

## KASAGANA -KA MUTUAL BENEFIT ASSOCIATION

### AUDIT COMMITTEE CHARTER

#### I. **Mission**

The Audit Committee shall be directly accountable and responsible to the General Assembly. It shall have the power and duty to continuously monitor the adequacy and effectiveness of KMBA's management control system and to audit the performance of its operations.

#### II. **Duties and Responsibilities**

The committee's tasks shall include, but shall not be limited to, the following:

- a. Monitor and report to the Board of Trustees on the adequacy and effectiveness of management and control system, and on the performance of its operations and various responsibility centers;
- b. Review continuously and periodically the organization's books of account and other financial records to ensure that these are in accordance with organizations principles and generally accepted accounting procedures;
- c. Assessing the integrity and independence of external auditors;
- d. Submit reports on the results and/or findings of the internal audit and recommend necessary changes in policies and other related matters on operation to the Board of Trustees and the General Assembly;
- e. Review and monitors the performance and effectiveness of the audit process, audited financial reports and annual reports, and endorse to the full Board of Trustees for approval;
- f. In-charge of the approving, recommending the appointment, reappointment, removal and fees of a competent External Auditors;
- g. Oversees the internal audit activity of the organization and other service provider;
- h. Perform such other functions as may be prescribed in the associations by laws or as authorized by the General Assembly.

### **III. Authorities**

As a Board-level Committee, Audit Committee is authorized to fulfill the duties and responsibilities of the Board of Trustees, vested by the organization's By-laws, internal policies, and those which are specially delegated by the Board of Trustees. This authority extends to providing internal audit service, maintaining a complete record of its examination and inventory, and submission of quarterly financial report, and/or as may be required by the BoT and the General Assembly.

### **IV. Membership**

- a. Delegation - The members of the Committee shall be appointed by the General Assembly during the organization's Annual Meeting.
- b. The Committee shall be composed of at least two (2) Independent members and one board member, where one of which shall be delegated as Chairperson.

### **V. Meeting**

- a. Meeting Frequency – The Committee shall convene regularly once every quarter period. A special meeting may be called for matters which requires urgent attention.
- b. Quorum – The Committee meeting quorum shall represent at least three (3) of the members of the Committee.
- c. Agenda – The Agenda of the meeting shall be prepared by the Senior Management who will be in-charge to present reports of the Internal and External Auditors subject to the review and assessment of the Committee.
- d. Minutes of the Meeting – The minutes of the meeting shall be prepared by the Corporate Secretary of the Board of Trustees.

### **VI. Support**

The management shall report to the Audit Committee results of both Internal Audit and External Audit findings, and responses of respective business units.

### **VII. Charter Changes**

This charter may be changed upon proposal of the any members of the Audit Committee, subject to the endorsement of Committee Chairman and approval of the Board of Trustees.