



# STATE INTERNAL AUDIT COMMITTEE CHARTER

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MINISTRY OF FINANCE

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*Amel*



## **STATE INTERNAL AUDIT COMMITTEE (SIAC) CHARTER**

### **MINISTRY OF FINANCE**

#### **I. INTRODUCTION**

1. The State Internal Audit Committee established under Clause 16.03 (d) of Public Finance regulation (2017/d-20) assists the Minister of Finance in the discharge of legal legislative responsibilities related to oversight and governance of the Internal Audit of all Government Accountable Offices, Public Offices, State Owned Enterprises and others as may be mandated by the Minister of Finance under any existing statute or regulation.
2. The role supports the Minister of Finance in advocating and fostering an ethical culture of transparency and accountability, and an environment in which management utilizes internal audit to provide independent assurance to the management, including the development and application of appropriate risk management strategies and actions.
3. The State Internal Audit Committee shall provide a strategic and functional direction to the State Internal Audit and an effective oversight on the internal audit activities in all Government Accountable Offices, Public Offices, State Owned Enterprises and others as may be mandated by the Minister of Finance from time to time.

#### **II. AUTHORITY**

4. The State Internal Audit Committee derives its authority to perform its role and discharge its responsibilities from the endorsement and approval of this charter by the Minister of Finance pursuant to Clause 16.03 (d) of Public Finance Regulation.
5. The activities of the State Internal Audit Committee relate to the activities of the Government of Maldives. The Committee may provide advice to any Government Accountable Offices, Public Offices, and Other Government Agencies to the extent they relate to their governance, risk management and controls.
6. The State Internal Audit Committee has a right to gain unrestricted access to information related to the work of State Internal Audit Committee from Government Accountable Offices, Public Offices and other Government Agencies; and obtain information from employees of the same for the purpose of providing assurance to the Minister of Finance on compliance with provisions of the public finance legislation subject to adherence with privacy provisions.
7. The Committee also has the authority to review adequacy and appropriateness of resources of the Government Accountable Offices, Public Offices and other Government Agencies, obtain, review and endorse the annual audit plans of internal audit functions at the Government Accountable Offices, Public Offices, and other Government Agencies.
8. The State Internal Audit Committee also has the authority to review and endorse annual audit plans, and obtain internal audit reports issued by internal audit functions at State Owned Enterprises.

9. State Internal Audit Committee members shall respect the confidentiality and sensitivity of all the information accessed by members in their role as committee member at all times.
10. The State Internal Audit Committee may obtain independent and professional advice to assist in the discharge of its responsibilities. The Minister of Finance will be advised in writing before the State Internal Audit Committee commissions such an advice.
11. Review the grievances made by the staff members of any internal audit functions of the Government Accountable Offices, Public Offices, and other Government Agencies and instruct appropriate course of actions.
12. The appointment and removal of the members of the subcommittees of internal audit functions at the Government Accountable Offices, Public Offices, and other Government Agencies shall be made in consultation with the State Internal Audit Committee, including the criteria for selection.
13. Review the effectiveness of the work of “*Maaliyyathuge Massalabala Committee*” and “*Beelamuge Massalabala Musthagillu Review Committee*” pursuant to Public Finance Regulation.
14. Establish a mechanism to report alleged fraud and irregularities at the Accountable Government Agencies, Public Offices and State Owned Enterprises to the State Internal Audit Function.

### **III. ROLES AND RESPONSIBILITIES**

#### **Financial Reporting**

15. The Committee shall ensure that the State’s Annual Consolidated Financial Statements are prepared and presented to the Auditor General in a timely manner for audit.
16. The committee shall assist in reviewing the Consolidated Financial Statements upon request of the Minister.
17. The Committee shall ensure that Annual Financial Statements of the State owned Enterprises are audited and submitted to the relevant authorities in a timely manner.
18. Review the accounting standards applied by the Accountable Government Agencies, Public Offices and State Owned Enterprises to ensure that the standards are being applied appropriately.
19. Receive reports from management on all cases of suspected or actual fraud and review action(s) taken or proposed to ensure that appropriate levels of control are maintained.
20. Monitor compliance with applicable laws, regulations, and standards, such as the Public Finance Act, Audit Act, Public Finance Regulations and Fiscal Responsibility Act as they apply to the Accountable Government Agencies and Public Offices

#### **Oversight of Risk Management Function**

21. Monitor and review the effectiveness of the risk management strategy and internal control structures, including the processes supporting reporting mechanisms as deployed in the Accountable Government Agencies, Public Offices and Other Government Agencies to obtain reasonable assurance that the assets are safeguarded and that reliable financial and non-financial records are maintained.