

J Cassidy Business Focus Limited

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## INTERNAL AUDIT CHARTER TEMPLATE

### [ORGANISATION]

### [AUDIT COMMITTEE APPROVAL & DATE]

The Internal Audit Charter is the formal document that details the main purpose of Internal Audit (IA), rights, obligations, reporting lines, authority and code of ethics that internal auditor should have. In general, this document is approved by the Audit Committee (AC) and the Board of directors (Board).

REMIT, AUTHORITY & REPORTING LINES
[IA PLAN AND PROJECTS]
[IA SHOULD HAVE UNFETTERED ACCESS TO ALL DIRECTORS & EMPLOYEES AND RECORDS BOTH PAPER AND ELECTRONIC]
[AUDITEES AGREE TO ENGAGE OPENLY AND CONSTRUCTIVELY WITH IA]
ROLE & MANDATE
[IA AS THE THIRD LINE OF DEFENCE BUT COLLABOARTION WITH 2ND LINE OF DEFENCE (RISK MANAGEMENT & COMPLIANCE)]
[IA AS PART OF A BUSINESS'S GOVERNANCE AND INTERNAL CONTROL SYSTEMS]
[IA REMIT OVER ASSETS, REPUTATION AND SUSTAINABILITY]
ORGANISATION
[CHIEF INTERNAL AUDITOR (CIA) SHOULD REPORT DIRECT TO THE CHAIR OF THE AC]
[CIA SHOULD HAVE ADMINISTRATIVE LIAISON WITH THE CEO]
[REFERENCE TO INSTITUTE IF INTERNAL AUDITORS (IIA)'S INTERNATIONAL INTERNAL AUDIT STANDARDS AND ALL MANDATORY ELEMENTS OF THE INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK (IPPF) AND THE BUSINESS'S OWN INTERNAL AUDIT METHODOLOGY] A separate checklist is provided on the website
INDEPENDENCE & OBJEVCTIVITY
[CIA IS IMPARTIAL AND UNBIASED AND AVOIDS CONFLICTS OF INTEREST]
[IA IS FREE FROM INTERFERENCE AND AT ALL TIMES EXERCISES DUE PROFESSIONAL CARE]
RESPONSIBILITIES
[IA ENCOMPASSES, BUT IS NOT LIMITED TO, AN EXAMINATION AND EVALUATION OF A BUSINESS'S GOVERNANCE, RISK MANAGEMENT AND INTENAL CONTROL PROCESSES IN CONJUNCTION WITH THE BUSINESS'S DEFINED GOALS AND OBJECTIVES]
[IA MAY TAKE ACCOUNT OF WORK PERFORMED BY OTHER BUSINESS UNITS E.G. INTERNAL CONTROLS MONITORING, TO ENSURE COVERAGE IS MAXIMISED AND TO AVOID DUPLICATION OF EFFORT]
[CIA RESPONSIBILITY TO RECRUIT THOSE WITH APPROPRIATE SKILLS AND EXPERIENCE AND ENSURE THE APPROPRIATE LEVEL OF ONGOING TRAINING. CIA CAN UTILISE THIRD PARTY RESOURCE IF REQUIRED E.G.s IT OR ACTUARIAL ASSIGNMENTS]
[IA MAY PERFORM ASSURANCE RELATED CONSULTING AND ADVISORY SERVICES]
[IA MAY ASSIST IN THE EVALUATION OF THE EXTERNAL STATUTORY AUDITOR]
IA PLAN
[AT LEAST ANNUALLY, THE CIA WILL SUBMIT A RISK-BASED IA PLAN TO THE AC FOR REVIEW AND APPROVAL]
[THE PLAN SHOULD BE RISK BASED AND BE DRAWN FROM THE IA UNIVERSE WHICH IS REGULARLY REVIEWED]

## **REPORTING & MONITORING**

[IA WILL REPORT ON FINDINGS AND RECOMMENDATIONS THEREON AT THE END OF EACH ASSIGNMENT]

[THE EMPHASIS IS ON MANAGEMENT TO IMPLEMENT RECOMMENDATIONS]

[IA WILL REGULARLY REPORT TO THE AC ON AUDIT WORK AND AGAINST PRE AGREED KPI'S]

## **QUALITY ASSURANCE (QA)**

[IA WILL MAINTAIN A QUALITY ASSURANCE AND IMPROVEMENT PLAN THAT COVERS ALL ASPECTS OF IA

IA WILL ISSUE AN IA FEEDBACK FORM TO EACH AUDITEE AT THE END OF EACH ASSIGNMENT]

IA WILL BE SUBJECT TO ANNUAL ASSESSMENT AT LEAST EVERY FIVE YEARS]

## **REVIEW**

[THE AUDIT CHARTER SHOULD BE REVIEWED ANNUALLY BY THE CIA AND THEN APPROVED BY THE AC]