



MICG

MALAYSIAN INSTITUTE OF
CORPORATE GOVERNANCE

Terms of Reference

Audit Committee





TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(Updated 5 November 2022)

1.0 PURPOSE

The purpose of the establishment of the Audit Committee (AC) is to make decisions within the Limits of Authority (LoA) given by the Board of Governors (BoG) and report to the BoG on matters regarding MICG's finance matters. This includes budgeting, financial reporting and monitoring of internal controls. As provided under section 258(1)(a) of the Companies Act 2016, directors have to prepare the financial statements within 6 months after the end of each financial year which has to be audited.

2.0 COMPOSITION AND SIZE

The AC shall consist of a minimum two members.

3.0 QUORUM

The quorum for all AC meetings (whether physical meeting or a meeting via audio or audio-visual conference) shall be two members of the AC. If within half an hour from the appointed time of holding the meeting, a quorum is not present, the meeting shall be adjourned to such other day to be agreed by all AC members.

If the appointed Chairman of the meeting is not present, the members present choose the Chairman from amongst the members.

4.0 SECRETARY

The Secretary to the AC, shall be the CEO of MICG or his/ her representative.

5.0 DECISIONS

All matters to be decided by the AC shall be by a simple majority vote in the case of three members being present. It will be a unanimous decision if two members are present. Any issues not resolved by the AC shall be referred to the BoG for decision. A resolution in writing of the AC members shall be valid and effectual as if it had been passed at a meeting of the AC duly convened and held, if the resolution is signed by all the AC members. All such resolutions passed shall be circulated to all the AC members.

6.0 TIMING OF MEETINGS

The meeting shall be held at least twice a year or as requested by the AC.

7.0 DUTIES AND AUTHORITY OF THE AC

Within the authorities delegated to it by the BoG, the key tasks of the AC are:

- a) To oversee the LoA of MICG;
- b) To review MICG's annual budget and monthly financial statements and monitor operational financial performance;
- c) To review and comment on the risk plan and mitigation controls;
- d) To recommend changes to internal controls;
- e) To consider the revenue generated from the different income streams and make recommendations;
- f) To review the tax payable for the financial year;
- g) To consider and discuss the draft unaudited financial statements of MICG for the financial year end before recommending to the BoG;
- h) To consider and approve the draft audited financial statements of MICG for the financial year end before recommending to the BoG;
- i) To consider and approve changes in staffs annual salaries and bonus before recommending to the BoG for approval;
- j) Any other duties as assigned by the BoG.

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