# Internal Audit Policy

Audit Policy | Global

Version 2.0 · July 2026 · Confidential — Internal Use

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*Replace all references to “the Company” with your organisation’s name.*

## Document Control

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## Contents

# 1. Purpose

This Policy establishes the mandate, authority, independence and operating requirements of the internal audit function of the Company. It serves as the internal audit charter required by the IIA Global Internal Audit Standards and gives effect to the supervisory expectations set out in the Basel Committee on Banking Supervision's guidance on the internal audit function in banks and its Corporate Governance Principles for Banks, under which the Company must maintain a permanent, independent and adequately resourced internal audit function as the third line of its risk governance model.

The internal audit function exists to provide the Board, through the Audit and Risk Committee (ARC), with independent and objective assurance and advisory services over the adequacy and effectiveness of the Company's governance, risk management and internal control processes, and to support the protection of the Company's assets, reputation and long-term sustainability.

This Policy sets the mandate of the function only. The specific engagements to be performed each year, their timing and their resourcing are set out in the separate Annual Internal Audit Plan, which is prepared and approved in accordance with the Risk-Based Audit Planning section of this Policy. This Policy is approved by the Audit and Risk Committee under delegated authority of the Board and is owned by the Head of Internal Audit.

# 2. Scope

This Policy applies to:

- the internal audit function, including the Head of Internal Audit, all internal audit staff, and all secondees, guest auditors, subject-matter experts and external providers performing internal audit work under co-source or outsource arrangements;
- all directors, executives and staff of the Company in respect of their obligations to cooperate with, and provide access to, internal audit; and
- all entities, business units, functions, products, channels, systems, projects and material outsourced activities of the Company, in every jurisdiction in which the Company operates, all of which fall within the potential scope of internal audit work.

This Policy does not govern the external statutory audit of the Company, which is overseen by the ARC under its charter and applicable law, nor does it contain the content of the Annual Internal Audit Plan, which is a separate document approved by the ARC each year.

## 2.1 Jurisdictional Application

This Policy states international best practice, anchored to the IIA Global Internal Audit Standards, Basel Committee guidance and related international frameworks. The Company must map the requirements of this Policy to the law and regulatory requirements of each jurisdiction in which it operates, including

any statutory internal audit, accountability or regulator-access obligations. Where applicable local law or a local regulator imposes a stricter or additional requirement, that requirement prevails over this Policy.

## 3. Definitions

| Term | Definition |
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| Advisory Services | Services in which Internal Audit provides advice, insight or facilitation to management without providing assurance and without assuming management responsibility for the matter concerned. |
| Annual Internal Audit Plan | The separate, risk-based plan of assurance and advisory engagements for a financial year, prepared by the Head of Internal Audit and approved by the Audit and Risk Committee. The plan is a distinct document; this Policy establishes the mandate under which it is prepared. |
| Assurance Services | An objective examination of evidence for the purpose of providing an independent assessment of governance, risk management and control processes. |
| Audit and Risk Committee (ARC) | The Board committee responsible for oversight of financial reporting, external audit, the internal audit function and risk management, constituted with a majority of independent non-executive members consistent with the BCBS Corporate Governance Principles for Banks and the G20/OECD Principles of Corporate Governance, and to which the Head of Internal Audit reports functionally. |
| Audit Engagement | A discrete internal audit assignment, review or advisory activity performed under the Annual Internal Audit Plan or at the direction of the Audit and Risk Committee. |
| Audit Universe | The documented inventory of all auditable entities of the Company — business lines, functions, processes, systems, projects, legal entities and material outsourced activities — from which risk-based annual audit coverage and the Annual Internal Audit Plan are derived. |
| Combined Assurance Map | A consolidated view of assurance activity performed across the three lines and by external assurance providers, mapped against the Company's material risks to expose coverage gaps and duplication. |

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| Co-Sourcing | An arrangement under which an external provider performs internal audit work under the direction and accountability of the Head of Internal Audit, supplementing in-house resources or skills. |
| Finding | A documented control weakness, non-compliance, error, breach or improvement opportunity identified through an audit, assurance or testing activity, rated for severity and recorded in the relevant findings register with an accountable owner and an agreed remediation due date. |
| Global Internal Audit Standards | The Global Internal Audit Standards issued by The Institute of Internal Auditors (2024 release, effective from January 2025), including the ethics and professionalism requirements they contain, with which the Company's internal audit function must conform. |
| Head of Internal Audit | The senior executive accountable for the internal audit function, appointed and removed with the approval of the Audit and Risk Committee, reporting functionally to that Committee and administratively to the Chief Executive Officer, and equivalent to the chief audit executive under the Global Internal Audit Standards. |
| Impairment to Independence or Objectivity | Any condition, relationship, interest or activity that threatens, or could reasonably be perceived to threaten, the ability of the internal audit function or an individual auditor to perform work in an unbiased manner. |
| Material Outsourced Activity | An activity performed for the Company by a service provider that has the potential, if disrupted or performed poorly, to have a material impact on the Company's critical operations, financial position, customers or ability to meet legal and regulatory obligations. |
| Quality Assurance and Improvement Program (QAIP) | The structured program of ongoing internal monitoring, periodic self-assessment and external assessment through which the internal audit function evaluates and improves its conformance with the Global Internal Audit Standards and this Policy. |
| Right-to-Audit Clause | A contractual provision entitling the Company, its internal auditors and its supervisory authorities to access a service |

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| | provider's records, personnel and systems relevant to a material outsourced activity, including the right to conduct on-site reviews. |
| Third Line | The internal audit function in the Company's three-lines model: independent of first-line management and second-line risk and compliance functions, providing assurance over both, consistent with the IIA Three Lines Model. |
| Working Papers | The documented evidence of audit work performed, information obtained, analyses made and conclusions reached, sufficient to support engagement results and enable re-performance review. |

## 4. Regulatory Framework

The key legislation, regulations and standards relevant to this document include (as amended from time to time):

| Instrument / Standard | Relevance |
|---|---|
| IIA Global Internal Audit Standards (2024) | The professional framework with which the internal audit function must conform, covering ethics and professionalism, governance of the function, management of the function and engagement performance; this Policy serves as the internal audit charter the Standards require. |
| BCBS, The Internal Audit Function in Banks (2012) | Supervisory expectations for the independence, standing, scope, resourcing and quality of internal audit in banks, including the audit committee's oversight role and supervisory access to audit work. |
| BCBS Corporate Governance Principles for Banks (2015) | Positions internal audit as the third line of defence, requires an independent and adequately resourced function reporting to the board or its audit committee, and sets the board's responsibility for acting on audit findings. |
| IIA Three Lines Model (2020) | Defines the positioning of internal audit relative to management (first line) and risk and compliance functions (second line), and the principles of independence and coordination on which this Policy relies. |
| BCBS Principles for the Sound Management of Operational Risk (2021) | Requires independent review of the operational risk management framework, |

# End of preview

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