



# CERN Internal Audit Charter

## Purpose and Mission

1. The purpose of CERN's Internal Audit Service (IAS) is to provide independent, objective assurance and consulting services designed to add value and improve the operations of CERN<sup>1</sup>. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The IAS helps CERN accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.
2. In addition to its primary mission to perform internal audit activities, the IAS is in charge of fraud investigations pursuant to Operational Circular 10 "Principles and procedures governing investigation of fraud".

## Standards for the Professional Practice of Internal Auditing

3. The IAS will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' Global Internal Audit Standards, including the principles of Ethics and Professionalism (as detailed in IAS' Code of Ethics).

## Relationship with the CERN Audit Committee

4. The relationship of the IAS with the CERN Audit Committee is defined in the CERN Audit Committee's Terms of Reference (CERN/3561/Rev.3)<sup>2</sup>.

## Authority

5. The Head of IAS reports administratively to the Director-General.
6. To establish, maintain, and assure that the IAS has sufficient authority to fulfil its duties, the Director-General will:
  - Review and approve the IAS's charter at least annually to ensure that it is consistent with changes in the financial, risk management and governance arrangements of the Organization and reflects developments in professional internal audit practices.
  - Approve the IAS's budget and resource plan.
  - Decide on the appointment and removal of the Head of IAS after consultation of the Audit Committee.
  - Approve the remuneration of the Head of IAS.
7. To establish, maintain, and assure that the IAS has sufficient authority to fulfil its duties, the PFGB will:
  - Review and approve the IAS's charter at least annually to ensure that it is consistent with changes in the financial, risk management and governance arrangements of the PF and reflects developments in professional internal audit practices.
8. The Head of IAS will have unrestricted access to, and communicate and interact directly with, the Audit Committee, including in private meetings without Management present.
9. In respect of the Organization, including its PF, the IAS is authorised 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.
  - 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 CERN and specialised services from outside CERN in order to complete the engagement.

<sup>1</sup> For the purpose of this charter, the term CERN means the whole Organization, including its Pension Fund.

<sup>2</sup> <https://council.web.cern.ch/sites/default/files/CERN-FC-6675-Rev-CERN-3561-Rev3-Audit-Committee-ToR.pdf>

## Independence and Objectivity

10. The Head of IAS will ensure that the IAS remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Head of IAS determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.
11. Internal auditors will perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.
12. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:
  - Assessing specific operations for which they had responsibility within the previous year.
  - Performing any operational duties for CERN or its affiliates.
  - Initiating or approving transactions external to the IAS.
  - Directing the activities of any CERN employee not employed by the IAS, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.
13. Where the Head of IAS has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.
14. Internal auditors will:
  - Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
  - Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
  - Make balanced assessments of all available and relevant facts and circumstances.
  - Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.
15. The Head of IAS will confirm to the Audit Committee, at least annually, the organizational independence of the IAS.
16. The Head of IAS will disclose to the Audit Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

## Scope of Internal Audit Activities

17. The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Director-General, the PFGB as appropriate, and thereafter to the Audit Committee, on the adequacy and effectiveness of governance, risk management, and control processes at CERN, including its PF.
18. Internal audit assessments include evaluating whether:
  - Risks relating to the achievement of CERN's and PF's strategic objectives are appropriately identified and managed.
  - The actions of CERN's contributors<sup>3</sup> and PF Members and Beneficiaries are in compliance with CERN's legal framework<sup>4</sup>.
  - The results of operations or programmes are consistent with established goals and objectives.
  - Operations or programmes are being carried out effectively and efficiently.
  - Established processes and systems enable compliance with CERN's legal framework.
  - Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity.
  - Resources and assets are acquired economically, used efficiently, and protected adequately.
19. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of Management.

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<sup>3</sup> CERN contributors are persons engaged in any capacity at or on behalf of CERN, including but not limited to members of the personnel, contractors, Council office holders and contributing retirees.

<sup>4</sup> In the context of the Charter, the said legal framework also includes all relevant policies and procedures.

20. The Head of IAS also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The IAS may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the IAS does not assume management responsibility.

## Responsibility


21. The Head of IAS has the responsibility to:

- Submit annually a risk-based internal audit plan to the Director-General, the PFGB and the Audit Committee for their review, recommendations, and subsequent approval by the Director-General and the PFGB.
- Report periodically regarding the IAS's purpose, authority, responsibility and the conformance to the Principles of Ethics and the Global Internal Audit Standards, and action plans to address any significant conformance issues.
- Report periodically to the Director-General and to the PFGB as appropriate and the Audit Committee regarding:
  - The IAS's plan and performance relative to its plan and review and adjust the internal audit plan, as necessary, in response to changes in CERN's business, risks, operations, programmes, systems, and controls.
  - The impact of resource limitations on the internal audit plan.
  - Any significant interim changes to the internal audit plan of CERN and its PF.
  - Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by the Director-General and the PFGB as appropriate.
  - Any response to risk by CERN Management and PF Management that may be unacceptable to CERN or to its PF.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope of the assignment of appropriate and adequately supervised resources, the documentation of work programmes and testing outcomes, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to the Director-General and to the PFGB as appropriate any corrective actions not effectively implemented.
- Submit an annual report on the internal audit activities to the Audit Committee.
- Ensure the principles of integrity, objectivity, professional due care, confidentiality, and competency are applied and upheld.
- Ensure the IAS collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact CERN or its PF are considered and communicated to the Director-General and to the PFGB and to the Audit Committee, as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the IAS.
- Ensure adherence to CERN's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to the Director-General and to the PFGB as appropriate and the Audit Committee.

## Quality Assurance and Improvement Programme

22. The IAS will maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The programme will include external and internal assessments of the Internal Audit function's conformance with the Global Internal Audit Standards, as well as performance measurements to assess the Internal Audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The programme will also assess the efficiency and effectiveness of the IAS and identify opportunities for improvement.
23. The Head of IAS will communicate to the Director-General, the PFGB on the IAS's quality assurance and improvement programme, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside CERN.

**Approval/Signatures**

  
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Head of IAS

3/6/2025  
Date

  
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Audit Committee Chair

3.VI.2025  
Date

  
\_\_\_\_\_  
PFGB Chair

24.09.2025  
Date

  
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Director-General

7.10.2025  
Date