Responsibilities
The Committee has a monitoring and some approval responsibilities but has no operational or management responsibilities.

Key Functions
The key functions of the Committee are to:

- assist the board in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied within the Group in the day-to-day management of its business;
- facilitate and promote communication between the Board, executive management, the external auditors and the Chief Internal Auditor (who has a direct reporting line to the Committee);
- introduce measures to enhance the credibility and objectivity of financial statements and reports prepared with reference to the affairs of the Group; and
- perform such further functions as may be prescribed.

The specific responsibilities of the Committee include the following:

Internal control
- Monitor that management creates and maintains an effective internal control environment throughout the Group, and that management demonstrates and stimulates the necessary respect for this.
- Monitor the identification of weaknesses and breakdown of systems and internal controls.

Financial control, accounting and reporting
- Monitor the adequacy and reliability of management information and the efficiency of management information systems. Delegate to Group Information Technology Committee the monitoring of the adequacy and efficiency of the Group’s information systems, and receive reports from Group Information Technology Committee thereon.
- Satisfy itself of the expertise, resources and experience of the finance function. The committee shall on an annual basis consider and satisfy itself of the appropriateness of the expertise, resources and experience of the management, with particular focus on the Chief Financial Officer and senior members of management responsible for the financial function.
- Review and approve financial statements and reporting to be published for proper and complete disclosure of timely, reliable and consistent information, and confirm that the accounting policies used are appropriate.
- Review of the half yearly and annual financial statements before submission to the board, focusing on:
  - integrity of balances and figures;
  - any change in accounting policies and practices;
  - major judgemental areas;
  - significant adjustments resulting from the audit;
  - the internal control and going concern statements;
  - compliance with accounting and disclosure standards;
  - compliance with stock exchange, statutory and regulatory requirements; and
  - that Nedbank Group Limited as a subsidiary of a London listed company complies with UK and Old Mutual plc reporting requirements.
- Evaluate on an ongoing basis the appropriateness, adequacy and efficiency of the accounting policies and procedures, compliance with Generally Accepted Accounting Practice, overall accounting standards and any changes thereto;
- Discuss and resolve any significant or unusual accounting problems;
- Review and monitor that capital expenditure throughout the Group is adequately budgeted, controlled, monitored and reported on;
- Monitor that proper tax planning, compliance, risk identification and management is in place within the Group;
- Monitor the management, and effectiveness thereof, of the Accounting and Taxation risks as laid out in the Group’s Enterprise-wide Risk Management Framework (ERMF);
- Review and regularly monitor all key performance indicators to ensure that decision-making capabilities, and accuracy of related reporting and financial results, are maintained at high levels.

Internal audit
- Monitor that the internal audit function is effective, in terms of its scope, plans, coverage, independence, skills, staffing, overall performance and position within the organisation;
- Monitor action taken by management with regards to adverse findings;
- Monitor findings to form a view on adequacy and effectiveness of the control environment.
- Specifically with regard to the bank’s AIRB credit system:
  - Assessment of the skills of the Group Internal Audit function with respect to the AIRB credit system;
  - Assessment of internal audit coverage of the AIRB credit system; and
  - Assessment of the adequacy of the internal audit plan to cover the AIRB credit system, including the working relationship and sharing of work with external audit.

External audit
- Recommend to the Board the selection of the external auditors and the audit fees;
- Monitor that the external auditors are effective in terms of their skills, independence, audit plan, reporting and overall performance;
- Consider non-audit services to be rendered by the external auditors to avoid material conflicts of interest;
- Consider whether the extent of reliance placed on internal audit by the external auditors is appropriate and that no significant gaps in audit assurance exist between internal and external audit.

Regulatory reporting
- Review the adequacy of the regulatory reporting (e.g. SARB BA returns) processes, including quality of reporting and adequacy of systems and human resources to complete these functions satisfactorily;
- Consider the content of any regulatory reports related to the key functions of the Committee, and monitor management action to resolve the issues identified;
- Perform such other functions as may be prescribed by the Registrar from time to time in the Regulations relating to Banks.

Companies Act (2008)
This section under review.

General
- Receive regular reporting from each of the functions listed below, and monitor resolution by management of issues or concerns so raised;
  - Management
  - Internal Audit
  - External Audit
- Meet as required with the regulators;
- Any Board member may meet separately with the External Auditors, Chief Internal Auditor or Chief Risk Officer;
Meet at least annually with the External Auditors and the Chief Internal Auditor in separate sessions to discuss any matters that the Committee or these people believe should be discussed privately with the committee;

Review the relevant items from the Group’s Key Issues Control Log Report and ensure effective and timely action is taken by management;

Receive and consider the reporting, as deemed necessary but mainly of an operational risk nature, from the Chief Risk Officer which potentially impacts upon or is related to the responsibilities of the Committee;

Receive reports of non-compliance with laws and regulations or supervisory requirements from the Chief Compliance Officer, and monitor management action to resolve the matter(s); and

Receive and review reports from the Group Information Technology Committee, regarding the effectiveness and efficiency of the Group’s information systems, to satisfactorily discharge its Board and Banks Act obligations.