
Annex XVIII: Terms of reference of the Ethics and Audit Committee**I. Role and functions**

1. The role of the Ethics and Audit Committee is to consider and provide guidance on issues of conflict of interest, confidentiality, ethics, financial management, procurement and other audit functions as they relate to the Board of the Fund.
2. The Executive Director will put in place structures that consider and provide guidance on issues of conflict of interest, confidentiality, ethics, financial management, procurement and other audit functions as they relate to the Secretariat.
3. In fulfilling this role, the Ethics and Audit Committee will:
 - (a) Oversee the development of a draft Board policy on transparency, ethics and conflict of interest, including the issue of confidentiality, for consideration by the Board in 2014;
 - (b) Oversee the implementation of, and compliance with, the Board policy on ethics and conflict of interest, including by providing recommendations on any breaches of the policy;
 - (c) Provide guidance on the development and review implementation of, and compliance with, the Fund's comprehensive information disclosure policy;
 - (d) Provide recommendations for the establishment of the Fund's Independent Integrity Unit and independent redress mechanism;
 - (e) Provide advice to the Board on policy and strategy matters relating to financial reporting and audit requirements for the Fund;
 - (f) Review and make recommendations to the Board on audits of the administrative budget, as necessary;
 - (g) Review and make recommendations to the Board on external audit reports; and
 - (h) Consider any other matters the Board deems appropriate.

II. Membership

4. The Ethics and Audit Committee will comprise:
 - (a) Three developing country Board members or alternate members; and
 - (b) Three developed country Board members or alternate members.

III. Duration

5. The Ethics and Audit Committee will be a standing committee of the Board.

IV. Guidelines for operation

6. Provisions will be put into place to manage actual and potential conflicts of interest.