



# **ACCESS BANK (GHANA) PLC**

## **BOARD RISK MANAGEMENT AND PAYMENT SYSTEMS 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.

Name	Role	Date	Version
Helen De Cardi Nelson	Company Secretary	June, 2022	4.0

### Document History

Prepared By	Date	Version	Reason/ Notes
Catherine Owusu	August, 2014	1.0	Initial document
Abena Yeboah-Ntiamoah	July, 2021	2.0	Annual Review & adoption to reflect the functions of the Committee.
Elsie Asante	March 2021	3.0	Annual Review to incorporate the new directives by Bank of Ghana (Risk Management Directives) and incorporation of the terms of reference of payment systems as stipulated in the Payment Systems and Services Act 2019 (Act 987).
Elsie Asante	June 2022	4.0	Annual Review to incorporate <ul style="list-style-type: none"> <li>i. The terms of reference of Environmental and Social Risk Management (ESRM) as part of the Committee's responsibilities.</li> <li>ii. the Bank's Business Continuity and contingency planning in compliance with SEC Corporate Governance Code for Listed Companies 2020.</li> </ul>

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## 1. Introduction

This Charter governs the operations of the Access Bank (Ghana) Plc Board Risk Management and Payment Systems Committee. Access Bank (Ghana) Plc Board Risk Management and Payment Systems 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 of the Board Risk Management and Payment Systems Committee

The Committee assists the Board in fulfilling its:

- i. oversight responsibility pertaining to the management of the Bank’s payment systems;
- ii. oversight responsibility pertaining to the framework, policies and procedures for assessing and managing the Bank’s Environmental and Social (E&S) risk issues within all relevant business activities;
- iii. establishment of policies, standards and guidelines for risk management, and compliance with legal and regulatory requirements in the Bank; and
- iv. Oversight responsibility pertaining to the Bank’s business continuity and contingency planning.

## 3. Duties and Responsibilities

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

### a. Payment Systems

- i. Exercise oversight responsibility over the Bank’s payment systems.
- ii. Ensure internal compliance and control measure are put in place.
- iii. Ensure strategic decisions on payment systems.
- iv. Ensure effective oversight and proper risk management of the Bank’s payment systems.

### b. Environmental and Social Risk Management (ESRM)

- i. Exercise oversight responsibility over the Bank’s Environmental and Social (E&S) risk issues within all relevant business activities.
- ii. Establish clear policies and procedures for identification, assessment, approval.
- iii. Ensure the Bank’s complies with the Ghana Sustainability Banking

Principles and Sector Guidance Notes as well as applicable Ghanaian laws and regulations (including the Environmental Protection Act 1994 (Act 490); the Environmental Assessment Regulations 1999 (LI) and The Labour Act, 2003 (Act 651), and all relevant international conventions and protocols, codes and conduct and industry best practices initiatives.

- iv. Ensure the relevant business areas with respect to the appropriate roles and responsibilities for managing and monitoring E&S risks are in place in the Bank.
- v. Monitor E&S risks within all such relevant business areas.
- vi. Ensure that E&S issues in relevant business areas are promptly identified.
- vii. Ensure management system is in place to assess and review such risks as well as advise customer(s).
- viii. Consider and approve procedures including product programs that have E&S considerations in line with the Bank's ESRM Policy.

### **c. Enterprise Risk Management**

- i. Oversee the establishment of a formal written policy on the overall risk management system. The policy should define risks and risk limits that are acceptable and unacceptable to the Bank. It should provide guidelines and standards to administer the acceptance and on-going management of all risks.
- ii. Ensure that adequate policies are in place to manage and mitigate the adverse effects of both business and control risks in its operations.
- iii. Ensure compliance with established policy through periodic review of reports provided by management, internal and external (statutory) auditors and the supervisory authorities.
- iv. Ensure the appointment of qualified officers to manage the risk function.
- v. Oversee the functions of the Risk Management Department in the Bank.
- vi. Re-evaluate the Enterprise-wide Risk Management Policy of the Bank on a periodic basis to accommodate major changes in internal or external factors.
- vii. Submit annual Risk Management Declaration of the Bank to BOG (not later than 31<sup>st</sup> March of the ensuing year) and in the audited financial statements and/or the bank's website. The declaration will be signed by the Chairperson

of the Board Risk Committee. The Board will qualify the risk management declaration if there has been any significant breach of, or material deviation from the risk management policy. Any qualification shall include a description of the cause and circumstances and steps taken or proposed for remediation.

**d. Business Continuity and Contingency Planning**

- i. The Committee shall ensure the Bank maintains relevant policies and guidelines pertaining to Business Continuity and Contingency Planning in line with all relevant laws, directives and guidelines.
- ii. The Committee shall review and adopt contingency plans for maintaining business continuity in the event of certain specified risks, including:
  - (a) technology failure;
  - (b) the loss of access to the company's offices;
  - (c) the loss of records or access to them;
  - (d) the default or failure of a counterparty; and
  - (e) the loss of key personnel.
- iii. The Committee shall ensure that the contingency arrangements are tested from time to time and no less frequently than annually.
- iv. The Committee shall ensure that an evaluation is conducted, either by the executive, or independently (for example by the external auditor) of its risk assessment and the effectiveness of its risk management process no less frequently than annually. The Committee shall review the results of that evaluation and take any necessary action. The results of the review, the action taken and the reasons for such action (or, where appropriate, no action) shall be documented.

**e. Compliance with laws and regulations**

- i. Review the Bank's activities related to the Code of Conduct and Ethics.
- ii. Review the adequacy and effectiveness of the programme of compliance established within the Bank.
- iii. Review the processes in place for ensuring new and changed legal and regulatory requirements are identified and reflected in the Bank's processes.
- iv. Review the scope and depth of compliance unit's activities, and the resulting impact audit findings have on the risk profile of the Bank.

- v. Evaluate the nature and effectiveness of action plans implemented to address identified compliance weaknesses.
- vi. Report on its activities in the annual report.

#### **4. Authority**

The Committee is authorised by 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 outside 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;
- iv. Review the Bank's risk management processes in a general manner and for oversight of enterprise risk in accordance with the Bank's Enterprise-wide Risk Management Policy and Environmental and Social Risk Management (ESRM) Manual although the Board Credit Committee has primary responsibility for overseeing the Bank's credit management process; and
- v. 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.

#### **5. Size, make-up and competencies of Committee members**

- i. The Committee shall be chaired by an experienced independent non-executive director who is knowledgeable in risk management, finance, accounting, economics and other business skills.
- ii. The Committee shall have a minimum of three (3) members, a majority of whom (including the Chairperson) shall be independent non-executive directors.
- iii. The Committee shall have at least thirty percent (30%) of its members being Ghanaians who are ordinarily resident in Ghana.
- iv. The appointment and removal of Committee members shall be the responsibility of the Board.
- v. Appointment to the Board Risk Management and Payment Systems



Committee shall be for a period of up to three (3) years, which may be extended by not more than two (2) additional years.

- vi. Attending each meeting by standing invitation are the Head, Risk Management; Head, Conduct and Compliance; Head, Financial Control & Strategy; Company Secretary; Head, Legal; Head, Internal Audit; and Head, Treasury. The Chairperson of the Committee shall be entitled to request that the Committee meet without any of these persons.
- vii. The Head, Risk Management; the Head, Conduct and Compliance; and the Head, Internal Audit are encouraged to meet as appropriate with the Committee Chairperson, independent of management.
- viii. The Committee Chairperson will generally meet with management, the Head, Internal Audit; the Head, Risk Management; and the Head, Conduct and Compliance (either together or separately as the Chairperson deems appropriate) before each Committee meeting and at other times as required.
- ix. The Company Secretary shall act as the secretary to the Committee.

## **6. Chairperson's eligibility and terms of appointment**

- i. The Chairperson of the Committee shall be nominated from the independent non-executive members, for a period of up to three years. The Chairperson shall be a person other than the Chairperson of the Board of Directors and the Board Credit Committee.
- ii. Where the Chairperson is absent from a meeting, the members of the Committee present at the meeting shall have authority to choose one of their members to be Chairperson for that particular meeting.

## **7. Remuneration of members of the Committee**

The non-executive members of the Committee shall be entitled to sitting allowance, reimbursable travel and hotel expenses and other fees as approved by the Board.

## **8. Frequency of meetings**

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



**9. Notice of meetings**

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

**10. Quorum at meetings**

Two members of the Committee, one of whom must be a non-executive director, shall constitute a quorum.

**11. Record keeping at meetings**

The Company Secretary shall keep minutes of the Committee meetings. The minutes of the Committee meeting shall be presented for approval at the next meeting of the Committee.

**12. Appointment of sub-committees**

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.

**13. 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.

**14. 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 Committee shall ensure that an evaluation is conducted, either by management, or independently (for example by the external auditor) of its risk assessment and the effectiveness of its risk management process no less frequently than annually.

The Committee shall review the results of that evaluation and take any necessary action. The results of the review, the action taken and the reasons for such action (or, where appropriate, no action) shall be documented.

The Committee shall submit the annual Risk Management Declaration of the Bank to BOG (not later than 31<sup>st</sup> March of the ensuing year) and in the audited financial statements and/or the bank's website. The declaration will be signed by the Chairperson of the Board Risk Management and Payment Systems Committee.

The Committee shall ensure that the Bank's Sustainability Report is sent to the Bank of Ghana (BoG) in April and October each year.

The Committee will qualify the risk management declaration stating if there has been any significant breach of, or material deviation from the risk management policy. Any qualification shall include a description of the cause and circumstances and steps taken or proposed for remediation.

The Committee shall ensure that an approved copy of the Bank's Risk Management Policy is submitted to BOG by Executive Management of the Bank not more than ten (10) business days after Board approval.

The Committee shall ensure that the Bank notifies BOG within ten (10) business days after awareness of a significant breach of or material deviation from the risk management policy or awareness that the policy did not adequately address a material risk.

The Committee as directed by BOG will state to the best of its knowledge and having made appropriate enquiries in a material respect, that:

- The Bank has put in place systems for ensuring compliance with all prudential requirements;
- The systems and resources in place for identifying, measuring, evaluating, controlling, mitigating and reporting material risk and the risk management policy itself are appropriate to the bank and is commensurate with the size

business mix and complexity of the bank;

- The risk management and internal control systems in place are operating effectively and are adequate;
- The Bank has a risk management system that complies with this directive and has complied with the requirements described in its risk management system; and
- The Bank is satisfied with the effectiveness of its processes and management information systems.

## 15. Other Issues

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.

The Bank's Executive Management is responsible for making recommendations to the Board Risk Management and Payment Systems Committee regarding the appointment or termination of the Head, Risk Management and the Head, Conduct and Compliance.

The Board Risk Management and Payment Systems Committee shall review such recommendations and advise the Board appropriately. The Board has the ultimate responsibility to select, evaluate and where appropriate replace the Head, Risk Management and the Head, Conduct and Compliance.