

REPUBLIC OF BURUNDI



MINISTRY OF ENVIRONMENT, AGRICULTURE AND LIVESTOCK

BURUNDIAN OFFICE FOR PROTECTION OF ENVIRONMENT



COMMITTEE AUDIT CHARTER

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AUDIT COMMITTEE CHARTER OF BURUNDIAN OFFICE FOR PROTECTION D ENVIRONMENT (BOPE)

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CHAPTER I. GENERAL PROVISIONS

Article 1: The purpose of this charter is to define the composition, powers and operating procedures of the Audit Committee.

Article 2: The Audit Committee is an offshoot of the Board of Directors.

CHAPTER II: ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

Section 1: Tasks of the Audit Committee

Article 3: The main task of the BOPE Audit Committee is to assist the Board of Directors in the supervision and control of accounting, financial and administrative information. In this capacity, he ensures the monitoring and evaluation of the implementation of internal control, and more particularly that of Internal Audit.

Section 2: Responsibilities of the Audit Committee

Article 4: The responsibilities of the BOPE Audit Committee are articulated around 3 themes:

- Financial reporting (financial statements and main dashboards),
- Internal control and risk management,
- Internal audit,
- External audit.

Paragraph 1: Financial reporting

Article 5: The Audit Committee must:

- Examine the accounts and ensure the relevance and consistency of the accounting methods adopted by the Office,
- Monitor the process of preparing financial information,
- Critically examine the decisions and assessments of management relating to the financial statements of the Office, performance analyzes, interim reports, before submitting them for approval to the Board of Directors. Particular attention must be paid:
 - Essential accounting methods and practices and any change in method,
 - To decisions requiring an important element of appreciation,
 - The impact on the financial statements of unusual transactions during the year and the way they are presented,
 - The completeness and accuracy of the information given in the appendix,
 - Significant audit adjustments,
 - Continuity concern,
 - Compliance with public accounting rules,
 - Compliance with regulations and legal obligations.



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- To examine the periodic performances, in particular the periodic statements of execution of the budget, to analyze the deviations and to propose adjustments, if the need there is.

Paragraph 2: Risk management and Internal Control

Article 6: The responsibilities of the Audit Committee in terms of risk management and internal control are, among others:

- Assess the effectiveness of the systems implemented by management to identify, assess, manage and control financial and non-financial risks,
- monitor the proper functioning of internal control relating to the preparation and processing of administrative, accounting and financial information,
- Review the Office's procedures relating to fraud detection and the whistle blowing system, and ensure that everything is in place so that staff can express their concerns confidentially vis-à-vis any irregularities in financial reporting, financial control or any other area,
- Review management reports and internal auditors' reports on the effectiveness of financial control, financial reporting and risk management systems,
- Verify the declarations relating to the Office's internal control and the risk management system appearing in the annual report.



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Paragraph 3: Internal audit

Article 7: the Audit Committee must:

- Propose the appointment and dismissal of the Internal Auditor,
- Examine and validate, before submission to the Board of Directors for approval, the procedural framework framing the internal audit function;
- Supervise, review and approve the Office's internal audit programs,
- Ensure the independence of the Internal Audit Unit;
- Ensure that the internal auditor can report directly to the audit committee;
- Monitor and assess the role and effectiveness of Internal Audit;
- Review and validate the scope and frequency of internal audits;
- Ensure the relevance of the recommendations;
- Assess the performance of the internal auditor;
- Examine and control the taking into account by the General Management of the conclusions and recommendations of the internal auditor.



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Paragraph 4: External audit

Article 8: The Audit Committee must:

- Supervise, review and approve the Office's external audit programs;
- Monitor the execution of the audit contract, ensuring that the opinion on the annual accounts and the main contents of the audit report are drawn up in a clear and precise manner;
- Ensuring the quality of the relations maintained by the Office with the external auditors;
- Examine the engagement letters and the fees which will be allocated to the external auditors;
- Annually assess the skills, expertise and resources, as well as the effectiveness and degree of independence of the external auditors. In this context, the audit committee may in particular:
 - Discuss with the auditors the rules and procedures put in place to guarantee their independence;
 - Examine with the external auditors certain obligations related to the code of ethics, concerning in particular: the rotation of the signatory partners, the total proportion of the fees paid by the Office compared to the total amount of the fees paid to the external auditors.
- Discuss with the external auditors, before the start of the audit, the nature and extent of the audit work to be carried out;
- Review with General Management the conclusions of the work of the external auditors;
- Assess, at the end of the audit mandate, the effectiveness of the process,
 - Ensuring that the auditor has complied with the agreed audit plan and understanding the reasons for any possible modification, in particular concerning the audit risks and the additional work carried out to cover the audit areas concerned,
 - Taking into consideration their appreciation of the quality of the internal control systems,
 - Collecting comments from key stakeholders regarding the conduct of the audit.
 - Recommend to the Board of Directors a policy regarding the provision of services other than audit;
 - Ensure that General Management takes immediate measures to remedy the internal control deficiencies noted during the external and internal audit missions.



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Section 3: Obligations of the members of the Audit Committee

Article 9: The members of the Committee must:

- Participate in all meetings of the Audit Committee,
- Play their role fully and bring real added value to the Office,
- Have the capacity to make recommendations to the Board of Directors in the interest of the Office,
- Have the independence of judgment, decision and action,
- Fully fulfill the duty of control,
- Update their knowledge in auditing, accounting and finance.
- Fulfill the obligation to report to the Board of Directors.

Article 10:

10.1. Before assuming their duties, each member of the Audit Committee must have a good knowledge of the activities and legal texts governing the BOPE.

10.2. The Committee member is bound by a duty of confidentiality in the interest of the Office during and after his mandate.

10.3. The members of the Committee, as well as any person called to attend the meetings of the Committee are held to an absolute obligation of confidentiality with regard to the information which is communicated to them within the framework of their functions, or discussed during the meetings of the Committee.

10.4. They undertake to preserve the confidentiality of the information communicated. In particular, the debates themselves the minutes which relate the terms, the reports and documents addressed to the Committee are confidential and cannot be disseminated.

CHAPTER III. ORGANIZATION AND FUNCTIONING OF THE AUDIT COMMITTEE

Section 1: Organization of the Audit Committee

Paragraph 1: Composition of the Audit Committee

Article 11: The Audit Committee is an offshoot of the Board of Directors of the BOPE. It must be composed of at least three members. The members of the Audit Committee must have sufficient knowledge of internal audit and accounting and financial skills.



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Paragraph 2: Appointment and dismissal of the members of the Audit Committee

Article 12: The members of the Audit Committee are appointed by the Board of Directors. They are chosen from among the members of the Board of Directors. During appointments, the Board of Directors ensures that the composition of the Audit Committee allows it to have sufficient skills to effectively exercise its role.

The Council elects a Chairman from the committee.

Article 13: The chairman of the Audit Committee may not be the chairman of the Board of Directors or the chairman of another committee (specialized or operational).

Article 14: The members of the Committee can be dismissed at any time by the Board of Directors.

Paragraph 3: The duration of the mandate

Article 15: The mandate of the members of the Audit Committee is fixed by the Board of Directors for a period of 3 years renewable once. This term may not exceed that of their mandate as a member of the Board.

Section 2: Operating procedures

Paragraph 1: Frequency of meetings

Article 16: The Audit Committee meets at least three times a year, before the Board of Directors meets and whenever it deems it necessary.

Paragraph 2: Convening of meetings and information rights

Article 17: Summons may be made by any means. However, except in special circumstances, they are sent in writing at least 10 working days before each meeting. By unanimous agreement of the members, a shorter deadline may be agreed.

Are attached to the invitation, addressed or given to the members of the Committee within the time required prior to the meeting, all documents likely to inform them of the agenda and of all matters which are submitted for the consideration of the Committee.

Paragraph 3: Attendance at meetings

Article 18: Only members of the Audit Committee are authorized to attend meetings. As a result, they can only be represented by another member of the Committee.

The internal auditor attends the meetings of the audit committee and provides the secretariat.



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The Chairman of the Board of Directors, the Chief Executive Officer and any other person may attend meetings at the invitation of the Committee only.

To this end, the Chairman of the Committee will receive a delegation to distribute the invitations.

Paragraph 4: Role of the President

Article 19:

19.1. The Chairman convenes the meetings of the Committee and sets their agenda, after consulting the members.

19.2. He directs the work of the Committee and ensures that members reach consensus after having discussed the agenda items in a critical and constructive manner.

19.3. The Chairman takes the necessary measures to develop a climate of confidence within the Committee and ensures the efficient functioning of the Committee by contributing to open discussions and to the constructive expression of differences of opinion.

19.4. The President is the privileged interlocutor of the Board of Directors for all matters within the competence of the Committee.

Paragraph 5: Role of the Secretary

Article 20: The secretariat of the audit committee is provided by the internal auditor. The recording secretary performs the following tasks in particular:

- Send the meeting agendas;
- Prepare the attendance register;
- Prepare the files submitted in sessions;
- Prepare the minutes of the meetings.

Paragraph 6: Quorum and majority

Article 21: To deliberate validly, at least half of the members of the Audit Committee must participate in the meeting.

Opinions and recommendations are taken by majority. The Chairman of the Committee does not have a casting vote.

Paragraph 7: Places of the meetings

Article 22: Meetings are held at any place indicated in the notice. They may also be held by videoconference or by other means of telecommunications.



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Paragraph 8: Reporting

Article 23: Each meeting of the Committee gives rise to the drafting of a report by the Secretary of the Committee. These Minutes are submitted for validation to the members of the Committee before they are distributed and presented by the Chairman of the Committee to the Board of Directors.

The minutes must highlight the main anomalies noted and the recommendations of the audit committee with deadlines for implementation.

CHAPTER III. MISCELLANEOUS PROVISIONS

Section 1: Powers

Article 24: The Council authorizes the committee to:

- To examine any field coming within the framework of its attributions,
- Receive all the information necessary to accomplish its mission, and have all the documents it deems useful communicated to it,
- Obtain advice from experts internal or external to the Office, and ensure the presence of interveners with the appropriate experience and expertise, if he considers it necessary.

Section 2: The activity report

Article 25: Each year, no later than 30 days after the last meeting, the Chairman of the Committee submits an activity report co-signed by the various members of the Audit Committee and sends it to the Board of Directors.

Section 3: Changes to the Audit Committee charter

Article 26: This charter may be modified on the recommendation of the Audit Committee, and subject to the approval of the Board of Directors.

Section 4: Approval and application of the Audit Committee charter

Article 27: The present charter of the BOPE Audit Committee was approved by the Council during its meeting of June 23, 2020. Any new version of this charter can only come into force after its approval by the BOPE Council administration.