THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF
EDUCATION, SCIENCE AND TECHNOLOGY

DAR ES SALAAM INSTITUTE OF TECHNOLOGY

AUDIT COMMITTEE CHARTER

1.0: INTRODUCTION AND PURPOSE

This document, known as the Audit Committee Charter of Dar es Salaam Institute of Technology (The Charter) has been approved by the Governing Council of the Dar es Salaam Institute of Technology (The Council) as the Appointing Authority of the Dar es Salaam Institute of Technology (The Institute).

The purpose of this Charter is to outline the role, responsibilities, composition and operating guidelines of the Audit Committee as stipulated in the Guidelines for Audit Committees in Public Sector of 2013.

2.0: AUTHORITY AND INDEPENDENCE

The Audit Committee is a committee of the Institute and is directly responsible to The Council. In discharging its responsibilities, the committee has the authority to:

a) Conduct or authorize investigations into matters within its scope of responsibility.
b) Access information, records and personnel of the Dar es Salaam Institute of Technology for such purpose.

c) Request the attendance of any employee, including the executive staff, at Committee meetings.
d) Conduct meetings with the Dar es Salaam Institute of Technology Internal and External Auditors, as necessary.
e) Seek advice from external parties, as necessary.

3.0: Roles of the Audit Committee

The roles of the Committee are:

a) To provide independent assurance and assistance to The Council on The risk, control and compliance frameworks,
b) To oversee the Institute's financial and operations reporting and the related public disclosure activities.
c) To provide a forum where Institute's Management, Internal Auditors and External Auditors interact and have issues of concern discussed and sorted out.

4.0: Duties and Responsibilities

The Committee is directly responsible and accountable to The Council for the exercise of its duties and responsibilities. In carrying out its duties and responsibilities, The Committee must at all times recognize that primary responsibility for management of the Institute rests with The Council. Therefore, The Committee does not replace or replicate established management responsibilities and delegations within The Institute, or the reporting lines and responsibilities of either internal audit or external audit functions.

4.1: Financial Statements

a) Review the appropriateness of accounting policies adopted by the Institute and ensure the accounting policies adopted are relevant to the Institute and its specific circumstances

b) Review the appropriateness of significant assumptions and critical judgements made by management, particularly around estimations which impact on reported amounts of assets, liabilities, income and expenses in the financial statements.

c) Review the financial statements for compliance with prescribed accounting and other requirements.

d) Review with management and the External Auditors, the results of the external audit and any significant issues identified.

e) Exercise skepticism by questioning and seeking full and adequate explanations for any unusual transactions and their presentation in the financial statements.

f) Analyze the financial performance and financial position and seek explanation for significant variations from budgets or forecasts.

g) Ensure that assurance with respect to the accuracy and completeness of the financial statements is given by management.

4.2: Risk Management

a) Review the risk management framework for identifying, monitoring and managing significant risks, including fraud.

b) Satisfy itself that insurance arrangements are appropriate for the risk management framework, where appropriate.

c) Liaise with management to ensure there is a common understanding of the key risks to the Institute. These risks will be clearly documented in a risk register which will be regularly reviewed to ensure it remains up-to-date.

d) Assess and contribute to the audit planning processes relating to the risks and threats to The Institute.

e) Review effectiveness of the Institute's processes for identifying and escalating risks, particularly strategic risks.

4.3: Internal Control

a) Review, through the internal and external audit functions, the adequacy of the internal control structure and systems, including information technology security and control.

b) Review, through the internal and external audit function, whether relevant policies and procedures are in place and up-to-date, including those for the management and exercise of delegations, and whether they are complied with.

c) Review, through the Accounting Officer, whether the internal controls are operating efficiently, effectively and economically.

4.4: Internal Audit

a) Review the budget, staffing and skills of the internal audit functions.

b) Review and approve the internal audit plan, its scope and progress, and any significant changes to it, including any difficulties or restrictions on scope of activities, or significant disagreements with manage.

c) Review the proposed internal audit strategic plan and to ensure that, it cover key risks and that there is appropriate co-ordination with the external auditor.

d) Review the findings and recommendations of internal audit and the response to them by management.

e) Review the implementation of internal audit recommendations accepted by management

f) Ensure that, there is no material overlap between the internal and external audit functions.

4.5: External Audit

a) Review the findings and recommendations of external audit (including from performance audits) and the response to them by management.

b) Review responses provided by management to ensure they are in line with the Institute's Risk Management Framework.

c) Review the implementation of external audit recommendations accepted by Management andensure that satisfactory progression is being made to mitigate the risk associated with audit findings.

4.6: Compliance.

a) Ensure whether management has considered legal and compliance risks as part of the Institute's risk assessment and management arrangements.
b) Review the effectiveness of the system of monitoring the Institute's compliance with relevant laws, regulations and government policies.
c) Review the findings of any examinations by regulatory agencies, and any auditor observations.

4.7: Reporting.

a) Submit quarterly reports to the Council outlining relevant matters that have been considered by it as well as the committee's opinions, decisions and recommendations.
b) Submit an annual report to the Council summarizing the performance and achievements for the previous year. An interim program of the planned activities for the coming year is also to be provided.

5.0: Membership and Meetings Membership

a) Members, including the Chairperson, are appointed by the Council.

b) The committee will consist of a minimum of three (3) and a maximum of five (5) Members unless otherwise determined by the Council.
c) A minimum of two members will be external to the Institute. The committee will strive to increase the number of independent members over time.
d) At least one member shall have financial expertise.
e) At least one member will have expertise in the industry in which the Institute operates.
f) The term of appointment is for three years in line with the tenure of the appointing authority and can be extended for a further term subject to the composition and skill requirements of the Committee. The maximum term is six years.
g) Members are appointed on the basis of personal qualities and skills and proxies are not permitted if the member is unable to attend meetings.
h) Member terms and conditions are to be disclosed in Letter of Appointment.

5.1: Chairperson to the Committee

The Chairperson to the Audit Committee (The Chairperson) will be external to the Institute, or if internal to the institute will be a person independent of the areas within the audit committee's scope of review and independent of line management and day to day operations of the Institute.

The Chairperson will possess sound communication and strong leadership skills.

5.2: Secretary

The Secretary should be selected from among Audit Committee members to facilitate the committee's meetings and reporting duties

The secretary, in consultation with the Chairperson, will prepare and send notices of meetings and agenda and accurately transcribe all decisions of the committee.

The Secretary will table all correspondence, reports and other information relevant to the committee's activities and operations

5.3: Ethical Practices

Members are required to declare any interests that could constitute a real, potential or apparent conflict of interest with respect to participation on the committee.

The declaration must be made on appointment to the committee and in relation to specific agenda items at the outset of each Committee meeting, and be updated as necessary.

5.4: Meetings and Attendance

The Committee will meet at least four times per year (Quarterly) and the schedule of meetings will be agreed in advance.

A quorum will consist of three members, one of whom must be an independent member.

5.5: Meeting Agenda

The committee should determine its own agenda, ensuring appropriate consultation to include emerging issues and emphasis on the most significant risks and threats.

The agenda and relevant papers will be distributed to members at least five working days prior to the meetings.

6.0: Relationships

6.1: Internal Audit

The Committee will act as a forum for Internal Audit and oversee its planning, monitoring and reporting processes. The process will form part of the governance processes that ensure that, the Institute internal audit function operates effectively, efficiently and economically.

a) The internal auditor will have a standing invitation to attend committee meetings.

b) The committee will have standing agenda to deliberate on the report of the internal auditor.

c) The Chairperson and an independent member will hold executive sessions with internal audit at least twice per year.

6.2: External Audit

The committee has no power of direction over external audit or the manner in which the external audit is planned or undertaken, but will act as a forum for the consideration of external audit findings and will ensure that they are balanced with the views of management.

a) The external auditor will have a standing invitation to attend committee meetings.

b) The Chairperson and an independent member will hold executive sessions with external audit at least twice per year, if required.

6.3: Other Executive Management Committees.

The audit committee shall liaise with the Finance and Planning Committee (FPC), Appointment and Disciplinary Committee (ADC), Academic Committee (AC) and the Students Affairs Committee (SAC) as required ensuring:

a) That its statutory and operational responsibilities are met.

b) That there is no material overlaps between the functions and duties of the Committees.

c) Frank and meaningful interchange of information.

7.0: Evaluation of Committee Activities

a) The Committee will undertake an annual self-assessment of its performance for the previous twelve months at the July meeting.

b) The committee will provide a report of the annual review outcomes to the council.

c) At least once every three years the committee will arrange for an external peer review of its operations and activities. The result of this review are to be provided directly to the Council.

d) The Chairperson will provide each individual member with feedback on that person's contribution to the committee's activities at least once during each member's term of office. This assessment will include a review of any training needs of the member.

8.0: Review of the Charter.

a) The Committee shall review The Charter after every three years or when need be to ensure that, it remains consistent with the Committee's Authority, Objectives and Responsibilities.

b) All amendments to The Charter will be discussed and approved by The Council.

9.0: Approval of the Charter

Dar es Salaam Institute of Technology Audit Committee charter is endorsed by the Chairperson of The Committee and approved by The Council.