

Audit Committee

Terms of Reference

(updated on 18 October 2023)

1. Responsible To

- 1.1 The Audit Committee (hereafter the “Committee”) is formed under the governance of the Hong Kong Breast Cancer Foundation Limited (“HKBCF”), and shall be responsible to the Management Committee of the HKBCF (hereafter the “Management Committee”). The formation of the Audit Committee was approved by the Management Committee on 19 February 2019.

2. Objectives

- 2.1 The Committee aims to assist the Management Committee to fulfill its corporate governance and oversight responsibilities in relation to the HKBCF’s financial reporting, risk management, internal controls, external audit and compliance with relevant laws, regulations and codes, which may include, but not limited to the following:
- 2.1.1 to be primarily responsible for making recommendations to the Management Committee on the appointment, re-appointment of the external auditor, as well as the remuneration and terms of engagement of the external consultant providing internal audit function or the external auditor, and any issues related to its resignation or dismissal;
- 2.1.2 to review the audit plans and reports of the external auditors and internal auditor, and consider the effectiveness of the actions taken having regard to auditors’ recommendation;
- 2.1.3 to discuss with the auditors on any significant matters arising;
- 2.1.4 to review the external auditors’ management letter and management’s response;
- 2.1.5 to oversee the financial reporting and disclosure process, and review the accounting policies and principles adopted;

- 2.1.6 to interact with the Chief Executive Officer and to understand and review internal checks on key processes;
- 2.1.7 to report to the Management Committee of any financial irregularities, concerns and opportunities;
- 2.1.8 to advise whether the system of risk management and internal control is adequate in identifying and managing risks;
- 2.1.9 to oversee the HKBCF's policy and procedures on regulatory compliance;
- 2.1.10 to perform other related duties and any investigation within its scope of authority as delegated by the Management Committee.

3. Composition

- 3.1 The Committee shall consist of not less than three members. All Committee members shall be independent of the Management Committee. At least one of the members shall be a Certified Public Accountant or financial expert. Professionals and experts who can make special contribution to the Committee may be co-opted by the Committee. These appointments shall be made by the Management Committee at the recommendations of the Chairman of the Committee.
- 3.2 The Chairman of the Committee shall be appointed by the Management Committee. In case of his/her absence, the remaining members present shall elect one of themselves to chair the meeting.
- 3.3 The Chief Executive Officer shall be in attendance. The internal auditor (if any) is expected to attend. Other relevant staff member(s) of the HKBCF as recommended by the Chief Executive Officer can be invited to attend after consultation with the Chairman of the Committee.
- 3.4 The Secretary of the Committee shall be the Head of Finance or any other person designated by the Chief Executive Officer.

4. Term of Office

- 4.1. Unless otherwise determined by the Management Committee, the term of office of members of the Committee shall be two years (ending on 31 December of the relevant year). The membership of the co-opted member(s) shall end in line with other existing members.

5. Meeting

- 5.1 The Committee shall meet at least twice a year and otherwise as agreed. One of the meetings has to be held with the internal auditor (if any) and external auditors.
- 5.2 The Chairman may, at his/her discretion, convene meetings of the Committee at any time as deemed necessary.

6. Agenda

- 6.1 An agenda shall be prepared by the Secretary of the Committee and forwarded together with any other discussion materials to the members one week before each meeting (or such other period as the members may agree).

7. Quorum

- 7.1 Any three members of the Committee may form a quorum.
- 7.2 Member can attend the meeting in person or via electronic means including telephone or videoconferencing.

8. Reporting

- 8.1 Minutes of each Committee meeting will be disclosed at a subsequent meeting of the Management Committee.
- 8.2 The Chairman of the Committee or his/her delegate shall report to the Management Committee on its proceedings after each meeting on all matters within its duties and responsibilities.

9. Minutes of Meetings

9.1 The Secretary of the Committee shall prepare minutes of all meetings and distribute to the members of the Committee no later than three weeks after the meeting.

9.2 A copy of minutes should be circulated to the Management Committee and tabled at a subsequent meeting of the Management Committee.

9.3 The Secretary of the Committee shall keep minutes and notes of all meetings, record of decisions, actions and recommendations discussed at the meeting in the manner as adopted by the HKBCF.

10. Administrative Expenses

10.1 Such expenses as may be necessary for the administration of the Committee shall be the responsibility of the HKBCF.

11. Review of Terms of Reference

11.1 The terms of reference shall be annually reviewed by the Committee. Any substantial modifications to the terms of reference shall be approved by the Management Committee.