

Committee(s): Audit and Risk Management Committee	Dated: 12/01/2026
Subject: Internal Audit Charter	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Group Chief Internal Auditor
Report author:	Anu Newton, Deputy Head of Internal Audit

Summary

The Internal Audit Charter provides a blueprint for how Internal Audit will operate and allows the governing body to clearly signal the value it places on the independence of Internal Audit. The Charter is a mandatory requirement of the Global Internal Audit Standards, which also specify what the Charter should contain.

The Group Chief Internal Auditor has prepared the Internal Audit Charter for the City of London Corporation using the model charter template provided by the standard setter.

Recommendation(s)

In accordance with the requirements of the Global Internal Audit Standards, the Audit and Risk Management Committee is asked to approve the Internal Audit Charter.

Main Report

Background

1. It is a mandatory requirement of the Global Internal Audit Standards that an Internal Audit Charter is in place to help govern the Internal Audit function. This is a formal document that defines the purpose, authority, responsibility, and position of Internal Audit within the organisation. While an Internal Audit Charter has been a requirement

for many years, the Global Standards, issued in 2024, specify greater depth. The key elements of an Internal Audit Charter are:

- **Introduction:** Explaining the overall role, mission, and purpose of Internal Audit.
- **Authority:** Stating Internal Audit's full access to the records, physical property, and personnel required to perform its work.
- **Professional Standards:** Specifying the requirement to conform to the Global Internal Audit Standards.
- **Organisation and Reporting Structure:** Establishing reporting lines for the Chief Audit Executive (Group Chief Internal Auditor).
- **Independence and Objectivity:** Signalling the value placed on Internal Audit's independence.
- **Responsibilities:** Defines the scope of Internal Audit activities.
- **Quality Assurance and Improvement:** Committing to continuous improvement in relation to Internal Audit Activity.

Current Position

2. The Global Institute of Internal Auditors provides a template for a model Internal Audit Charter. This template has been adopted for the City of London Corporation's Internal Audit function, Appendix 1 to this report. The model charter contains all mandatory elements and there have been no amendments to the Charter for 2026.
3. Approval of the Internal Audit Charter is a key part of establishing the Internal Audit function's remit and authority, the Global Internal Audit Standards require that the Charter be approved on an annual basis.

Corporate & Strategic Implications

4. Internal Audit provides assurance as to the adequacy of the City of London Corporation's systems of internal control and governance and risk management arrangements.

Conclusion

5. The Internal Audit Charter is vital to the success of Internal Audit, the Standards require this to be reviewed annually and approved by the governing body. In the case of the City of London Corporation, the Audit and Risk Management Committee is deemed the governing body.

Appendices

- Appendix 1 – Internal Audit Charter 2026

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