



Audit Committee- Guidelines

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★ INTRODUCTION:

The Audit Committee plays an important role in providing oversight of the organisation's governance, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Audit committee performs its role by providing independent oversight to the Board of Directors and shall make appropriate reports and recommendations to the Board of Directors.

★ PURPOSE:

The purpose of the Audit Committee is to provide a structured, systematic oversight of COTT's governance, and internal control practices. The committee assists the Board and Management by providing advice and guidance on the organisation's:-

- (a) Values and ethics.
- (b) Governance structure.
- (c) Internal control framework.
- (d) Oversight of external audit activities.
- (e) Financial statements.

★ COMMITTEE MEMBERS:

While Boards should seek members, who can provide a diverse range of competent perspectives based on their experience and expertise, it is imperative that Audit Committee members are knowledgeable and conversant in finance and accounting.

Subject to the Bye-Laws the Audit Committee shall consist of three or more members appointed by the Board of Directors. *The Chief Executive Officer and/or his or her designee, shall be entitled to receive notices of all meetings and receive all written communications distributed to Members of the Audit Committee, and shall have a right to attend any meeting of the Audit Committee (except when either or both of such persons are requested to absent himself or herself from the meeting by a majority of the members of the Audit Committee).* The Board shall appoint the

Chairperson of the Committee and shall approve appropriate terms of reference for the Committee.

★ COMMITTEE MEETINGS:

Meetings shall be held in conjunction with regularly scheduled meetings of the Board, or as deemed necessary by the Chair of the Committee. All Committee members are entitled to receive notice of a meeting. A quorum for any meeting of the Committee shall consist of the majority of its members. Questions arising at any meeting of the committee shall be decided by a majority of votes and, in case of an equality of votes, the Chairman shall have a second or casting vote.

★ AGENDA, MINUTES AND REPORTS:

The Chair of the Committee shall be responsible for establishing the agenda for meetings of the Committee. An agenda, together with relevant materials, shall be sent to the Committee members in advance of each meeting. Minutes for all meetings shall be prepared in draft form by the Committee designee and reviewed by the Chair and shall be approved by the Committee members at the following meeting. The approved minutes signed by the Chair shall be distributed to the Board of Directors for review. The Committee shall make regular reports to the Board of Directors.

★ ROLES AND RESPONSIBILITIES:

In discharging its responsibilities, the Audit committee will have unrestricted access to management, employees, and relevant information it considers necessary to discharge its duties. The audit committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The Audit Committee has responsibility for:-

- (i.) Ensuring the financial statements are understandable and reliable;
- (ii.) Ensuring the establishment of effective internal controls;
- (iii.) Reviewing the organisation's departmental policies and procedures;
- (iv.) Reviewing all external audit findings.

The Audit committees also plays a significant role in setting the tone of an organisation. They do so by ensuring the organisation develops and implements a code of conduct and establishes effective communication channels. Audit committee members also need to be aware of what management is doing to achieve compliance with laws and regulations.

★ REMUNERATION:

Committee members will receive a fixed amount as approved by the Board of Directors. Fees are to be paid one month in arrears. The Chairperson will receive an additional fixed amount for their extended duties.

★ CONFLICTS OF INTEREST:

Audit committee members should adhere to the organisations code of conduct and any values and ethics established by the organisation. It is the responsibility of Audit Committee members to disclose any conflict of interest or appearance of a conflict of interest to the Committee. If there is any appearance of a conflict of interest the Committee member should recuse himself or herself.

★ CONFIDENTIALITY:

During their tenure, Committee members sometimes have access to personal or sensitive information about the Organisation, Membership and fellow Committee members. In keeping with their fiduciary duties, Committee members should not disclose information that they have received as part of their position on the Committee.