



Premier Miton Investors Internal Audit Charter

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Internal audit charter

INTRODUCTION

This charter defines and explains the purpose, objectives, authority and responsibility of the Internal Audit function for Premier Miton Investors ('PMI'). Where there are significant considerations that impact PMI or any of its affiliates, these will also be part of Internal Audit's remit.

This charter has been approved by the Audit and Risk Committee on 17th May 2021.

For reference, the Institute of Internal Auditors (IIA) defines Internal Auditing as follows:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

MISSION AND SCOPE OF WORK

The mission of the Internal Auditing function is to provide independent, objective assurance and consulting services designed to add value and improve PMI's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The scope of work of the Internal Audit function for PMI is determined by executive management and the Audit and Risk Committee which is called an 'agreed upon procedures' arrangement. Under this agreed upon procedures arrangements, Grant Thornton will recommend to the Audit and Risk Committee each year a selected number of audits. Our recommendations will be based on our discussion with management and our knowledge and experience of PMI. The number of audits recommended will be dependent on the total budget for the annual audit plan.

Opportunities for improving management control, profitability and the organisation's image may be identified during audits. They will be communicated to the appropriate level of management.

ACCOUNTABILITY

The Internal Audit function shall operate in compliance with all relevant IIA Standards and Code of Ethics and shall be accountable to management and the Audit and Risk Committee to:



- report significant issues related to the processes for controlling the activities of PMI, including potential improvements to those processes, and provide information concerning outstanding actions not completed within agreed timescales which arise from our internal audit reviews.
- provide information periodically on the status and results of the annual audit plan and the sufficiency of resources allocated to internal audit activity.

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INDEPENDENCE

To provide for the independence of the Internal Auditing function, staff working on the internal audit engagement will report to the Engagement Partner, who reports to the Audit and Risk Committee in a manner outlined in the above section on Accountability.

Day-to-day liaison with the organisation will be principally through the Ian West, Chief Operating Officer. The Head of Internal Audit will meet with members of the Audit and Risk Committee, the Chief Executive and other relevant Directors, in line with requirements, throughout the year.

To preserve both the perception and reality of its independence and objectivity, Internal Audit will not:

- be responsible for the implementation of corrective measures.
- second staff, or provide consultancy services to business functions, if this is in anyway likely to conflict with Internal Audit independence.
- allow members of Internal Audit who are seconded, or undertake consultancy assignments, to be involved in audits of the areas involved within a year of the original assignment.
- delegate their judgment on audit matters to others, unless otherwise agreed with the Audit and Risk Committee.
- have any direct authority over, or responsibility for, any system, procedure, or activity, which they may be responsible for auditing or reviewing.

RESPONSIBILITY

The Engagement Partner and staff of the internal audit function have responsibility to:

- recommend to the Audit and Risk Committee each year a selected number of audits. Our recommendations are based on our discussion with management and our knowledge and experience of PMI.
- implement the annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by management and the Audit and Risk Committee.
- perform additional work as requested by management, beyond internal audit assurance services, to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services.
- issue periodic reports to the Audit and Risk Committee and management summarising results of audit activities.



- provide a list of significant measurement goals and results to the Audit and Risk Committee.
- assist in the investigation of significant suspected fraudulent activities within the organisation and notify management and the Audit and Risk Committee of the results.
- consider the scope of work of the external auditors and other sources of assurance, as appropriate, for the purpose of providing optimal audit coverage to the organisation at a reasonable overall cost.
- maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- liaise with the external auditor on a regular basis to ensure there is effective communication and collaboration.
- keep the Audit and Risk Committee informed of emerging trends and successful practices in internal auditing.

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SPECIAL REVIEWS AND CONSULTING SERVICES

Internal Audit's main purpose is to provide assurance in accordance with this Charter to the Audit and Risk Committee and management.

However, Internal Audit may perform special reviews and/or consulting activities from time to time as requested by management, the Audit and Risk Committee, the Board/ Management Committee or the FCA. The Engagement Partner will ensure that the function's involvement in consulting activities does not compromise the department's independence and objectivity. Where situations occur that may affect the function's independence and objectivity, the Engagement Partner will report matter to the Audit and Risk Committee for resolution.

AUTHORITY

The Engagement Partner and staff of the internal audit function are authorised to:

- have unrestricted access to all functions, records, property, and personnel.
- have full and free access to the Audit and Risk Committee.
- allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- obtain the necessary assistance of personnel in units of the organisation where they perform audits, as well as other specialised services from within the organisation.

The Engagement Partner and staff of the internal auditing function are not authorised to:

- perform any operational duties for PMI or its affiliates.
- initiate or approve accounting transactions.



- direct the activities of any PMI employee, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

CONFIDENTIALITY

Internal Audit will ensure that confidentiality is maintained over all information and records obtained in carrying out audits.

STANDARDS OF AUDIT PRACTICE

The internal auditing function will meet the *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors. Internal Audit will also apply proportionately the guidance published in July 2013 by the CIIA regarding the expectations of Internal Audit functions in the financial services sector.

The Engagement Partner is responsible for ensuring that all audit work is performed with proficiency and professionalism, including the application of sufficient knowledge, skills and competence to perform audits effectively.

Internal Audit staff will be given appropriate training and development necessary to ensure they have the capability to meet their responsibilities.

Sandy Kumar

Engagement Partner

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21/05/2021 11:47

Audit and Risk Committee Chair

15/6/2021

Dated