

ACCESS BANK (GHANA) PLC

BOARD AUDIT COMMITTEE CHARTER

June, 2022

Risk Rating: Above Average

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DOCUMENT INFORMATION**Document Owner**

This document is owned by the Company Secretary and is responsible for ensuring that it is reviewed annually in line with the bank's policies review requirement.

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1. Introduction

This Charter governs the operations of the Access Bank (Ghana) Plc Board Audit Committee. The Access Bank (Ghana) Plc Board Audit Committee (“the Committee”) is a committee of the Board of Directors (“the Board”) of Access Bank (Ghana) Plc (“the Bank”). The Committee shall review and re-assess this Charter annually and make recommendations to the Board in relation to required changes.

2. Purpose

The Committee assists the Board in fulfilling its oversight responsibility relating to:

- i. The integrity of the Bank’s financial statements and the financial reporting process;
- ii. The Bank’s internal and external audit functions;
- iii. The independence and performance of the Bank’s internal and external auditors; and
- iv. The Bank’s system of internal control and mechanism for receiving complaints regarding the Bank’s accounting and operating procedures.

3. Duties and Responsibilities

The Committee will perform the following responsibilities as it relates to:

3.1 Internal Audit

- i. Monitor the internal audit function of the Bank including its independence.
- ii. Oversee the development of a procedure for the receipt, retention and treatment of complaints received by the Bank, regarding accounting, internal accounting controls, unethical activity/breach of the Corporate Governance Code or audit matters, including a means for the Bank’s stakeholders (employees, customers, suppliers, applicants, etc) to submit such complaints in a confidential and anonymous manner.
- iii. Investigate any matter brought to its attention within the scope of its duties with the authority to retain counsel or other advisors, if in its judgment that is appropriate, at the expense of the Bank.
- iv. Submit meeting minutes and, as appropriate, discuss the matters discussed at each Committee meeting with the Board of Directors.
- v. Annually review and reassess its responsibilities, functions, pre-approval policy for audit and non-audit services, and Charter, making changes as necessary, and conduct an annual performance evaluation of its activities.

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- vi. Ensure that the Bank provides adequate funding, as determined by the Committee, to the Committee for payment, compensation to any advisers engaged by the Committee, and payment of ordinary administrative expenses incurred by the Committee in carrying out its duties.
- vii. Review the proposed audit plan(s) and review the results of internal audits completed since the previous Committee meeting as well as the focus of upcoming internal audit projects.

3.2 External Audit

- i. Consider the appointment of the external auditor, the audit fee and the resignation or dismissal of the external auditor.
- ii. Satisfy itself that the external auditor is independent and properly qualified.
- iii. Discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.
- iv. In the absence of management and where necessary, discuss problems and reservations arising from the interim and final audits, and any matter the external auditor may wish to discuss.
- v. Review management's response to the audit report and the auditor's letter to management.
- vi. Be a channel of communication between the external audit function and the Board.

4. Statutory Audit and Financial Reporting

- i. Review the results of the annual audit and discuss the annual financial statements with management.
- ii. Review the statutory auditors' management letter when presented and ensure adequacy of management's response.
- iii. Review with the chief financial officer annually the significant financial reporting issues and practices of the Bank, and ensure that appropriate accounting principles are applied including financial controls relating to the "closing of the books" process.
- iv. Meet at least quarterly, with the Chief financial officer and the Chief Internal Auditor to discuss the adequacy and effectiveness of accounting and financial controls of the Bank.

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- v. Discuss the Bank's policy regarding press releases as well as financial information provided to analysts and rating agencies.
- vi. Review the Bank's legal representation letter presented to the statutory auditors and discuss significant items, if any, with the Company Secretary.
- vii. Receive the decisions of the Shareholders on the statutory audit report from the Company Secretary and ensure its full implementation.
- viii. Require management to present and discuss, as soon as practicable, all reports received from regulators which may have a material effect on the financial statements or related Bank compliance policies.
- ix. Annually assess and confirm the independence of the statutory auditor, in line with the Bank's Statutory Audit Independence Policy (see Appendix A). The report of this assessment should be submitted to the Board.
- x. Develop, annually review and ensure compliance with the list of non-audit services that may be provided by the statutory auditors (see Appendix B).
- xi. Review with the Company Secretary legal and regulatory matters, contingent liabilities or other sensitive information that may have a material effect on the Bank's financial statements, systems of internal control or regulatory compliance.
- xii. Oversee the integrity of the accounting and financial reporting system and report to the Board.
- xiii. Review the quarterly and year-end financial statements of the Bank and ensure that they are in compliance with the Accounting Standards of the Institute of Chartered Accountants (Ghana) and other legal requirements.

5. Authority

The committee has the authority of the Board to:

- i. Investigate any activity within its terms of reference;
- ii. Seek any information that it requires from any employee of the Bank and all employees are directed to cooperate with any request made by the committee;
- iii. Obtain external legal or independent professional advice, at the Bank's expense, and secure the services of consultants with relevant experience and expertise if it is considered necessary; and
- iv. Form and delegate authority to sub-committees, comprised of one or more members of the Committee, as necessary or appropriate. The sub-committee will have the full power and authority of the Committee.

6. Size, make-up and competencies of committee members

- i. The Committee shall comprise solely of non-executive directors nominated by the Board of Directors, the majority of whom shall be independent directors. The Board shall consider the independence, financial literacy, accounting, auditing, finance or related financial management expertise, entrepreneurial skills, ethical standards and other qualifications before nominating and appointing the members of the Committee.
- ii. The Committee must have at least one member who is a financial expert. A financial expert is someone who:
 - a. as a result of acting as an auditor or due to other relevant experience has appropriate knowledge of both International Standards on Auditing, financial reporting procedures and internal controls along with audit committee functions;
 - b. is a Chartered Accountant;
 - c. is a member of a reputable and relevant professional institution; and
 - d. has recent and relevant financial experience.
- iii. The appointment and removal of Committee members shall be the responsibility of the Board.
- iv. Attending each meeting by standing invitation are the Executive Directors, Chief Risk Officer, Chief Financial Officer, Chief Compliance Officer, Group Head Corporate Counsel and Chief Internal Auditor, while the Managing Director and Deputy Managing Director shall attend based on specific invitation. The Chairperson of the Committee shall be entitled to request that the Committee meet without any of these persons.
- v. The Chief Risk Officer, Chief Compliance Officer and the Chief Internal Auditor are encouraged to meet as appropriate with the Committee Chairperson, independent of management. The Committee Chairperson will generally meet with management, the Chief Internal Auditor, the Chief Risk Officer and Chief Compliance Officer (either together or separately as the Chairperson deems appropriate) before each Committee meeting and at other times as required.
- vi. The Company Secretary shall act as the secretary to the committee.

7. Chairperson's eligibility and terms of appointment

The Chairperson of the Committee shall be appointed from the independent non-executive members, for a period of two years. The Chairperson shall be a person other than the Chairperson of the Board of Directors or the Chairperson of any other Board Credit Committee.

Where the Chairperson is absent from a meeting, the members of the Committee present at the meeting shall have authority to choose one of the non-executive directors to be Chairperson for that particular meeting.

8. Remuneration of members of the Committee

The remuneration of the non-executive members of the Committee shall be limited to Directors' fees, sitting allowance for Board and Board Committee meetings and, reimbursable travel and hotel expenses and other fees as approved by the Board.

9. Frequency of meetings

The Committee shall meet at least once every quarter, or upon request of the Chairman of the Committee or any two members of the Committee.

10. Notice of meetings

The secretary shall provide notice of meetings, but lack of notice shall not invalidate the proceeding of any meeting at which a quorum was present.

11. Quorum at meetings

Three members of the Committee, two of whom must be independent non-executive directors, shall constitute a quorum.

12. Record keeping at meetings

The secretary shall keep minutes of the committee meetings. The minutes of the committee meetings shall be presented for approval at the next meeting of the committee.

13. Appointment of sub-committee

The committee may appoint its own sub-committees and delegate any of its responsibilities that do not require involvement of the committee as a whole, to a sub-committee. The sub-committee may comprise of one or more members of the Committee. Each sub-committee shall report its activities at the next practicable meeting of the Committee.

14. Ability to take external advice

The Committee has the power to obtain advice and assistance from, and to retain at the Bank's expense, such independent or outside legal counsel, accounting or other advisors and experts as it determines necessary or appropriate to carry out its duties. The Committee shall have the sole authority to retain, replace and approve fees and

other retention terms for any consultant or advisors that it requires to assist it in fulfilling its duties.

15. Reporting and Accountability

The Committee shall report the proceedings and recommendations of each meeting to the Board at the next practicable meeting of the Board.

The Board shall evaluate the performance of the Committee as part of the annual Board evaluation exercise.

16. Other Issues

- i. The Board may rely on information provided by the Committee and its members in relation to matters within the Committee's responsibility under the terms of this Charter provided that it has evaluated the information and is not aware of any reasonable basis upon which to question its accuracy.
- ii. The Committee has an oversight responsibility over Management's preparation, presentation and integrity of the financial statements. It is also responsible to ensure Management implements and maintains appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The Committee has an oversight responsibility to ensure the Bank's Internal audit independently review the integrity of financial data, the control framework and compliance with policies and regulations.
- iii. The Bank's Executive Management is responsible for making recommendations to the Board Audit Committee regarding the appointment or termination of the Chief Internal Auditor. The Board Audit Committee shall review such recommendation and advise the Board appropriately. The Board has the ultimate responsibility to select, evaluate and where appropriate replace the Chief Internal Auditor.
- iv. The statutory auditors are responsible for planning and carrying out each audit and review, in accordance with applicable auditing and review standards. The statutory auditors are accountable to shareholders through the Audit Committee.
- v. The members of the audit committee shall:
 - a. meet the external auditors at least annually, without the presence of the executive Board members;
 - b. take reasonable steps to ensure that they are properly informed, so that they can be vigilant and effective overseers of the financial reporting process and the Bank's internal controls;
 - c. assist the auditor and management in protecting the auditor's independence.



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- vi. The audit committee shall report to the Board and have written terms of reference, which deal clearly with its authority and duties.
- vii. The Board shall disclose in its annual report the composition and terms of reference of the audit committee and its activities during the year.

Appendix A**STATUTORY AUDIT INDEPENDENCE POLICY****Introduction**

This policy is in furtherance to Access Bank's commitment to best corporate governance practice, and assurance of independence of the statutory auditors. All amendments to this policy must be approved by the Board of Directors.

Policy

1. Access Bank requires the statutory auditor to provide suitably qualified personnel to ensure an effective audit. They should provide audit personnel who are appropriately trained; capable of meeting the required technical standards; will maintain confidentiality and behave in a professional manner at all times.
2. To ensure audit quality at Access Bank and to allow for an effective audit service by suitably qualified professionals, Access Bank commits to the payment of fair commercial rates for its statutory audit and audit-related services.
3. Access Bank considers that the level of non-audit fees paid to the statutory auditor can give rise to a perception of a loss of objectivity. As an overriding principle Access Bank will not allow fees paid to the statutory auditor for non-audit related services to exceed, on an annual basis, a level that the Board is of the view that there is a risk of a loss of objectivity by the statutory auditor.
4. The Board Audit Committee will annually review non-audit related services provided by the statutory auditor during the previous year and proposed non-audit related services for the coming year. The aim of the review is to seek assurance from management and the statutory auditor to the ultimate satisfaction of the Committee, that the non-audit services so provided, will not compromise the independence of the statutory auditor. In addition, the Board Audit Committee has considered and documented the non-audit services, (see Appendix B), the statutory auditor will be permitted to provide to the Bank.
5. Access Bank will require the statutory auditor to commit to rotating the lead audit partner for Access Bank every five years.
6. Access Bank requires its statutory auditor to maintain quality control processes whereby all key accounting and auditing decisions are arrived at after appropriate consultation with technical and subject matter experts within the Firm.

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7. Access Bank requires its statutory auditor to maintain all audit related work papers and reports for a minimum of 7 years.
8. The Board Audit Committee will require the statutory auditor to confirm annually that it has complied with all professional regulations relating to auditor independence. Specifically, the statutory auditor will be required to confirm its commitment to strict procedures to ensure that:
 - i. The statutory auditor and its partners do not have any financial interest in Access Bank;
 - ii. The engagement team members of the statutory auditor do not have any financial interest in Access Bank;
 - iii. There are no business interests between Access Bank and the statutory auditor;
 - iv. The pension fund administrator of the partners and staff of the statutory auditor does not hold any direct financial interest in Access Bank; and
 - v. No portion of fees paid by Access Bank to the statutory auditor is made on a contingency basis.
9. In addition, the Board Audit will also require the statutory auditor to annually submit a report which describes:
 - i. Issues from the most recent internal quality review/peer review of the statutory auditor;
 - ii. Issues from any inquiry or investigation by government or professional authorities within the preceding five years, into any independent audits carried out by the statutory auditor and the steps the statutory auditor has taken to deal with such issues;
 - iii. All relationships between the statutory auditor and Access Bank; and
 - iv. The statutory auditor's policy on audit partner rotation, which should include confirmation that audit partners are subject to six-yearly rotation.
10. As a matter of principle and sound corporate governance, Access Bank will require the statutory auditor to provide assurance on an annual basis that:
 - i. The total fees received by the statutory auditor from Access Bank do not have a material impact on its operations or financial conditions;
 - ii. Access Bank has not withheld fees from the statutory auditor; and
 - iii. To the best of the statutory auditor's knowledge, there is no litigation between Access Bank and the statutory auditor.

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11. In addition to the confirmations and representations by the statutory auditor referred to above, the standard of independence to which the auditor complies will not be less than the standards promulgated by the:

- i. Companies Act, 2019 (Act 992);
- ii. Bank of Ghana Corporate Governance Directive (CGD) 2018
- iii. Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)
- iv. The Corporate Governance Code For Listed Companies 2020 SEC/CD/001/10/2020

Appendix B**LIST OF NON-AUDIT SERVICES THAT MAY BE PROVIDED BY THE STATUTORY AUDITOR**

AREA	DESCRIPTION OF SERVICE
Assurance	Accounting procedures review
	Compliance assurance
	General process and controls review
	Corporate Governance
	Prospectus/acquisition accounting due diligence
IT Reviews	Review of IT process controls
	Assessment of application controls
	IT process risk reviews
	Data conversion and integrity assurance
	Interface control review
	Quality assurance support
	Security
Transaction services	Transaction support for acquisition and divestment
	Post merger integration advice
	Transaction project management
	Strategic financial advice, including strategic alliances
Risk Management	Financial risk management (treasury review)
	Fraud review
	Probity audit
	Benchmarking
	Enterprise risk management reviews (part of year end



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Technical Accounting	Technical interpretation
	International comparison
Taxation	Tax planning and strategy
	Company Income Tax and advisory
	Stamp duty tax advisory
	Indirect tax planning
	Legislative monitoring and analysis
	Capital structure planning
	Tax and treasury harmonization
	Tax due diligence
	Tax merger integration advisory
	Payroll employment tax advisory
	Tax compliance services
	Tax function improvement advisory
	Tax audit risk assessment and advisory services
General	Board and Directors review /appraisal
	Junior accounting secondment (loan staff)