblowing

The Committee will be responsible for monitoring the ethical conduct of the SALB, its executives and senior officials, by:

- 3.10.1 reviewing any statements on ethical standards or requirements for the SALB and assisting in developing such standards and requirements. Periodically, review the SALB’s code of ethics to ensure that it is relevant and up-to-date. Review the process for communicating the code of ethics to the SALB personnel.
- 3.10.2 reviewing the procedures in place to ensure that the SALB:
- is in compliance with the requirements of the Memorandum of Incorporation;
 - is in compliance with the law and regulations of any other applicable statute and of controlling bodies (the SALB Act 1998, the PFMA 1999 and SALB Regulations;
 - will identify any violations of ethical conduct; and
 - is addressing environmental and social issues.
- 3.10.3 Receive and deal appropriately with any concerns or complaints, whether from within or outside the SALB, or on its own initiative relating to:
- The accounting practices of the SALB;
 - The content or auditing of the SALB’s financial statements;
 - The internal financial controls of the SALB;
 - Internal Audit; or
 - Any related matter
- 3.10.4 reviewing significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the SALB;
- 3.10.5 recommending on any potential conflict of interest or questionable situations of a material nature.
- 3.10.6 To review arrangements by which staff and other stakeholders of the SALB may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, with a view to ensuring that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.
- To consider the major findings of internal investigations and management’s response thereto.
- 3.10.7 To review the effectiveness of the system for monitoring compliance with laws and regulations (including the management’s semi-annual letters of representation) and the results of management’s investigation and follow-up.
- 3.10.8 Findings of any examinations by regulatory agencies, or internal or External Audits.
- 3.10.9 To review any legal and compliance matters, including tax compliance, litigation, disputes, and claims.

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

4. REPORTING AND ACCOUNTABILITY

- 4.1 The Committee has an independent role with accountability to both the Board and the Stakeholders.
- 4.2 The Committee will not assume the functions of management, which remain the responsibility of the executive directors, SALB officials and other members of senior management.
- 4.3 The Chairperson of the Committee shall account and report to the Board for its activities, findings and conclusions and make recommendations to the Board concerning matters arising from the above responsibilities.
- 4.4 The Audit Committee must report to the shareholders on its statutory duties: how its duties were carried out; if the Committee is satisfied with the independence of the External Auditor; the Committee’s view on the financial statements and the accounting practices; and whether the internal financial controls are effective. To this end, the Chairperson (or, in their absence, an alternate member) of the Committee shall attend the Annual General Meeting to answer questions concerning matters falling within the ambit of the Committee.
- 4.5 The Committee has decision-making authority with regard to its statutory duties in terms of the PFMA and is accountable in this respect to both the Board and shareholders. On all responsibilities delegated to it by the Board outside of its statutory duties, the Committee will make recommendations for approval by the Board.

5. MEETINGS AND PROCEEDINGS

- 5.1 Unless varied by this mandate, meetings and proceedings of the Committee will be governed by the SALB’s Memorandum of Incorporation and PFMA regulating the meetings and proceedings of directors and committees.
- 5.2 Meetings of the Committee will be held as frequently as the Committee considers appropriate, but it will normally meet not less than two times a year. Further meetings may be called by the Board or any member thereof, including members of the Committee, the External Auditors, and Internal Audit.
- 5.3 The following persons will normally be in attendance at Committee Meetings:
 - the Chief Executive Officer;
 - the Chief Financial Officer;
 - Internal Audit;
 - representatives from the External Auditors; and
 - invitations to attend Committee meetings will be extended to any other Board Members, senior executives and professional advisers as deemed appropriate by the Committee.
- 5.4 The Committee or its Chairperson should meet annually, or as requested, with the External Auditors, Internal Audit and management in separate sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.
- 5.5 The Chairperson of the Audit Committee should participate in setting and agreeing the agenda of the committee.
- 5.6 Reasonable notice of meetings and the agenda shall be given to the members of the Committee, the Chairperson of the Board, and all attendees to make proposals as necessary.
- 5.7 Only members shall have a vote at meetings of the Committee.

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

- 5.8 Minutes of meetings shall be taken by the Committee Secretary and shall be reviewed and approved by the members of the Committee. The minutes of all meetings of the Committee, or summaries thereof, shall be submitted to the Board.
- 5.9 The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board and the Chairperson of the Committee shall report on the Committee’s proceedings and findings to the next meeting of the Board of the SALB.

6. AUTHORITY OF THE COMMITTEE

The Committee in carrying out its tasks under this mandate:

- 6.1 is authorised to investigate any activity within its mandate;
- 6.2 may consult with and seek any information it requires from any employees and all employees shall be required to co-operate with any request made by the Committee in the course of its duties, in accordance with agreed upon protocols;
- 6.3 may obtain such internal, external or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, if it considers this necessary, to carry out its duties;
- 6.4 may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

7. ANNUAL REVIEW OF THE CHARTER AND PERFORMANCE

- 7.1 The Audit Committee reviews and reassesses the adequacy of this mandate annually and recommends any proposed changes to the Board for approval.
- 7.2 The Committee shall evaluate and report to the Board on the Committee’s operating effectiveness and performance and compliance with the Mandate at least annually by way of a self-assessment. This report is to be submitted to the Board and to stakeholders in the annual report.

8. FEES

- 8.1 Committee members, not holding executive office in the SALB, shall be remunerated for their services on the Committee. The Chairperson of the Committee shall be paid additional fees for services rendered on the Audit Committee.
- 8.2 The Board shall decide on the value of fees to be paid, which shall be subject to review, by the Board, from time to time.

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

Annexure of Definitions:

Independent Director

An Independent Director is defined as a non-executive director who:

- expresses opinions, exercises judgement and makes decisions impartially;
- meets the requirements for independence and / or membership of the Audit Committee in terms of the PFMA and the King III Chapters 2 and 3;
- the Board affirmatively determines that the director has no material relationship with the SALB;
- does not receive remuneration contingent upon the performance of the SALB.
- is not a professional advisor to the SALB other than in a director capacity and does not accept any consulting, advisory, or other compensatory fee from the SALB;
- is not affiliated with or employed by a present or former Internal or External Auditor or legal advisor of the SALB;
- is not a representative who has the ability to control or significantly influence management or the Board;
- has not been a prescribed officer or full-time employee of the SALB or any other related or inter-related organisation in any of the preceding three financial years;
- has not been involved in day-to-day management of the SALB's business at any time during the previous financial year;
- is not a material supplier to, or customer of the SALB; has no significant contractual relationship with the SALB; such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality or objectivity of that director is compromised by that relationship;
- is free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner; and
- is not a member of the immediate family of any person who falls within any of the criteria set out above.

Financial Expert

A financial expert is defined as a person with the following attributes:

- an understanding of Generally Recognised Accounting Practices (“GRAP”), PFMA and financial statements;
- the ability to assess the general application of GRAP in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the SALB's financial statements, or experience actively supervising one or more persons engaged in such activities;
- an understanding of internal controls and procedures for financial reporting; and
- an understanding of Audit Committee functions.

The financial expert must have acquired the attributes through one or more of the following means:

- education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;
- experience in actively supervising a person holding one of the foregoing positions;
- experience in overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or other relevant experience.

SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”) AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)

AGENDA

Ref to mandate		Meeting				Ad Hoc
		Jan	Apr May	Jul	Oct Nov	
ADMINISTRATION AND GENERAL						
5.8	Approval of minutes of previous meetings.	X	X	X	X	
5.8	Review reports and minutes from the Audit Committee	X	X	X	X	
	Matters arising from minutes and other: Items to be listed and usually covered by papers	X	X	X	X	
7.2	Review the committee’s mandate, reassess the adequacy of this mandate, and recommend any proposed changes to the Board.			X		
5.5	Approve agenda for the ensuing year.			X		
7.1 3.4.10	Audit Committee reviews its effectiveness (annual evaluation). Prepare Audit Committee annual report.				X	
FINANCIAL AND ANNUAL REPORTS AND SYSTEMS						
3.4.1	Review the quality of financial information produced to ensure reliability and integrity. Examine, review and recommend Board approval of the quarterly and annual financial statements, and annual report.3.4.3.	X	X	X	X	X
3.4.1	Consider the impact of the implementation of new systems.	X	X	X	X	
3.4.1	Review and minute the basis on which the SALB has been determined as a going concern.	X	X	X	X	
3.4.1	Review changes in accounting policies and practices.	X	X	X	X	
3.4.1	Review and consider major judgmental areas.	X	X	X	X	
3.4.5	Review the impact of significant adjustments resulting from the audit.	X	X	X	X	
3.4.1	Review compliance with conditions of loan covenants.	X	X	X	X	
3.4.3	Meet with the Disclosure Committee to address mutual concerns.				X	X
RISK MANAGEMENT AND INTERNAL CONTROL						
3.5	Review report on Group Risk Management activities.	X	X	X	X	
3.1	Review report on Group Internal Control activities.	X	X	X	X	
3.1.4	Review SALB’s statement on internal control activities.				X	
INTERNAL AUDIT AND COMBINED ASSURANCE						
3.2.1	Review and approve the Internal Audit charter.			X		
3.2.2	Review and approve Internal Audit plan, scope of work, and sufficiency of budget/resources.				X	
3.2.4	Review and approve any required changes to Internal Audit scope or access to required information.	X	X	X	X	X
3.2.8 3.2.9	Review the results of audit work performed and the adequacy of management’s corrective action taken.	X	X	X	X	
3.2.10	Assess the performance of the Internal Audit function.				X	
3.10.1	Review report on significant frauds and ethics violations.	X	X	X	X	
3.1	Review combined assurance model.					X

**SOUTH AFRICAN LIBRARY FOR THE BLIND (“SALB”)
AUDIT COMMITTEE CHARTER (TERMS OF REFERENCE)**

EXTERNAL AUDIT						
3.3.1	Nominate an External Auditor for the ensuing financial year.			X		
3.3.1	Review and approve the audit fees and terms of engagement.	X				
3.3.4	Review and pre-approve all non-audit services;	X	X	X	X	X
3.3.7 3.4.5 3.4.6	Review External Audit opinion, current year’s management letter and management’s responses.				X	
3.3.10	Evaluate the performance and effectiveness of the External Auditors.				X	
OTHER MATTERS						
3.10.9	Review report of pending legal and regulatory proceedings.	X	X	X	X	
3.6	Review report on taxation matters.	X	X	X	X	
3.8	Review reports on IT Governance matters.					X
3.9	Review the provision of assurance over sustainability issues and reporting.					X
3.10.3	Review and deal with concerns or complaints relating to accounting practices, internal control, auditing or related matters.					X

Approved by Chairperson

