



Enabling global identity
Protecting digital trust

Internal Audit Charter

GLEIF public
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About this policy

This document describes the Internal Audit Charter (the “Policy”). The Policy relates to the objectives and procedures of the Internal Audit (“IA”) function within GLEIF.

Change History

This section records the history of all changes to this document.

Date	Version	Description of change	Author
2024-09-23	2.0	Comprehensive revision	GLEIF
2016-01-01	1.0	Internal Audit Charter	GLEIF

Where changes are made for clarity and reading ease only and no change is made to the meaning or intention of this document, the version number will be increased by 0.1.

Where significant changes are made to this document, the version number will be incremented by 1.0.

1 Overview

1.1 Purpose

The purpose of this policy is to establish objectives and procedures of the Internal Audit function and its delamination to other audits within GLEIF.

1.2 Scope

This policy covers Internal Audits outside GLEIF's service management system (SMS) as well as the audits carried out after accreditation at the LOUs and their partners.

2 Policy

2.1 Responsibilities

Internal Audit encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the foundation's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes the following subject areas, unless they are not explicitly covered by ISO 20000 audits or audits in accordance with chapter XI Verification and Audits of the Master Agreement:

- Evaluating the reliability and integrity of financial and operational information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Coordinating as necessary with external auditors as they assess the GLEIF internal control environment.
- Monitoring and evaluating governance processes and the effectiveness of the organization's risk management processes.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board.

2.2 Internal Audits

Internal Audits will be carried out by GLEIF's Internal Audit function or, if such a function isn't established, external auditors and called by the Audit, Finance & Risk Committee ("AFRC") or on special request from the Chair of the Board or the CEO to fulfill their statutory and legal duties.



Time and scope of internal audits will be determined by the AFRC.

2.3 Audit Practises, Reporting & Monitoring

Internal Audit will specify the work to be performed, the estimated timing of the project, and the estimated number of hours planned. A status report will be presented at the AFRC meeting.

The audit engagement will include a formal opening meeting at which the audit scope is discussed, a preliminary review and discussion of the draft audit report, a closing meeting at which all audit findings are discussed and a final report that allows for Management to provide its own commentary on findings noted.

All final audit reports will be copied to the AFRC, the Board Chair, the CEO and the General Counsel. GLEIF's external auditors will be granted access to the final reports of any audit upon request with the approval of the AFRC Chair.

The internal audit activity will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

2.4 Access and Authority

In the execution of its duties, with strict accountability for confidentiality and safeguarding records and information, Internal Audit is authorized by the Board and to have full, free, and unrestricted access to all GLEIF activities, operations, records, property, and personnel.

Internal Audit will use its best professional judgment in the execution of internal audits in terms of determining required resources, scope of work and level of testing, and application of analytical techniques to accomplish audit objectives.

Internal Audit is specifically not authorized to:

- Perform any operational duties for the GLEIF,
- Initiate or approve accounting transactions,
- Direct the activities of any GLEIF employee outside of Internal Audit.

2.5 Accountability, Objectivity & Independence

Internal Audit will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal Audit will make a balanced assessment of all the relevant circumstances.

Internal Audit may communicate directly in confidence to the AFRC Chair, the Chair of the Board, the CEO or the GLEIF General Counsel at its discretion.

2.6 Supporting Policies and Procedures

Separate policies, processes, procedures and guidelines designed to support, and achieve compliance with this Policy shall be developed, as appropriate, by GLEIF. The following "Related Documents" table will be maintained and updated accordingly.



Related Documents

Document Name	Document Type
No related documents currently issued	N/A

Record Retention Period: 10 years or local legal requirements, whichever is longer.

3 Implementation Responsibilities

It is the responsibility of the Board of Directors to approve the Internal Audit Charter.

The Audit, Finance and Risk Committee is responsible for the review of the Internal Audit Charter.

4 Effective Date

This Policy, and any amendments thereof, shall enter into force with its approval of the Board of Directors.

