



Group Internal Audit

Internal Audit Charter

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## 1. Introduction

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve the Group's operations. This helps the Group to accomplish its objectives and improve the effectiveness of risk management, operating controls and processes. Internal Audit activities are completed by the Group Internal Audit (GIA) Team which forms the Third Line of the Three Lines Model within the Together Financial Services Limited (the Group) Enterprise Risk Management Framework (ERMF).

## 2. Purpose of Group Internal Audit

The primary role of GIA is to assist the Together Group & Divisional Boards and the Executive Management, to protect the assets, reputation and sustainability of the Group by:

- Assessing whether all significant risks are identified, adequately controlled and appropriately reported by Management to Executive Management and the Board; and
- Challenging Management to improve the effectiveness of governance, risk management and internal controls, assisting in strengthening knowledge and understanding of control frameworks.

The purpose of the function is to review and report on the appropriateness, adequacy and effectiveness of internal processes, systems and controls. This includes assisting the Group Audit Committee (GAC) and Divisional Audit Committee (DAC) in the fulfilment of its Terms of Reference to provide the Together Group Board (the Board) and its Divisional Board with independent and objective assurance regarding the robustness of the Group's Risk Management Frameworks. GIA does this by assessing the adequacy and effectiveness of risk management and the internal control environment across the Group.

## 3. Responsibilities of Group Internal Audit

The ERMF is a mechanism which defines and articulates the Risk Management standards for the Group, supported by the appropriate risk governance and oversight arrangements, risk policies and procedures, risk assessment methodology and reporting. It is used to identify and understand risk exposure, in accordance with risk appetite, enabling an evaluation of risk using a consistent and disciplined approach. The internal audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.

The Board retains responsibility for the strategic management, and accountability for the direction and oversight of the ERMF, as well as maintaining robust internal processes and controls that enable the Group to meet its objectives. GIA therefore, in providing support to the GAC & DAC, has the responsibility to:

- Develop and maintain an appropriate annual Group Internal Audit Plan, ensuring that all significant risks and other assurance activities planned are considered;
- Maintain and execute the Group Internal Audit Plan in accordance with a GIA methodology that provides a systematic and disciplined approach to evaluate the effectiveness of risk management, concluding whether all significant risks are identified, adequately controlled and reported to Management;
- Evaluate the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
- Provide assurance with regard to both the design and implementation of internal controls, ensuring that Management have effectively discharged their responsibilities for identifying and evaluating risks, as well as designing and implementing effective controls to mitigate risks and achieve appropriate outcomes. This includes providing assurance that the Group and its Divisions operate in compliance with applicable Laws and Regulations and internal Policies and Procedures;
- Develop recommendations that provide challenge and assistance to Management to enhance governance and internal control frameworks, contributing to the continuous improvement of the Group's risk management;
- Assist in the creation of Management action plans to address findings arising from GIA reviews, supporting their timely resolution and to provide regular updates to Executive Risk Committee (ERC) and GAC/DAC on management's progress in mitigating the findings identified; and

- Provide an ambassadorial and educational role by promoting high standards of internal control and supporting the embedding of the Group's ERMF. To promote awareness through communicating relevant risk and control information, highlighting emerging control risks and by promoting ethics and values within the Group.

GIA should execute its responsibilities in accordance with this Charter, which is reviewed and approved by the GAC & DAC (as it applies) at least annually to ensure it remains fit for purpose. The Group Chief Audit Officer is responsible for establishing appropriate procedures to guide adherence to the Charter, periodically providing a self-assessment to the GAC/DAC regarding GIA's compliance with the Charter.

#### 4. Delegated Authority

GIA derives its authority from the Together Group Board, via the GAC Terms of Reference. The Group Chief Audit Officer has an independent reporting line to the Chairs of the GAC and DAC and a day-to-day reporting line to the Group Managing Director for administrative purposes only.

GIA has no responsibilities in respect of the Group's operations or for establishing effective risk management and control frameworks. This is the responsibility of the Board and Executive Management. GIA is authorised, where necessary, to obtain the assistance of colleagues across the Group to support the completion of GIA activities, as well as other specialised services from outside the organisation.

### 5. Group Internal Audit Scope and Approach

This document is relevant to the Together Financial Services Limited Group and all of its subsidiary companies, including the Together Personal Finance (TPF) division, which is regulated by the Financial Conduct Authority (FCA). The TPF division is responsible for all FCA regulated activities across the Group and has specific governance arrangements in place. The TPF Board committee structure operates independently from the Group and provides oversight of regulatory compliance and conduct, including the oversight of compliance with the Senior Managers & Certification Regime (SM&CR). The TPF Board is comprised of three independent Non-Executive Directors, one shareholder nominated Non-Executive Director and two Executive Directors. The Board discharges some of its responsibilities directly and delegates other matters to its committees, including the TPF Audit Committee which has oversight of Internal Audit. *For the purposes of this Charter, the TPF Audit Committee is referred to as the DAC and as noted in Section 5.2.2 below, the Group Chief Audit Officer has an independent reporting line to the Chair of the DAC. The contents of the Charter apply to TPF and specifically to those references made to the DAC within this document.*

The GIA function operates on the basis of open, constructive and transparent relationships with all stakeholders, including Regulators, specifically operating in accordance with UK regulation and legislation. The GIA function will comply with the Chartered institute of Internal Auditors' (CIIA) mandatory guidance, Code of Ethics, the International Standards for the Professional Practice of Internal Auditing and the "Effective Internal Audit in the Financial Services Sector" Code.

GIA has, for the purposes of its audit work, full, unrestricted and timely access to all activities, records, personnel, property and operations of the Group and has responsibility for the safekeeping and confidentiality of all information provided. Furthermore, in the development of the Group Internal Audit Plan, the scope of assurance is also unrestricted and GIA is required to consider the full risk profile of the Group. Where GIA identifies any such restrictions in the performance of their work, this will be discussed with management and where appropriate, raised and discussed with the GAC/DAC.

#### 5.1. Internal Audit Plan

GIA provides assurance to the Board that, in the pursuit of the strategic objectives, risks are being managed effectively, internal controls are in place and the Group is being properly governed. The scope of the Group Internal Audit plan therefore will be to provide reasonable assurance over the adequacy, effectiveness and sustainability of the control environment across the Group's Three Lines Model.

It is noted that GIA may consider it appropriate to complete reviews on a real-time basis, resulting in a review of processes and controls being completed as they are developed or enhanced as part of a change initiative. This is to ensure that value-add assurances are provided timely.

GIA maintains an Internal Audit Universe which is used to provide a view of the risks that the Group may be exposed to, as a result of the activities it undertakes and/or the markets within which the Group operates, to develop a Group Internal Audit plan. The Group Internal Audit plan is risk based, and therefore coverage will be focussed on the areas where GIA considers risk to be higher.

In the development of the Group Internal Audit Plan, GIA will give consideration to:

- The Group's strategic and operational objectives, including the risks associated with the pursuit of these objectives. This could include reputational risk, risks to customer outcomes, capital and liquidity risks, as well as risk relating to significant corporate events such as changes to business process, transformation activity, new products and services, acquisitions or outsourcing arrangements; the internal audit activity must assess whether the information technology governance of the organisation supports the organisation's strategies and objectives.
- The design and effectiveness of internal governance and control arrangements to mitigate risks to the Group strategy, including the setting of and adherence to risk appetite, as well as the risk and control culture of the Group. *Note that GIA is not responsible for setting the risk appetite but should assess whether the risk appetite has been established and reviewed through the active involvement of the Board and Executive Management. It should assess whether risk appetite is embedded within the activities, limits and reporting of the organisation;*

- The information presented to the Board and Executive Management to assist in both strategic and operational decision making. Whilst it is not the role of Internal Audit to challenge the decisions made by the Board as the Board is accountable for Group decisions, GIA's scope should include information presented to the Board;
- The technical skill and resourcing available.

GIA will also seek input from the GAC/DAC and Executive Management in the development, delivery and management of the Plan. GIA should also help to ensure that Internal Audit coverage planned is co-ordinated and optimised with all internal and external assurance providers, via the Combined Assurance Planning process, to ensure that there are no significant gaps and that duplication of effort is avoided.

GIA has the flexibility to manage any unplanned events and to allow GIA to prioritise emerging risks and any subsequent changes to the annual Group Internal Audit Plan should be considered in light of GIA's on-going assessment of risk.

The annual Group Internal Audit Plan, and significant changes to the Plan, will be approved by the GAC and DAC (as it applies).

### 5.2. Group Internal Audit Code of Ethics

GIA operates in accordance with the Code of Ethics, Standards and Guidelines of the Institute of Internal Auditors (IIA) in developing and executing the Group Internal Audit Plan.

#### 5.2.1. Integrity

In executing responsibilities, GIA must be transparent, open and honest. The integrity of Internal Audit establishes trust and thus provides the basis for reliance on their judgement.

#### 5.2.2. Objectivity & Independence

GIA must provide assurances that are based on a balanced assessment of all the relevant circumstances and should not be unduly influenced by their own interests or by others in forming judgements.

To ensure that GIA judgements are unbiased, GIA is not responsible for the management of risk or the implementation of an effective control framework to mitigate risk to levels deemed to be acceptable to the Group. GIA's independent view should be informed, but not determined, by the views of Management, as well as the Risk, Compliance and Finance functions. The effectiveness of these functions is an essential part of the Group's corporate governance structure. However GIA is independent of these functions and is neither responsible for, nor part of, them.

Maintaining objectivity, as well as independence, is fundamental to ensuring that assurances provided by GIA can be relied upon. Threats to independence and objectivity must be managed at the individual Internal Auditor, engagement, functional, and organisational levels. GIA must have an impartial, unbiased attitude and avoid any conflict of interest to ensure the effectiveness of Internal Audit activities. A Conflicts of Interest Register is in place to record known and potential conflicts that may arise, including clarity on the safeguards employed. In addition, the GIA team declare on an annual basis their understanding and conformance with the IIA Code of Ethics. It should be noted that, in respect of bonuses awarded to the Internal Audit team, these are solely based on performance of the team member against the performance objectives agreed for that particular performance year.

GIA may provide assurance services, where they have previously performed consulting services, provided that the nature of the consulting did not impair objectivity and provided individual objectivity is managed when assigning specific resources to the engagement. The output of this consideration is documented within the Audit Planning & Scoping documentation of each audit assignment.

To achieve the degree of independence necessary to effectively carry out responsibilities, the Group Chief Audit Officer has direct and unrestricted access to the Board and Executive Management, and has an independent reporting line to the Chairs of the GAC

and DAC. The Group Chief Audit Officer reports administratively, via a dotted line, to the Group Managing Director. The GAC and DAC Chairs will provide feedback to the Group Managing Director regarding the performance of the Group Chief Audit Officer in accordance with this Charter for consideration as part of the Group Chief Audit Officer's performance management.

If independence or objectivity is impaired in fact or appearance, details will be disclosed and discussed with Executive Management and the GAC/DAC.

### 5.2.3. Confidentiality

GIA must respect the value and ownership of all information provided. GIA has responsibility for the safekeeping and confidentiality of Group data to which access is given and should not disclose any information without obtaining the appropriate authority unless there is a legal or professional obligation to do so.

The Group Chief Audit Officer is permitted to share information and co-ordinate activities with other internal stakeholders, as well as external providers of assurance, where this is required to ensure proper coverage, to enable risk mitigation or minimise duplication of efforts with other assurance obtained across the Third Line Model, this includes External Audit and consulting services. The Group Chief Audit Officer is responsible for the storage, control and access to engagement records.

### 5.2.4. Competency

GIA should have access to balanced and relevant skills and experience needed in the performance of internal auditing services. The Group Chief Audit Officer must ensure that Internal Audit resources are appropriate in terms of skill and experience, sufficient and effectively deployed to achieve the approved Group Internal Audit Plan. This may entail training, recruitment, secondment from other parts of the organisation or co-sourcing with external third parties.

All Internal Auditors will be subject to Performance Management, as well as Continuing Professional Development where they are required to develop and maintain their knowledge, skills and other competencies. These will be identified and agreed as part of the Performance Management process. In addition, GIA will have clearly defined goals and objectives which are performance managed throughout the year. As part of this on-going review the outcome of quality assessments, which will be carried out to ensure engagements are completed in accordance with agreed methodologies, will be considered.

The Group Chief Audit Officer will seek approval from the GAC/DAC (as it applies) to secure further resource where this is deemed necessary to provide assurance in accordance with the agreed Group Internal Audit Plan. The Group Chief Audit Officer will also present the limitations posed on the capability to meet the Group Internal Audit Plan where the GAC/DAC do not approve the request for additional resource.

Where employees are seconded into GIA, they are required to apply the same standards and procedures with regards to independence as permanent Internal Auditors and will operate under the direction of the Group Chief Audit Officer for the duration of the secondment.

## 5.3. Group Internal Audit Assurance Engagements

Planned engagements will be communicated by the Group Chief Audit Officer to both the GAC/DAC and, additionally, at least quarterly to supporting Executive Risk Committee's. The Group Chief Audit Officer or Group Senior Internal Audit Managers will contact the relevant Management approximately one month prior to the start of the engagement. The Management will be asked to communicate to impacted colleagues who will assist GIA in the completion of the planned review.

GIA will execute and document all engagements in accordance with the IIA Code of Ethics, Standards and Guidelines and will ensure regular updates throughout the engagement are provided to the relevant Management.

### 5.3.1. Interaction with Risk and Compliance Functions

GIA includes within its scope an assessment of the adequacy and effectiveness of the Risk Management, Compliance and Finance functions. In evaluating the effectiveness of internal controls and risk management processes, in no circumstances will GIA rely

exclusively on the work of these functions. GIA will always examine for itself an appropriate sample of the activities under review. To the extent that Internal Audit places reliance on the work of Risk Management, Compliance or Finance, this will only be after a thorough evaluation of the effectiveness of that function in relation to the area under review.

### 5.3.2. Internal Audit Reporting

As a matter of course a formal Internal Audit Report will be issued on the completion of each assurance engagement. Unless otherwise stated in the agreed Terms of Reference, this will provide an opinion on the effectiveness of the internal controls assessed in line with the agreed Internal Audit methodology. The overall opinion will be supported by sufficient, reliable and relevant evidence, taking into account the strategies, objectives and the risks of the organisation as well as the expectations of senior management, the Board and other stakeholders. Where GIA has been unable to obtain enough evidence to support an Audit Opinion, this will be discussed and explained to Management.

In addition to the overall opinion provided specifically in relation to the control environment, a rating is also included within GIA reports to provide a specific assessment / opinion on management's awareness of risk for the scope / process under review.

The definitions of the opinions to be given on the control environment and on management's awareness of risk/responsiveness are included within the annual GIA Planning Methodology document.

GIA findings will be used to recommend control improvements to Management. Based on these recommendations, and prior to the IA report being finalised, Management are responsible for constructing appropriate Management Action Plans, together with proposed target dates, to address identified findings. The ratings for both the individual GIA findings being reported to Management and the overall Audit Opinion will be assessed in accordance with the scope of the engagement against agreed criteria. These criteria will be approved by the GAC.

Where GIA identifies a finding that is outside the scope of a review, an Observation document will be completed and submitted to the relevant Management. The remedial action for these issues will not be tracked by GIA and it is Managements responsibility to consider next steps.

In establishing suitable criteria against which to assess internal controls, it is important for GIA to determine whether the Group has established the basic principles as to what constitutes appropriate governance, risk management, and control practices. In the absence of such principles or where inconsistencies exist, it is recommended that GIA should not render an opinion, since there is no consistent, agreed and widely understood frame of reference to objectively support the Internal Auditor's conclusion.

All Internal Audit reporting will be issued in draft to impacted stakeholders prior to the issuance of the final Report.

### 5.3.3. Management Action Plans

GIA will assist Management to determine appropriate action plans and target dates to remediate any control weaknesses identified. GIA is not responsible for the implementation or management of remedial action plans. This is the responsibility of Executive Management. GIA will track agreed Management Actions through to completion.

Should instances arise where Management do not wish to take actions to address GIA findings, the formally approved Risk Acceptance process should be followed. This will then be reflected in the Audit Report and highlighted to GAC/DAC and supporting Risk Committee's. Where Internal Audit considers that there are significant risks being accepted, Internal Audit retains the right to escalate such matters to relevant risk committee's and GAC/DAC.

When all Management Actions have been completed, Management should perform their own validation to ensure that enhanced processes and controls are effective and sustainable to prevent control breakdowns recurring. GIA validation will then be completed to provide assurance over the adequacy and, where appropriate the effectiveness, of the changes made to address the findings identified.

All High and Medium Risk-rated actions will be fully validated by GIA. Low Risk-rated actions will not be validated as a matter of course and will be closed on the basis of Management Attestation. This will be dependent on the strength of confirmation from



Management that they are satisfied the action is completed. However to ensure on-going quality, GIA will periodically select and validate a sample of any Low Risk-rated findings closed on the basis of Management Attestation.

Once the validation has been successfully completed, the Management Action will be closed.

### 5.4. Non-Assurance & Advisory Engagements

Although providing assurance that risks are understood and managed appropriately is GIA's primary objective, GIA may from time to time advise Management and the Board on issues of risk management, governance and internal control. Where GIA undertakes this role, GIA will ensure that both the GAC/DAC (as it applies) and the Board are aware of the risks and ensure that sufficient safeguards are in place so that Internal Audit independence and objectivity is not compromised.

GIA should determine the most suitable safeguards that are required in accordance with the non-assurance engagement that is required from GIA. The following are the minimum safeguards that should be adhered to in performing a non-assurance engagement:

- GIA would continue to report and be accountable to the GAC/DAC;
- GIA would not assume any responsibilities for decision making, all recommended actions are to be agreed and approved by Management and where appropriate the Board; and
- Internal Auditors would refrain from completing assurance activities in respect of activities relevant to the non-assurance engagement for a period of at least 12 months.

Consideration should also be given to the following in deciding whether to complete an engagement where it is recommended that GIA complete non-assurance activities:

- Whether the activities requested to be completed materially impact the business;
- Whether the skills are available within the GIA team to be able activities to be sufficiently performed; and
- Whether resources are available without compromising activities required to be completed to fulfil an effective Internal Audit Plan

The nature of any Advisory Engagements, which may include for example, ongoing attendance at key project steering groups is documented within the GIA Manual.

### 5.5. Ad-hoc and Special Investigations

GIA may also, on occasions, be requested to lead or assist with ad-hoc or special investigations, for example, as a result of Whistleblowing or Internal Fraud incidents. Where relevant, any specific policies or processes in place across the Group or relevant division will be followed for example, the Group Whistleblowing Policy and procedures or the Fraud Response Plan (on the assumption that this does not compromise independence or objectivity).

Owing to the wide varied nature of such potential investigations, and the need to take a tailored approach, there is no standard investigation process. However, in all circumstances, a formal Terms of Reference outlining the scope, approach and objective of the work will be documented and circulated to appropriate stakeholders.

### 6. Relationships with Stakeholders

GIA maintains continuous relationships with a number of key stakeholders involved in the Group's governance and risk management arrangements including those at Executive and Senior Management level.

#### 6.1. Group Audit Committee (GAC) & Divisional Audit Committees (DAC)

In relation to the role of GIA, the GAC, in conjunction with the DAC Chair, is responsible for approving the appointment or dismissal of the Group Chief Audit Officer.

The Chair of the GAC leads and participates jointly with the Group Managing Director in:

- The determination of the objectives of the Group Chief Audit Officer;
- The evaluation of performance against those objectives; and
- The determination of remuneration.

In performing the above appraisal, the independence, objectivity and tenure of the Group Chief Audit Officer is considered.

In addition, the views of Chair of the DAC are sought in relation to the above as aligned to the requirements of the Senior Management & Certification Regime (SMCR).

The GAC, and the DAC (as it applies), is also responsible for:

- Reviewing and approving the approach, nature and scope of Internal Audit activities, giving consideration to the structure and operation of the department to ensure it is adequately resourced and has appropriate standing to be effective;
- Reviewing and approving the annual Group Internal Audit Plan, including the Internal Audit budget; and
- Reviewing all High rated findings arising from Internal Audit reports, considering Management's response, timeliness and approach to addressing these findings.

**Responsibilities for the DAC in relation to GIA are outlined in the respective DAC Terms of Reference.** In addition, the responsibilities of the DAC Chair (as required as part of the SMCR under the SMF 11 role and prescribed responsibility "j") are outlined in the SMF 11's 'Statement of Responsibility' document relating to the safeguarding and overseeing the independence and performance of the Internal Audit function.

GIA is required to attend the GAC and any DAC to provide an update to that Committee concerning:

- All significant control weaknesses and breakdowns identified, that have not been sufficiently mitigated in accordance with risk appetite, providing adequate information and context to facilitate discussion;
- All thematic control matters or issues identified that are considered to have an impact across the Group, including new or emerging risk and control matters;
- Information regarding the progress of mitigation activities, providing emphasis on significant risk and control issues that remain outstanding that could expose the Group (including its subsidiaries) to residual risk that may not be acceptable to the Board; and
- The progress, or outputs, regarding planned activities, including information to allow discussion and approval of any significant amendments to planned or agreed activities, including whether sufficient and adequate resource remains available.

As part of this update, GIA will provide a summary of the control issues identified that the Group Chief Audit Officer considers require Board notification or discussion to assist the GAC/DAC in updating the Board on risk and control matters, as and when this is required. The Group Chief Audit Officer may be requested to attend Board where it is considered necessary in supporting the GAC to update the Board.

The Group Chief Audit Officer will meet at least annually with the GAC/DAC in the absence of Executive Management.



### 6.2. Executive Risk Committee (ERC)

GIA is required to attend the ERC to provide an update to the Committee concerning:

- All significant risks and control issues that may be considered by the GAC to expose, or which could expose, the Group to residual risk that may not be acceptable to the Board and which could impact on the achievement of strategic objectives;
- Information regarding the progress of mitigation activities, providing emphasis on significant risk and control issues that remain outstanding and/or overdue and the required next steps; and
- All significant risks identified between Committee Meetings that have not yet been sufficiently mitigated in accordance with risk appetite, ensuring adequate and relevant information is provided.

The above also applies to the Divisional Executive Risk Committee.

### 6.3. Executive Committee

GIA has a standing invite to attend the Executive Committee on a monthly basis. As GIA cannot be members of the Executive Committee this is on an “attendee only” basis. It is important that the role is clear to distinguish the function from Management responsibilities and so as a general rule this role is “For Information / To be kept informed” and as an observer/contributor through the standing invite. There may also be occasions where GIA act as a consultant or advisor, or as an educator/a Subject Matter Expert.

The above also applies to the Divisional Executive Committee.

### 6.4. Other Supporting Committees or Forums

GIA may attend any other Committees or Forums:

- To enable Internal Audit to maintain a current view on the status of significant risks;
- To understand and assess the quality of the governance and control provided and whether it is sufficient to ensure stated objectives are achieved;
- To identify any areas of risk where Internal Audit coverage or scope would be warranted or beneficial; and
- To provide updates with regard to Internal Audit activities undertaken.

## 7. Escalation and Management Information

GIA should provide the necessary and relevant information timely to the outlined Committees in accordance with section 5 of this Charter. In addition, GIA will provide to the GAC/DAC at least annually:

- The conclusions drawn concerning the effectiveness of internal control frameworks on the basis of risks identified, determining whether appropriate and effective risk management, both in design and performance, is in place to enable all risk to be identified, monitored, reported and sufficiently mitigated. This should also include the trends and themes identified and the impact on the Group’s risk profile;
- The extent that the annual Group Internal Audit Plan has been delivered;
- The value added to the Group’s Governance routines and the ERMF and the extent to which control frameworks have been re-enforced in the execution of the annual Group Internal Audit Plan, giving consideration to Management feedback;
- The acceptance, responsiveness and extent of completion of Management Action plans;
- The execution of GIA engagements in accordance with this Charter, including the reporting of significant error or omission in completing activities, as well as results of internal quality reviews completed;
- Attest to the skills that GIA has, or has access to, are sufficient to effectively discharge the Group Internal Audit Plan and that independence and objectivity is retained; and
- Any other matter they wish to raise directly with the GAC/DAC

GIA retains the right to escalate matters to the GAC/DAC where agreement cannot be reached with the Executive Management and is considered to expose the Group to significant risk.

If the Group Chief Audit Officer believes that Management, by not addressing a GIA finding, has exposed the Group to a level of residual risk that may not be acceptable to the Board, the Group Chief Audit Officer should discuss the matter in the first instance with Executive Management. If the management decision regarding residual risk is not explained to the satisfaction of the Group Chief Audit Officer, they report the matter to the GAC/DAC.

### 8. Quality Assurance and Improvement Programme

The GIA department will maintain a Quality Assurance and Improvement Programme that covers all aspects of Internal Audit activity. This is performed in alignment with the GIA Responsibilities Matrix. The programme will include an evaluation of the functions conformance with the Internal Audit methodology, which is maintained in accordance with the Code of Professional Conduct and Code of Ethics, as well as the Standards and Guidelines, of the IIA. The programme will also assess the efficiency and effectiveness of the GIA department and identify opportunities for improvement.

The GAC & DAC should obtain an independent and objective external assessment of the GIA function at appropriate intervals (at least once every five years) by a qualified, independent assessor or assessment team. This could take the form of periodic reviews of elements of the function, or a single review of the overall function. The conformity of GIA with the recommendations included in the IIA Financial Services Code should be explicitly included in this evaluation. The Chairs of the GAC & DAC will oversee and approve the appointment process for the independent assessor.

The Group Chief Audit Officer will communicate, as part of its annual report to Executive Management and the GAC/DAC, on the GIA department's Quality Assurance and Improvement Programme, including results of internal assessments (both ongoing and periodic) and any external assessments conducted.

### 9. Version Control

An annual review of this document will be undertaken by the Group Chief Audit Officer to assess the appropriateness of the Group Internal Audit Charter and the function's compliance with it.

The outcome of the review and any revisions to the Charter, including areas of non-compliance, will be presented to the GAC (& DAC as it applies) for approval.