



Audit Committee

Overview of Global Internal Audit Standards Domain III: Governing the Internal Audit Function

Item 7b

September 23, 2025

Item 7b

Governing the Internal Audit Function

Subject

Overview of Global Internal Audit Standards (GIAS) Domain III: Governing the Internal Audit Function

Purpose

Provide an overview of the responsibilities for establishing, supporting, and overseeing the internal audit function per the GIAS requirements

Overview of the new standards



New Standards for Internal Audit

The standards are organized into five domains:

I Purpose

II Ethics & Professionalism

III Governance

IV Management

V Performance

GIAS Domain III



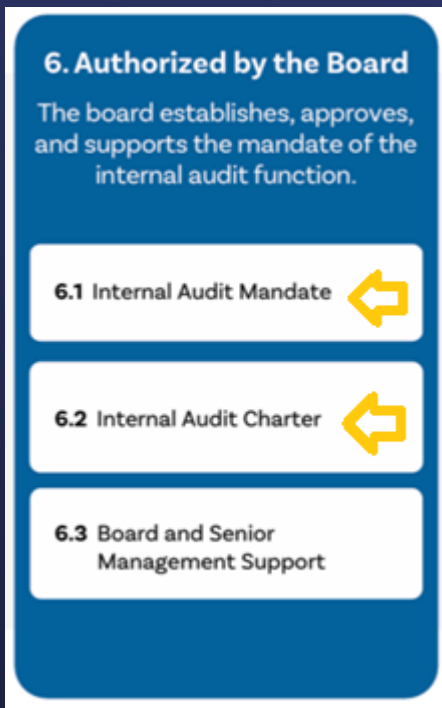
Governance - What is Included

Three Principles:

- Principle 6 - Authorized by the Board
- Principle 7 - Positioned Independently
- Principle 8 - Overseen by the Board

GIAS

Domain III



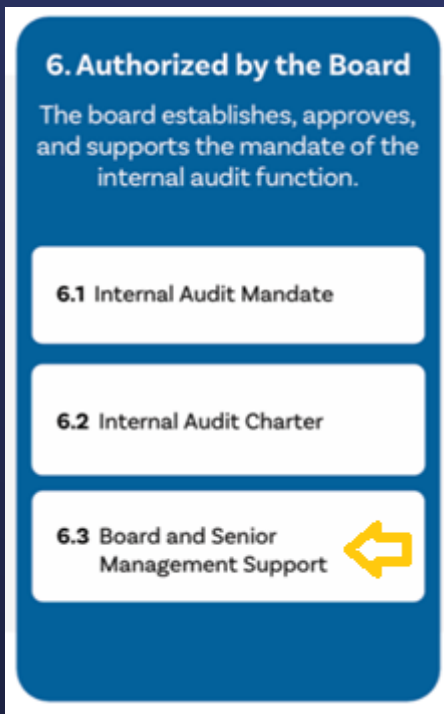
Principle 6 - Authorized by the Board

The Board establishes, approves, and supports the mandate of the internal audit function:

- 6.1 - Internal Audit Mandate
- 6.2 - Internal Audit Charter

GIAS

Domain III



Principle 6 - Authorized by the Board (con't)

6.3 - Board and Senior Management Support

- Board Support
 - Unrestricted access
 - Approve audit documents
 - Meet with the CAE (General Auditor) periodically

GIAS

Domain III

7. Positioned Independently

The board establishes and protects the internal audit function's independence and qualifications.

7.1 Organizational Independence

7.2 Chief Audit Executive Qualifications

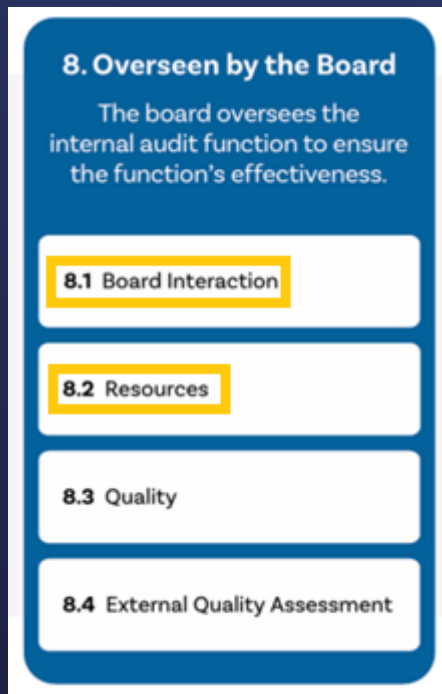
Principle 7 - Positioned Independently

The Board establishes and protects the internal audit function's independence and qualifications.

- 7.1 - Organizational Independence
- 7.2 - Chief Audit Executive Qualifications

GIAS

Domain III



Principle 8 - Overseen by the Board

The Board oversees the internal audit function to ensure the function's effectiveness.

8.1 - Board Interaction

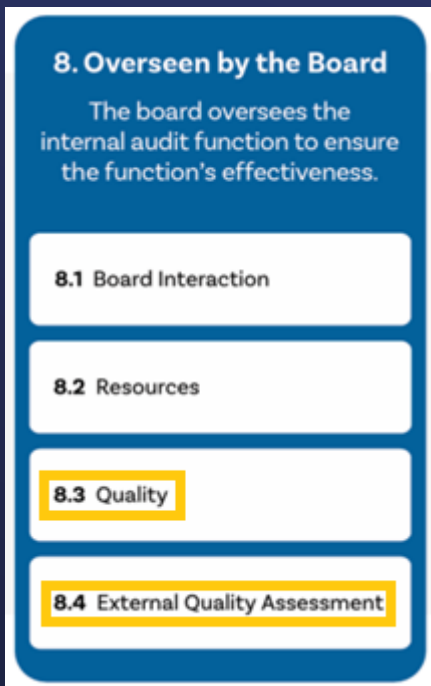
- CAE provides the internal audit plan, budget, and results of internal audit services
- Board communicates the organization's objectives and risks to assist in determining the internal audit priorities

8.2 - Resources

- CAE evaluates whether resources are sufficient

GIAS

Domain III



Principle 8 - Overseen by the Board (cont.)

8.3 - Quality

- CAE maintains a quality assurance and improvement program and communicates results

8.4 - External Quality Assessment

- CAE ensures a quality assessment is performed at least once every five years

Essential Conditions



Continue to Support Internal Audit by:

- Approving the charter, audit plan, and budget
- Enabling unrestricted access
- Ensuring and safeguarding its independence
- Communicating regularly with the CAE
- Providing guidance
- Ensuring Internal Audit's quality

Key Takeaways



Summing It Up

- Appropriate governance arrangements are essential to enable the internal audit function to be effective.
- Collaboration between the Board, management, and internal audit is needed to ensure the internal audit function is effective, independent, and properly positioned within the organization.
- Board oversight enables internal audit's effectiveness.



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Thank You

