



BOTSWANA ACCOUNTANCY OVERSIGHT AUTHORITY (BAOA)

HUMAN RESOURCES COMMITTEE TERMS OF REFERENCE

BOTSWANA ACCOUNTANCY OVERSIGHT AUTHORITY HUMAN RESOURCES COMMITTEE (HRC) TERMS OF REFERENCE

TABLE OF CONTENTS

	PAGE
1. INTRODUCTION	2
2. PURPOSE	2
3. COMPOSITION	2
4. STRUCTURE AND OPERATIONS	3
5. RESPONSIBILITIES AND AUTHORITY	4
6. TERM OF OFFICE	6
7. TERMINATION OF MEMBERSHIP	7
8. REMUNERATION	7
9. CONFIDENTIALITY	7
10.COMMITTEE REPORTS	7

HUMAN RESOURCES COMMITTEE (HRC) TERMS OF REFERENCE

1. INTRODUCTION

Section 16(1) of the Financial Reporting Act, 2010 (the Act) stipulates that the Board of the Botswana Accountancy Oversight Authority (the Authority) may, for the purposes of performing its functions, establish such committees as it considers appropriate; and may delegate, to any such committee, any of its functions as it considers necessary. Pursuant to this provision, the Board has established the Human Resources Committee (HRC) with the following Terms of Reference.

2. PURPOSE

- a) The purpose of the Human Resources Committee is to assist the Board of Directors in the oversight of the Human Resources function of the Authority, including to:
 - a) review and ensure effective implementation of, and compliance with, the Authority's Human Resources philosophies, policies, succession plans, compensation and benefit plans, and programs as they pertain to the Authority's corporate strategy;
 - b) recommend for approval by the Board the Human Resources goals and objectives; and evaluate the performance of Senior Executive Officers against these goals and objectives;
 - c) recommend for approval by the Board, compensation to be awarded to employees; and
 - d) provide guidance to the Board on the implementation of the Human Resources strategy.

3. COMPOSITION (MEMBERSHIP AND EXPERIENCE)

- a) Members of the HRC shall consist of three Non-Executive, independent Board members appointed from amongst Board members; and other non-Board members with specialized skills as may be considered appropriate by the Board.
- b) The Authority shall provide an induction programme for the HRC members, which should cover the role of the HRC, including its terms of reference

and expected time commitment by members; and an overview of the Authority's business model and strategy, identifying the main business and financial dynamics and risks.

- c) Training shall also be provided to members of the HRC on an ongoing and timely basis and should include an understanding of the principles of, and developments in, Human Resources and related company law; as may be considered appropriate.

4. STRUCTURE AND OPERATIONS

4.1 The Chairperson and Vice Chairperson

The Chairperson and Vice Chairperson shall be appointed by the Board.

4.2 Meetings

4.2.1 The HRC shall meet as often as the circumstances require, but in any case a minimum of three (3) times a year; and at such time and place as the HRC Chairperson may determine, or as the Board may direct;

4.2.2 Board members, the Chief Executive Officer, and the Independent Auditors shall have unrestricted access to the Chairperson or any member of the HRC in relation to any matters falling under the responsibility of the HRC.

4.3 Minutes

The Chairperson of the HRC shall cause a record to be kept of all meetings by the Director of Finance and Administration or his/her nominee, who shall be the Secretary of the HRC. An entry in a book containing the minutes of the HRC, signed by the HRC Chairperson, shall be prima facie evidence of resolutions taken by the HRC.

4.4 Quorum

A simple majority of the voting members of the HRC constitutes a quorum for a meeting of the HRC.

4.5 Conflicts of Interest

Whenever a matter arises which might cause a conflict of interest to any HRC member, the potential conflict must be disclosed and that member must recuse himself or herself from discussing the matter and leave the meeting while

the matter is discussed. Such disclosure shall be recorded in the minutes of the meeting at which it is made.

4.6 Voting Rights

HRC members who are not Board members may take part in proceedings of the HRC but shall not have the right to vote.

4.7 Decisions

The decision of the simple majority of the voting members present at a duly constituted meeting of the HRC is the decision of the HRC.

4.8 Resources

4.8.1 The HRC shall be provided with sufficient resources to undertake its duties.

4.8.2 The HRC shall have access to the services of the Authority's secretariat on all HRC matters including: assisting the Chairperson in planning the HRC's work, drawing up meeting agendas, maintenance of minutes, and collection and distribution of information and provision of any necessary practical support.

4.8.3 The secretariat shall ensure that the HRC receives information and papers at least seven calendar days before a meeting of the HRC to enable full and proper consideration to be given to the issues; except that in the case of an emergency meeting of the HRC, the information and papers may be sent to the HRC members less than seven calendar days before the meeting.

4.8.4 The Board shall make funds available to the HRC to enable it to take independent legal or other advice when the HRC reasonably believes it necessary to do so.

5 RESPONSIBILITIES AND AUTHORITY

5.1 The duties and responsibilities of the Human Resource Committee shall be to:

- a) establish an annual calendar of Committee activities, including the activities to be addressed at each of the meetings;
- b) regularly review and ensure effective implementation and compliance with statutory legislation, the Authority's Human Resources policies, procedures, programs, compensation and

benefits plans, and recommend changes as appropriate to the Board;

- c) review and ensure implementation of compensation and benefits strategy and policies; including long term incentive plans, and retention targets and plans;
- d) periodically conduct an external market assessment comparing the Authority's compensation levels, programs and other relevant information to similar organisations in the market. This should include a review of general trends and emerging issues that should be considered in making decisions about compensation, and make appropriate recommendations to the Board;
- e) oversee the process for the measurement and assessment of performance of employees of the Authority;
- f) review and assess Management's plans and programs for attraction, retention, and development of Human Resources to achieve the Authority's objectives, and make appropriate recommendations;
- g) review succession planning relating to the Authority's CEO and other members of Senior Management, and make recommendations as may be appropriate;
- h) review and recommend to the Board, the annual salary budget, annual salary increase and any significant changes to the salary structure that could significantly impact the salary costs in the short or long term;
- i) oversee the overall Human Resources strategy for the Authority, to ensure that it provides:
 - i) a rich supply of high calibre talent with the capability to lead the Authority now and into the future;
 - ii) diverse employees to reflect the available talent in the market;

- iii) training and development that will equip employees with skills and knowledge to perform their duties and achieve their individual potential level;
- iv) a high performance culture and employee engagement that will drive organisational success;
- v) a level and composition of reward and recognition for employees that:
 - will attract, retain and motivate employees with the requisite skills and expertise towards high performance;
 - is linked to the Authority and individual performance;
 - maintains the integrity of the Authority's remuneration strategies and practices;
 - provides appropriate alignment between organisational interest and employee interests;
 - provides a frame work for undertaking reviews of remuneration proposals; and
 - is compliant with current governance and legislative requirements related to remuneration practices.
- j) perform any additional duties as may delegated to the HRC by the Board from time to time.

5.2 The HRC may delegate any of the above duties to sub-committees as may be deemed appropriate.

6 TERM OF OFFICE

The term of office for HRC members shall be an initial period of three years with the option to renew for one further term of three years.

7 TERMINATION OF MEMBERSHIP

The Board may at any time dissolve or reconstitute the HRC; or terminate the membership of a HRC member if, in the opinion of the Board, the performance of the member is unsatisfactory or the member is unable, due to illness or any other reason, to perform the functions of a HRC member effectively.

8 REMUNERATION

The Board will determine on an annual basis the fee to be paid to members of the HRC.

9 CONFIDENTIALITY

All members of the HRC shall sign a confidentiality undertaking not to disclose any of the proceedings of the Committee, including outcomes of the HRC's work, to any third parties.

10 COMMITTEE REPORTS

10.1 The HRC shall report to the Board on how it has discharged its responsibilities, including any other issues on which the Board has requested the HRC's opinion.

10.2 The HRC shall periodically review its terms of reference and its own effectiveness and recommend any necessary changes to the Board. The Board shall also review the HRC's effectiveness as and when it is necessary.

ADOPTED BY THE BOTSWANA ACCOUNTANCY OVERSIGHT AUTHORITY BOARD

ON _____ AND WILL BE DUE FOR REVIEW

ON _____

CHAIRPERSON, HRC