



Audit Committee Report

1. Constitution

The Audit Committee is established by the Board of Directors (the Board) to implement and support the oversight function of the Board relating to:

- adequacy and effectiveness of MII's governance, risk management and control practices and potential improvements to those practices; and
- provision of a line of communication, through regular scheduled or ad-hoc and private discussion, between the Board and the external as well as the internal auditors.

2. Membership and Composition

The members of the Audit Committee are appointed by the Board. The Audit Committee comprises no fewer than 3 members, all of whom are non-executive directors. The Chairman is either appointed by the Board or elected by members of the Audit Committee from among themselves.

3. Authority

The Audit Committee is authorised by the Board to review or investigate any activity within the authority stipulated in its Terms of Reference. It has full and unrestricted access to any information, records, personnel, and properties of MII.

The Audit Committee is also authorised to have access to independent professional or external legal advice, and to secure attendance of outsiders with relevant experience and expertise, whenever it is deemed necessary. MII will meet the cost of such advice or attendance.

4. Meeting and Quorum

The Audit Committee meets at least 3 times each year. The quorum for each meeting is 2 members, which must include the Chairman.

The Chief Executive Officer and the Head of Internal Audit are required to attend each meeting. Any other directors and employees of MII or outsiders may attend the meeting upon invitation of the Audit Committee. The Audit Committee meets with the external auditors at least once a year.

In 2021, the Audit Committee met virtually 3 times on 20 April, 12 August, and 8 December. The record of attendance is as follows

Members	Attendance
En. Ezamshah Ismail (Chairman)	3/3
Mr. Tan Kok Guan	3/3
Mr. Rangam Bir	3/3
Ms. Lau Chin Ching	3/3

The number of meetings conducted complied with the minimum requirement of 3 meetings per annum as stipulated in the Terms of Reference.

The Chairman of the Audit Committee or, in his stead, a member of the Audit Committee reported to the Board on all significant matters deliberated in each meeting.

5. Duties

The main duties of the Audit Committee are:

- to consider the appointment of a suitable accounting firm to act as external auditors. Among the factors that may be considered are adequacy of experience and resources of the firm, credentials of the persons assigned to the audit, and amount of the audit fee;
- to approve the appointment and termination of the Head of Internal Audit;
- to review the external and internal auditors' audit plans, nature and scope;
- to review the external auditors' evaluation of the quality and the effectiveness of the system of internal accounting controls;
- to review the internal auditors' audit reports and evaluation of the governance, risk management, and control processes;
- to review and provide advice on the systems and practices established by Management to monitor compliance with laws, regulations, policies, and standards of ethical conduct, and identify and deal with any legal or ethical violations;
- to provide oversight on significant risk exposures and control issues, including fraud risks and governance issues;
- to review the interim (if any) and the annual audited financial statements;
- to review the external auditors' management letter and management response; to review the co-operation or assistance given by Management to the external and internal auditors;
- to examine the appropriateness of the adopted accounting and business/operating policies and practices;
- to review any related party transactions that may arise within MII and its subsidiary companies (if any);
- to review any letter of resignation from the external auditors;
- to review whether there is a reasonable ground to believe that the external auditors are not independent and/or not suitable for reappointment;
- to review the appointment of external auditors for non-audit works to ensure the independence of the external auditors is not compromised by the non-audit works; and
- to undertake additional duties as may be appropriate and necessary as requested by the Board.

6. Highlight of Activities

The Audit Committee undertook the following duties in 2021:

- reviewed the Audited Financial Statements for the year ended 31 December 2020;
- approved the 2022 Internal Audit Plan;
- reviewed the Internal Audit reports concerning Agents Examination, Event Management, and Maintenance of Audit Findings Dashboard;
- considered and endorsed Internal Audit's recommendations and Management's responses; and
- reviewed the Audit Findings Dashboard and implementation of the agreed corrective actions.

In addition, the Audit Committee also reviewed Management's proposals for the write-off of fixed assets following the sale of Wisma IBI and the relocation to AICB Building.

7. Internal Audit Department

MIl has a dedicated Internal Audit department which was established in 2002. The Internal Audit department assists the Audit Committee and the management on matters pertaining to governance, risk management and control processes. The department is currently staffed with 2 personnel, including the Head of Internal Audit who reports functionally to the Audit Committee and administratively to the Chief Executive Officer.