The Institute of
Internal Auditors
Australia

This resource reflects the 'Global Internal Audit Standards' published in 2024

Internal Audit Mandate and Charter Checklist

<organisation name>
<date>

Please refer to the Glossary at the end of this document for definition of terms used. Definitions are drawn from the Global Internal Audit Standards.

Mandatory Requirements	Assessment		Comments
Standard 6.1: Internal Audit Mandate			
Board and senior management provided with information necessary to establish the internal audit mandate including any relevant regulatory requirements and information regarding coordination with and potential reliance on the work of other assurance providers.	☐ Yes	☐ No	
The Internal audit mandate has been defined and includes:			
1. Authority of Internal Audit	☐ Yes	☐ No	
2. Role of Internal Audit	☐ Yes	☐ No	
3. Responsibilities of Internal Audit	☐ Yes	☐ No	
4. Scope of Internal Audit operation	☐ Yes	☐ No	
5. Types of internal audit services to be provided	☐ Yes	☐ No	
6. Any regulatory requirements relevant to the work of internal audit.	☐ Yes	☐ No	
CAE has periodically assessed whether changes in circumstances justify a discussion with the audit committee and senior management about the internal audit mandate.	☐ Yes	☐ No	
Essential Conditions 1. Board has discussed with the chief audit executive and senior management the appropriate authority, role, and responsibilities of the internal audit function.	☐ Yes	☐ No	
2. Board has approved the Internal Audit Charter including the Mandate and scope ant types of internal audit services.	☐ Yes	☐ No	
3. Senior Management have participated in above discussions and provided input on expectations for internal audit for Board consideration in establishing the Mandate.	☐ Yes	☐ No	
4. Senior Management support the Mandate and promote IA Authority.	☐ Yes	☐ No	

Standard 6.2: Internal Audit Charter

There is an internal audit charter.	☐ Yes ☐ No	
Charter recognises:		
1. Purpose of Internal Auditing.	☐ Yes ☐ No	
2. Requirement to adhere to Global Internal Audit Standards.	☐ Yes ☐ No	
3. Mandate, including scope and types of services to be provided, and the board's responsibilities and expectations regarding management's support of the internal audit function.	☐ Yes ☐ No	
4. Organisational position and reporting relationships (refer also Standard 7.1 below).	☐ Yes ☐ No	
Charter discussed with Board and senior management to confirm it accurately reflects their understanding and expectations of the internal audit function.	☐ Yes ☐ No	
Essential Conditions:		
1. Charter approved by Board .	☐ Yes ☐ No	
2. Board has discussed with the chief audit executive and senior management other topics that should be included in the internal audit charter to enable an effective internal audit function.	☐ Yes ☐ No	
3. Board periodically reviews the internal audit charter with the chief audit executive to consider changes affecting the organisation, or changes in the type, severity, and interdependencies of risks.	☐ Yes ☐ No	
4. Senior Management communicate with the board and chief audit executive about their expectations to be considered for inclusion in the internal audit charter.	☐ Yes ☐ No	

Standard 7.1 Independence

Where relevant Charter includes safeguards to objectivity and independence, including processes for addressing potential impairment (in particular, where the Chief Audit Executive has non-audit duties) and frequency with which safeguards are re-evaluated to ensure they achieve desired result.	☐ Yes ☐ No	
Relevant Essential Conditions (to be reflected in Charter):		
1. Board has established a direct reporting relationship with the chief audit executive and the internal audit function.	☐ Yes ☐ No	
2. Board authorises the appointment and removal of the chief audit executive and provides input to support the performance evaluation and remuneration of the chief audit executive.	☐ Yes ☐ No	

3. Board provides the chief audit executive with opportunities to discuss significant and sensitive matters with the board, including meetings without senior management present.	☐ Yes ☐ No	
Recommended by Standards but not Mandatory		
Charter specifies leading practice reporting arrangements:		
• Functionally for internal audit operations to the audit committee through the chair.	☐ Yes ☐ No	
• Administratively to the chief executive officer.	☐ Yes ☐ No	
OR	☐ Yes ☐ No	

• Where the chief audit executive does not report administratively to the chief executive officer, there is:
  ○ Clear rationale.
  ○ Safeguards including regular scheduled meetings and access preserved any time to meet with the chief executive officer.
  ○ Reporting is not to a position which has direct responsibility for functions where there are many audits performed such as finance, procurement, ICT.		

Charter describes administrative reporting responsibilities such as processes for:		
• Approving the internal audit function human resources administration and budgets.	☐ Yes ☐ No	
• Approving chief audit executive expenses.	☐ Yes ☐ No	
• Reviewing chief audit executive performance.	☐ Yes ☐ No	
Charter includes unrestricted access, including how the internal audit function accesses data, records, information, personnel and physical properties necessary to fulfill the internal audit mandate (refer also Authority).	☐ Yes ☐ No	
Charter includes communications including the nature and timing of communicating with the audit committee and senior management.	☐ Yes ☐ No	
Charter includes audit process including expectations regarding communications with management in the area under review (before / during / after an engagement).	☐ Yes ☐ No	
Charter includes quality assurance and improvement including expectations for developing and conducting internal and external assessments of the internal audit function and communicating assessment results.	☐ Yes ☐ No	
Approvals, including any circumstances specified by audit committee and senior management.	☐ Yes ☐ No	
Charter specifies periodic review of internal audit performance.	☐ Yes ☐ No	

Charter includes how disagreements with management are handled.	☐ Yes ☐ No	
Follow-up discussion with the audit committee and senior management on the internal audit mandate or other aspects of the charter occurs at least annually or when there are such things as: • Notable change in the Global Internal Audit Standards • Significant acquisition or reorganisation within the organisation • Significant changes in board / audit committee / senior management • Significant changes to organisation strategies / objectives / risk profile / environment in which it operates • New laws or regulations affecting nature and scope of internal audit services.	☐ Yes ☐ No	
Charter specifies conflict of interest arrangements for internal audit.	☐ Yes ☐ No	
Further Comments •		

Glossary

Board	The highest-level body charged with governance in an organisation. A board may delegate responsibility for internal audit to an Audit Committee. If there is no Board this should be read as referring to the group or person that acts as the organisation's highest-level governing body. Examples include the head of the organisation and senior management. In the public sector context, an Audit Committee may provide advice to the head of the organisation who is ultimately responsible for approval.
Internal Audit Mandate	The internal audit function's authority, role, and responsibilities, which may be granted by the board and / or laws and regulations.
Internal Audit Charter	A formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of services and other specifications.
Authority	The internal audit function's authority is created by its direct reporting relationship to the board. Such authority allows for free and unrestricted access to the board, as well as all activities across the organisation (for example, records, personnel, and physical property).
Role(s)	The primary role of the internal audit function is to conduct internal audit activities and deliver internal audit services. There may be situations where roles beyond internal auditing are part of the chief audit executive's responsibilities, such as risk management or compliance. These non-audit roles are addressed in Standard 7.1 Organisational Independence.
Responsibilities	An internal audit function's responsibilities comprise its accountability and obligations to carry out its role(s), as well as the specific expectations of key stakeholders. For example, responsibilities typically include expectations regarding performance of audit services; communications; compliance with laws, regulations, and policies; conformance with the Global Internal Audit Standards; and other activities incumbent in the role
Scope	The scope of internal audit services covers the entire breadth of the organisation for which the internal audit function is responsible for providing services. This may include all activities, assets, and personnel of the organisation or may be restricted to a subset according to geography or other division. The scope may specify the nature of internal audit services (for example, assurance only or assurance and advisory, focus on financial statements, compliance with laws and/or regulations), or may specify other limitations on the coverage of internal audit services.
Types of Internal Audit Services	May be defined as assurance and advisory services / more specifically defined for example performance auditing, assurance regarding internal controls over financial reporting.