

PTSB

Charter

Group Internal Audit

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1. Mission and purpose

1.1 Mission

Group Internal Audit's (GIA's) mission is to provide independent, effective, responsive, and highly valued internal audit services that add value to, and improve PTSB's operations, by providing risk-based and objective assurance, advice, and insight. This enables GIA to provide reasonable and objective assurance to the Board, Executive Committee, and other interested parties (including the regulators / supervisors, and external auditors).

1.2 Purpose Statement

PTSB operates under the three lines of defence risk governance model, GIA operate as the third line of defence under this model. GIA's purpose is to strengthen the organisation's ability to create, protect, and sustain value for the Board, shareholders and the Bank's customers. GIA achieves this purpose by providing the Board and management with independent, risk-based, and objective reasonable assurance, advice, insight, and foresight on the effectiveness and efficiency of internal controls, risk management and governance systems and processes within the Bank. GIA also operates in accordance with a three-year Internal Audit Strategy (2025–27), which outlines how the function supports the Bank with delivering on its strategic ambitions and GIA's maturity ambitions.

1.3 Objectives

The objective of this Document is to define the purpose, mandate, and reporting lines of the PTSB Group Internal Audit function. The internal audit function receives its mandate from the Board Audit Committee. The mandate, as set out in this Charter, specifies the authority, role, and responsibilities of GIA. The mandate empowers GIA to provide the Board and Senior Management with independent and objective assurance, advice, insight, and foresight.

2. Standards for Professional Internal Auditing Practice

GIA will be governed by adherence to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework ('IPPF'). GIA conforms to:

- The Global Internal Audit Standards (the Standards). The Standards apply to the internal audit function and individual internal auditors including the Head of Group Internal Audit (HGIA). While the HGIA is accountable for the internal audit function's implementation of and conformance with all principles and standards, all internal auditors are responsible for conforming with the principles and standards relevant to performing their job responsibilities, which are presented primarily in Domain II: Ethics and Professionalism and Domain V: Performing Internal Audit Services.
- Topical Requirements are designed to enhance the consistency and quality of internal audit services related to specific audit subjects and to support internal auditors performing engagements in those risk areas. Internal auditors must conform with the relevant requirements when the scope of an engagement includes one of the identified topics. Topical Requirements strengthen the ongoing relevance of internal auditing in addressing the evolving risk landscape across industries and sectors.
- The Internal Audit Code of Practice ('Code'), which is regarded as a benchmark of good practice against which organisations (including financial services) can assess their internal audit function. It is issued by the Chartered Institute of Internal Auditors (UK and Ireland).

Where the function and / or individual internal auditors are unable to conform with a requirement within the Standards, Topical Requirements or the Code, the HGIA must document and communicate to BAC a description of the circumstance, alternative actions taken, the impact of the actions, and the rationale.

In addition, GIA will undertake its activities in line with the relevant requirements in the following:

- Basel Committee on Banking Supervision (BCBS 223) paper 'The Internal Audit Function in Banks'
- The European Banking Authority ('EBA') 'Final Report on Guidelines on internal governance under Directive 2013/36/EU' (EBA/GL/2021/05) applicable from on 31 December 2021.

3. Authority

GIA derives its authority from the Board Audit Committee ('the BAC'). The Head of Internal Audit ('HGIA') reports directly to the Chair of the BAC, with a second reporting line to the CEO for budgetary and administrative purposes.

Senior Management must participate in discussions with the Board and HGIA and provide input on expectations for the internal audit function that the Board should consider when establishing the internal audit mandate. They should also support the internal audit mandate throughout the organization and promote the authority granted to the internal audit function.

The HGIA has unrestricted access to communicate and interact directly with the BAC, including in private meetings without Management present.

The BAC authorises GIA to:

- Have full, free, and unrestricted access to all functions, records, property and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information. This right of access extends to those organisation's that carry out outsourced functions on behalf of PTSB, and where a contractual right to audit exists.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives and issue reports.
- Obtain assistance from the necessary personnel of PTSB, as well as other specialised services from within or outside PTSB, in order to complete individual engagements.
- A right to attend and observe all or part of Executive Committee meetings and any other key management decision making fora. This enables GIA to understand better the strategy of the business, key business issues and decisions and to adjust internal audit priorities.

To ensure that GIA has sufficient authority to fulfill its duties, the BAC:

- Will champion the internal audit function to enable it to fulfil the Purpose of Internal Auditing and pursue its strategy and objectives.
- Will work with Senior Management to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfil the internal audit mandate.
- Approves the Group Internal Audit Charter (annually).
- Reviews and approves the annual Internal Audit Plan (and subsequent changes thereto) and thereafter monitors its implementation.
- Monitors and reviews the effectiveness and adequacy of the Company's Internal Audit function (and its activities), ensuring that it is adequately resourced, has appropriate independent authority and standing and is free from constraint by management or other restrictions.
- Approves the appointment of the Head of Group Internal Audit or makes recommendations to the Board with regard to the removal or dismissal of the Head of Group Internal Audit.
- Approves the Terms of Reference for the External Quality Assessment which will be completed every five years.

GIA will respect the confidentiality of information gathered or received in the course of their duties and will use such information only in so far as it is necessary for the performance of these functions. Internal

auditors must not disclose confidential information to unauthorised parties unless there is a legal or professional responsibility to do so.

The HGIA at least annually will formally consider any changes in circumstance impacting the internal audit mandate and/or charter as these changes may justify a follow-up discussion with the Board and Senior Management. Conditions may include, but are not limited to:

- A notable change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the board and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which it operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

4. Responsibility

The HGIA has the responsibility to:

- HGIA must discuss the proposed charter with the Board and Senior Management to confirm that it accurately reflects their understanding and expectations of the internal audit function.
- Submit, at least annually, to BAC a risk-based internal audit plan for review and approval.
- Communicate for approval to BAC the impact of resource limitations on the internal audit plan.
- Communicate to BAC for approval any significant changes to the internal audit plan.
- Conform with the Standards and Topical Requirements, including the principles of Ethics and Professionalism (Integrity, Objectivity, Competency, Due Professional Care, and Confidentiality). This also includes PTSB's Code of Ethics and Conflicts of Interest Policy.
- Establish and ensure adherence to an up-to-date set of policies, procedures, methodology and performance and effectiveness measures for the internal audit function. Internal audit should continuously improve these in light of industry developments.
- Assess independently, the effectiveness and efficiency of internal controls, risk management and governance systems and processes created by the Business Units and Support Functions and provide assurance on these systems and processes, including the reporting of overall findings and any areas of concern resulting from such assurance activities.
- Follow up on engagement findings and corrective actions and report periodically to Senior Management and the BAC any corrective actions not effectively implemented.
- Ensure that GIA collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Internal Audit Charter and ensure that Internal Auditors enhance their knowledge, skills and other competencies through continuing professional development.
- Ensure trends and emerging issues that could impact PTSB are considered and communicated to Senior Management and the BAC, as appropriate.
- Discuss with the Board and Senior Management any current or proposed roles and responsibilities that have the potential to impair the internal audit function's independence, either in fact or

appearance and disclose to the Board and Senior Management of the types of safeguards to manage actual, potential, or perceived impairments.

- Ensure that concerns raised directly to GIA through Speak Freely are addressed appropriately in line with the Speak Freely procedure.
- Communicate unacceptable levels of risk, noting currently that GIA does not operate a risk acceptance process.
- GIA will maintain an open, constructive and co-operative relationship with the Banks's regulators / supervisors and external auditors and periodically share information by providing them with updates on completed reviews and any concerns.
- Whilst maintaining full independence, the HGIA will have regular 1:2:1's with the Chair of the BAC and CEO.
- GIA acknowledge the HGIA's obligations under Section 38 of the Central Bank (Supervision and Enforcement) Act, 2013.

The processes supporting each of these responsibilities are documented in underlying methodology and procedure documents that are subject to regular review and approval in line with the Bank's document management standards.

Note: The HGIA is responsible for all internal audit engagements and significant professional judgments made throughout the engagements, regardless of whether the work was performed by the internal audit function or co-sourced/ externally contracted providers of internal audit services. However, some of the above responsibilities have been delegated to the relevant Heads of Function within the internal audit function, as outlined within the End-to-End Process Manual and the HGIA's Reasonable Steps Framework under the CBI's SEAR (Senior Executive Accountability Regime).

Refer to Appendices for full list of Board and Senior Management responsibilities (essential conditions) as outlined in the Global Internal Audit Standards.

5. Independence, Objectivity, and Integrity

Independence

The HGIA reports directly to the Chair of the BAC. The BAC, as per the BAC terms of reference, is responsible for:

- The appointment, approval of remuneration and termination of the HGIA.
- The Chair of the BAC is responsible for the annual objective setting and performance review of the HGIA. The performance appraisal will consider the independence, objectivity, and tenure of the HGIA. The performance of the Head of Group Internal Audit on an annual basis should incorporate feedback from the Group CEO. Where the tenure of the HGIA exceeds seven years, the Board Audit Committee should explicitly discuss annually the chair's assessment of the HGIA's independence and objectivity.

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- Approve the annual GIA budget.

When the HGIA has one or more ongoing roles beyond internal auditing or where the HGIA has/or is expected to have roles and/or responsibilities that fall outside of internal auditing, the responsibilities, nature of work, and established safeguards to limit impairments to independence or objectivity will be documented in this charter. Such non-audit roles and responsibilities will be discussed with the Board and Senior Management. The HGIA will consider options to manage the impairment and identify appropriate safeguards depending on whether the roles are permanent or temporary and intended to be transferred to management. If the objectivity of the HGIA is impaired in fact or appearance, the HGIA will disclose the impairment to the BAC.

The independence of GIA should not prevent Senior Management from requesting input from GIA on matters related to risk and control. Furthermore, GIA personnel can attend steering committees or workshops to challenge on risk management and control, if GIA is satisfied that, in the circumstances of the case, no conflict arises between GIA's role as an independent assurance provider and adviser.

The HGIA will confirm to the BAC, at least annually, the organisational independence of GIA.

The internal auditors will disclose any impairment of independence or objectivity, in fact or appearance, to the HGIA who will report this to the Chair of the BAC, including any actions or safeguards employed to address the impairment. Evidence of such disclosures will be retained.

Objectivity

Objectivity means internal auditors perform their work without compromise or subordination of judgment to others. Objectivity is impaired when situations, activities, or relationships may influence internal auditors' judgments and decisions in a way that may change internal audit findings and conclusions.

- Internal Auditors must recognize and avoid or mitigate actual, potential, and perceived impairments to objectivity.
- Internal Auditors must avoid conflicts of interest.
- Internal Auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, Internal Auditors will not design, select, establish or implement internal controls, develop policies, mechanisms, procedures and risk limits, install systems, prepare records, operate specific internal control measures or engage in any other activity that may impair their judgment.
- Internal Auditors must not accept any tangible or intangible item, such as a gift, reward, or favour, that may impair or be presumed to impair objectivity.
- Internal auditors should apply judgment regarding additional circumstances that may impair or be presumed to impair objectivity.

The GIA Procedures include guidance for identifying potential impairments and include the necessary safeguards and disclosure requirements.

In addition, continuously performing similar tasks or routine jobs may negatively affect an individual Internal Auditor's capacity for critical judgement because of possible loss of objectivity. Where possible and without jeopardising competence and experience, the HGIA may periodically rotate internal audit staff

within GIA. In addition, staff from other functional areas may rotate into GIA and GIA staff may rotate into functional areas within PTSB.

Integrity

The HGIA must maintain a work environment where internal auditors feel supported when expressing legitimate, evidence-based engagement results, whether favourable or unfavourable.

Internal Auditors will perform all engagements with proficiency and due professional care and by assessing the nature, circumstances, and requirements of the services to be provided. Internal auditors will perform their work displaying adherence to moral and ethical principles, including:

- Performing their work with honesty and professional courage, by communicating truthfully and taking appropriate action, even when confronted by dilemmas and difficult situations. This includes disclosing all material facts known to them that if not disclosed could affect the organisation's ability to make well-informed decisions.
- Internal auditors must understand and abide by the laws and/or regulations relevant to the industry and jurisdictions in which the organization operates, including making disclosures as required.
- Displaying professional scepticism by questioning and critically assessing the reliability of information and will communicate truthfully and take appropriate action, even when confronted by dilemmas and difficult situations. This includes disclosing all material facts known to them that if not disclosed could affect the organisation's ability to make well-informed decisions.
- Internal auditors will understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognise conduct that is contrary to those expectations.
- Encouraging and promoting an ethics-based culture in the organisation. If internal auditors identify behaviour within the organisation that is inconsistent with the organisation's ethical expectations, they will report the concern according to applicable policies and procedures.

If internal auditors determine that a member of Senior Management has behaved in a manner that is inconsistent with the organisation's ethical expectations, the HGIA should report the violation to the Board. If an ethics-related concern involves the chairperson of the board, the HGIA should report the concern to the entire Board. Internal auditors also have a responsibility to follow up on ethics-related issues involving the Board or Senior Management and validate that appropriate actions were taken to address the concern. Any such reporting will take into account due process and the rights of all parties involved.

Internal auditors will not engage in or be a party to any activity that is illegal or discreditable to the organisation and will abide by the PTSB Code of Ethics and Code of Conduct. Internal auditors will understand and abide by the laws and/or regulations relevant to the industry and jurisdictions in which the organisation operates, including making disclosures as required. If internal auditors identify legal or regulatory violations, they will report such incidents to individuals or entities that have the authority to take appropriate action, as specified in laws, regulations, and applicable policies and procedures.

6. Scope of Activities

GIA's mandate is unrestricted and covers all of the Bank's activities and services, including those provided by third parties (subject to the right to audit).

The scope of GIA activities and services provided encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the BAC, Management and other interested parties on the adequacy and effectiveness of governance, risk management and control.

In setting its scope, GIA uses professional judgement to determine how best to segment the audit universe given the business strategy, structure and risk profile of the organisation and forms an independent view of whether the key risks to the organisation have been identified, including emerging and systemic risks, and assess how effectively these risks are being managed. GIA's independent view is informed, but not determined, by the views of management or the risk function. In setting out its priorities and deciding where to carry out more detailed work, GIA will take a risk-based approach and focus on the areas where it considers risks to be higher.

The scope of GIA's assurance activities includes, but is not limited to:

- Purpose, strategy and business model: Assessment of the adequacy and effectiveness of governance, processes and controls supporting the Bank's purpose, strategy and business model, including the quality, balance and transparency of information used in strategic and operational decision-making.
- Organisational culture: Risk-based evaluation of organisational culture, including risk and control culture, tone at the top, behaviours and the extent to which values, ethics and risk policies are embedded across the Bank.
- Internal governance: Assessment of the design and operating effectiveness of the Bank's internal governance structures, frameworks and decision-making processes.
- Risk appetite: Evaluation of the establishment, governance, embedding and adherence to the Board-approved risk appetite, including escalation and reporting of breaches.
- Key corporate and external events: Review of governance, risk management and controls relating to significant corporate events and external developments, including the quality and integrity of information supporting key decisions.
- Capital and liquidity risks: Assessment of the governance, modelling, stress testing and management of capital and liquidity risks, including recovery and scenario planning.
- Customer treatment, conduct and reputational risk: Evaluation of whether the Bank acts with integrity in customer dealings, including governance and controls over conduct risk, product design, customer outcomes, data protection and compliance with applicable conduct regulation.
- Environmental sustainability and climate risks: Assessment of governance, risk management and controls relating to environmental sustainability and climate-related risk, including the accuracy and reliability of related disclosures where relevant.
- Financial crime, economic crime and fraud: Evaluation of controls and governance arrangements to prevent, detect, monitor and report financial crime, economic crime and fraud, including money laundering, bribery and corruption.

- Technology, cyber, digital and data risks: Assessment of governance, risk management and controls over technology, cyber security, digital, cloud, data and emerging technology risks, including artificial intelligence.
- Risk management, compliance, finance and control functions: Assessment of the adequacy, effectiveness and maturity of risk management, compliance, finance and other control functions, including mandates, resources, capabilities and reporting.
- Outcomes of processes: Evaluation of whether policies, processes and controls operate effectively in practice and deliver intended outcomes.

From the perspective of adding value and where possible, HGIA will co-ordinate with other internal and external assurance and consulting service providers, as needed, to gain an understanding of each other's roles and responsibilities, with consideration being given to relying on their work once HGIA has considered the basis of this reliance and the competency, objectivity, and due professional care of the assurance providers. While GIA does not generally place reliance on the work of other assurance providers, the GIA procedures include the required steps to determine the appropriateness of any reliance in line with the GIAS.

GIA may perform advisory activities, the nature and scope of which will be approved by the BAC, provided GIA does not assume management responsibility.

The HGIA may, in some instances, co-source some or part of GIA's engagements to external experts, where the required skill set is not available within GIA. This will be noted in the annual audit plan which is approved by BAC and in the audit planning document which is approved by the HGIA. All work undertaken remains the responsibility of the HGIA.

In addition, GIA may undertake special reviews on behalf of the Group CEO / Executive Committee (ExCo), where requested to do so. In this regard, where the HGIA has roles and or responsibilities that fall outside of internal auditing, safeguards are in place to provide measured separation of the dual roles. Any special investigations, or GIA support in independently reviewing speak up cases, are subject to triage and review by appropriate Senior Management (e.g. HR/Legal) in conjunction with the HGIA.

7. Reporting

The outcome of each assignment will be formally reported to the head of the relevant business unit and other parties, as appropriate. Assignments are required to be objective, timely, and risk focused.

The HGIA will provide reports to Senior Management and the BAC on a regular basis to support the board's ability to fulfil its requirements, highlighting progress against the audit plan, control issues identified and updates on issue and action plan management.

The HGIA will, throughout the year, issue the following regular reports to key stakeholders:

- Executive Committee (ExCo) and Board Audit Committee Updates, in line with ExCo and BAC dates, which include the following:
 - Progress against the Annual Internal Audit Plan.
 - Results of audit engagements or other activities including, where applicable, conclusions, themes, assurance, advice, insights, and monitoring results.
 - Status update on Open Issues, Overdue Issues and Aged Issues.
- Audit Activity Dashboard to individual ExCo members, highlighting the status of audit issues and actions where they (or a member of their team) are listed as an owner (Monthly).

The HGIA will, throughout the year, report to the BAC regarding:

- Progress against the risk based audit plan (frequency in line with the BAC meeting schedule). The risk based plan is approved annually and a refreshed audit plan is presented for approval annually.
- GIA's conformance to the Standards, Topical Requirements and how the Internal Audit Code of Practice principles have been applied, including to address any significant conformance issues (annually). When internal auditors are unable to conform with a requirement, document and communicate a description of the circumstance, alternative actions taken, the impact of the actions, and the rationale.
- Resource requirements, assessment of skills & experience and Internal Budget (annually).
- An Audit Opinion on the adequacy and effectiveness of control processes throughout the Bank and an opinion on whether the organisation's risk appetite is being adhered to (annually). This is an assessment of the overall effectiveness of the governance and risk and control framework of the organisation, together with an analysis of themes and trends emerging from GIA's work and their impact on the organisation's risk profile.
- Insights on significant control weaknesses and breakdowns together with a robust root cause analysis. This will include an analysis of themes and trends emerging from internal audit work and their impact on the organisation's risk profile (half yearly).
- Insights on areas where governance, risk management and internal controls are effective, and where internal audit has identified efficiencies, including removal of duplicative and/or redundant controls
- A review of any post-mortem and 'lessons learned' analysis if a significant adverse event has occurred at an organisation. Any such review should assess both the role of the first and second lines and internal audit's own role.

In addition, all audit reports issued by GIA are made available to the BAC in the reading room.

Should a situation arise where a communication contains a significant error or omission, the HGIA will communicate corrected information promptly to all parties who received the original communication.

The HGIA will escalate the following:

- Should any critical issues or potentially 'unsatisfactory' audit reports arise during the course of our audit work, the HGIA will escalate these immediately (as soon as materiality has been assessed) to the CRO/CEO (where appropriate) and BAC.

- Should any issues relating to gross misconduct or fraud arise during the course of our audit activity, the HGIA will escalate these immediately to the CRO/CEO (where appropriate) and BAC. Any such escalation will take into account due process and the rights of all parties involved.

8. Quality Assurance and Improvement Programme

GIA maintains a Quality Assurance and Improvement Programme ('QAIP'). All staff in the Group Internal Audit department are responsible for delivering quality in all internal audit activities. The HGIA must establish and implement methodologies for engagement supervision, quality assurance, and the development of competencies. The HGIA and Head of Functions of each audit team ('HoF') have key responsibility for ongoing monitoring of internal audit engagements to ensure conformance with the Global Internal Audit Standards, Topical Requirements and audit methodology. The QAIP includes an evaluation of GIA's conformance with the Global Internal Audit Standards, Topical Requirements and an evaluation of whether internal auditors comply with the principles and standards in the Ethics and Professionalism domain of the Global Internal Audit Standards. It also assesses the efficiency and effectiveness of GIA and seeks to identify opportunities for improvement.

GIA's QAIP includes both internal and external assessments:

- Internal assessments include both (i) ongoing monitoring and (ii) periodic reviews. The output of the quality assurance activities will be reported to the BAC. Any action plans or improvement points noted will be monitored and tracked internally to closure and reported to BAC.
- An external quality assessment ('EQA') will be conducted at least every five years by a qualified independent assessor or assessment team from outside the organisation. The last EQA was completed in 2021 and next EQA is scheduled for 2026.

The BAC will provide input and final approval of the independent assessment provider. Once the assessment has been concluded, the related report including conclusions and proposed corrective actions plans will be presented to the BAC. Any issues and related action plans will be monitored internally. An update will be provided by the HGIA at each BAC until all issues/actions have been completed.

A statement of conformance with the Global Internal Audit Standards is appropriate only if supported by the results of the Quality Assurance and Improvement Programme. When non-conformance with the Standards (including the Standards relating to Ethics and Professionalism) impacts the overall scope or operation of the internal audit activity, the HGIA must disclose the non-conformance and the impact to the BAC.

9. Appendices

9.1 Appendix 1 – Board and Senior Management Responsibilities

Board Responsibility

- Ensure GIA has the appropriate positioning within PTSB and that the HGIA reports to a level within the organisation that allows the GIA function to fulfill the internal audit mandate (i.e. a direct reporting relationship with the HGIA). This positioning provides the organisational authority and status to bring matters directly to Senior Management and escalate matters to the Board when necessary.
- Discuss with the HGIA and Senior Management the appropriate authority, role, and responsibilities of the internal audit function.
- Approve the internal audit charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Approve internal audit plan, budget, and resource plan.
- Discuss with the HGIA and senior management other topics that should be included in the internal audit charter to enable an effective internal audit function.
- Review the internal audit charter with the HGIA to consider changes affecting the organisation, such as the employment of a new HGIA or changes in the type, severity, and interdependencies of risks to the organisation.
- Champion the internal audit function to enable it to fulfil the Purpose of Internal Auditing and pursue its strategy and objectives.
- Work with Senior Management to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfil the internal audit mandate.
- Support the HGIA through regular, direct communications.
- Authorize the appointment and removal of the HGIA.
- Provide input to Senior Management to support the performance evaluation and remuneration of the HGIA.
- Provide the HGIA with opportunities to discuss significant and sensitive matters with the Board, including meetings without Senior Management present.
- Acknowledge the actual or potential impairments to the internal audit function's independence when approving roles or responsibilities for the HGIA that are beyond the scope of internal auditing.
- Engage with Senior Management and the HGIA to establish appropriate safeguards if HGIA's roles and responsibilities impair or appear to impair the internal audit function's independence.
- Engage with Senior Management to ensure that the internal audit function is free from interference when determining its scope, performing internal audit engagements, and communicating results.
- Review the requirements necessary for the HGIA to manage the internal audit function.
- Approve the HGIA's roles and responsibilities and identify the necessary qualifications, experience, and competencies to carry out these roles and responsibilities.

- Engage with Senior Management to appoint a HGIA with the qualifications and competencies necessary to manage the internal audit function effectively and ensure the quality performance of internal audit services.
- Communicate with the HGIA to understand how the internal audit function is fulfilling its mandate.
- Communicate the Board's perspective on the organization's strategies, objectives, and risks to assist the HGIA with determining internal audit priorities.
- Set expectations with the HGIA for:
 - The frequency with which the Board wants to receive communications from the HGIA.
 - The criteria for determining which issues should be escalated to the Board, such as significant risks that exceed the Board's risk tolerance.
 - The process for escalating matters of importance to the Board.
- Gain an understanding of the effectiveness of the organisation's governance, risk management, and control processes based on the results of internal audit engagements and discussions with Senior Management.
- Discuss with the HGIA disagreements with Senior Management or other stakeholders and provide support as necessary to enable the HGIA to perform the responsibilities outlined in the internal audit mandate.
- Consider the impact of insufficient resources on the internal audit mandate and plan.
- Engage with Senior Management and the HGIA on remedying the situation if the resources are determined to be insufficient.
- Discuss with the HGIA the quality assurance and improvement program.
- Approve the internal audit function's performance objectives at least annually.
- Assess the effectiveness and efficiency of the internal audit function. Such an assessment includes:
 - Reviewing the internal audit function's performance objectives, including its conformance with the Standards, laws and regulations; ability to meet the internal audit mandate; and progress towards completion of the internal audit plan.
 - Considering the results of the internal audit function's quality assurance and improvement program.
 - Determining the extent to which the internal audit function's performance objectives are being met.
- Discuss with the HGIA the plans to have an external quality assessment of the internal audit function conducted by an independent, qualified assessor or assessment team.
- Collaborate with Senior Management and the HGIA to determine the scope and frequency of the external quality assessment.
- Consider the responsibilities and regulatory requirements of the internal audit function and the HGIA, as described in the internal audit charter, when defining the scope of the external quality assessment.
- Review and approve the HGIA's plan for the performance of an external quality assessment. Such approval should cover at a minimum:
 - The scope and frequency of assessments.
 - The competencies and independence of the external assessor or assessment team.
 - The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment.
- Require receipt of the complete results of the external quality assessment or self- assessment with independent validation directly from the assessor. Review and approve the HGIA's action plans to

address identified deficiencies and opportunities for improvement, if applicable. Approve a timeline for completion of the action plans and monitor the HGIA's progress.

Senior Management Responsibility

- Position the internal audit function at a level within the organisation that enables it to perform its services and responsibilities without interference, as directed by the Board. Recognize the HGIA's direct reporting relationship with the Board.
- Participate in discussions with the Board and HGIA and provide input on expectations for the internal audit function that the board should consider when establishing the internal audit mandate.
- Support the internal audit mandate throughout the organisation and promote the authority granted to the internal audit function. Support recognition of the internal audit function throughout the organisation.
- Communicate with the Board and HGIA about management's expectations that should be considered for inclusion in the internal audit charter.
- Work with the Board and management throughout the organisation to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfil the internal audit mandate.
- Engage with the Board and the HGIA to understand any potential impairments to the internal audit function's independence caused by non-audit roles or other circumstances and support the implementation of appropriate safeguards to manage such impairments.
- Provide input to the Board on the appointment and removal of the HGIA.
- Solicit input from the Board on the performance evaluation and remuneration of the HGIA.
- Engage with the Board to determine the HGIA's qualifications, experience, and competencies.
- Enable the appointment, development, and remuneration of the HGIA through the organisation's human resources processes.
- Communicate Senior Management's perspective on the organisation's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities.
- Assist the Board in understanding the effectiveness of the organisation's governance, risk management, and control processes.
- Work with the Board and the HGIA on the process for escalating matters of importance to the board.
- Engage with the Board to provide the internal audit function with sufficient resources to fulfil the internal audit mandate and achieve the internal audit plan.
- Engage with the Board and the HGIA on any issues of insufficient resources and how to remedy the situation.
- Provide input on the internal audit function's performance objectives.
- Participate with the Board in an annual assessment of the HGIA and internal audit function.
- Collaborate with the Board and the HGIA to determine the scope and frequency of the external quality assessment.
- Review the results of the external quality assessment, collaborate with the HGIA and Board to agree on action plans that address identified deficiencies and opportunities for improvement, if applicable, and agree on a timeline for completion of the action plans.

9.2 Appendix 2 - List of Abbreviations

Abbreviation	Definition
HGIA	Head of Group Internal Audit
BCBS	Basel Committee on Banking Supervision
EBA	European Banking Authority
BAC	Board Audit Committee
HoF	Head of Function
GIA	Group Internal Audit
QAIP	Quality Assurance and Improvement Programme
EQA	External Quality Assessment
RCM	Risk and Control Matrix
IIA	Institute of Internal Auditors

10. Revision History & Version Review

Version Number	Reason for Review (Full Review/Amendment Update)	Author / Reviewer Name	Review Date	Signoff/Approver
1.0	Previous charters prior to introduction of document management standards. See 11. Governance section below.			
2.0	Full review to align to the revised Global Internal Audit Standards and the Document management Guidelines.	Sara Noonan	18/12/2024	Claire Heeley
3.0	Annual review of Charter.	Niamh Clarke	02/04/2026	Claire Heeley

11. Governance

Board/Committee/Executive Committee	Action (<i>Approve, Recommend, Note, Discuss</i>)	Approval date	Implementation date
Board Audit Committee	Approve	06 May 2026	May 2026
Board Audit Committee	Approve	07 May 2025	May 2025
Board Audit Committee	Approve	31 October 2023	October 2023
Board Audit Committee	Approve	28 October 2022	October 2022
Board Audit Committee	Approve	13 December 2021	December 2021
Board Audit Committee	Approve	14 December 2020	December 2020
Board Audit Committee	Approve	17 December 2019	December 2019
Board Audit Committee	Approve	13 December 2018	December 2018
Board Audit Committee	Approve	October 2017	October 2017
Board Audit Committee	Approve	July 2016	July 2016

12. Retention Period

The retention period of this type of document is described under the Document Management Guidelines – Section 3.4.