COMMON MANAGEMENT SYSTEM STANDARD 18
AUDIT AND ASSESSMENT REVIEW

DATE: 27 MAY 2019

DATE	NAME	CHANGE	APPROVED	REVISION
12/07/2016	Keith Ashby	Issued for Use	Executive Leadership Team (ELT)	0
27/05/2019	Keith Ashby & Julia Lee	Reformatted on new IGO Template	ELT	1

TABLE OF CONTENTS

1. OVERVIEW

This document sets out IGOs standard for audit and assessment review. In overview, it is intended that IGO regularly assess the adequacy and fitness for purpose of the IGO Management System and our compliance to both internal standards and our statutory obligations.

2. APPLICATION

This standard applies to all IGO operations and managed activities.

3. PERFORMANCE REQUIREMENTS

3.1 External Audit

IGO corporate will institute an external audit process. The management, purpose and scope of the external audit function are defined in the IGO audit committee of IGOs Board (refer to **IGO Audit Committee Charter**). In summary, IGO will engage an independent third-party auditor to assess the effectiveness of IGOs (and its related bodies corporate) business control processes (as defined in the Corporations Act) in the areas of balance sheet risk, relevant legal and regulatory compliance, and financial reporting.

The overriding objective of the external audit process is to provide an independent and objective review of financial and other information prepared by management, in particular those reports to be provided to shareholders and/or filed with regulators.

IGOs Board audit committee is responsible for the review of performance, independence and the nomination of the external auditors. The committee meets and receives regular reports from its external auditors concerning matters that arise in connection with their audits.

3.2 Group Internal Audit

IGO corporate will institute an internal audit process. The management, purpose and scope of the internal audit function are defined in the charter for the sustainability and risk committee of IGOs Board (refer to **IGO Board Sustainability and Risk Committee Charter**). In summary, IGO will ensure that the IGO Management System is audited periodically at each IGO site, project and functions incorporating IGO corporate. The scale of activities and priorities of the internal audit process will be informed by the Executive Leadership Team (ELT) assessment of the risks posed by potential deficiencies in the IGO Management System (refer to **IGO Common Management System Standard 3 - Risk Management**).

In general, IGO will use independent external auditors to assist with the completion of our group internal audits.

At a minimum, the group internal audit will assess the level of compliance with the requirements of the:

- IGO Management System
- IGOs statutory obligations (specifically inclusive of Health, Safety and Environment obligations)

- IGO non-statutory commitments (e.g. contractual or public commitments to stakeholders other than contractors).

IGO will establish an annual internal audit schedule as approved by ELT and the Board's sustainability and risk committee. As a general set of principles, audits and assessment reviews will be scheduled more frequently where sites and functions:

- have not fully implemented the IGO Management System
- have higher risk profiles
- are deemed appropriate based on performance of key performance indicators (KPIs), including lead and lag measures of performance and/or based on prior performance from audits and assessment reviews.

Material findings of the internal audit process are reported to ELT and the Board's sustainability and risk committee.

3.3 Site and Function Audit Programs

Sites and functions develop and implement their own internal audit programs, as directed by IGO standards, or in the absence of guidance from IGO standards, as determined by their management, so as to ensure that:

- audits are scheduled to cover, at a minimum, each aspect of the IGO Management System once during a period of four (4) years, or more frequently for activities that have a higher level of risk (Refer to *IGO Common Management System Standard 3 - Risk Management*)
- audits are conducted for major contractors prior to commencement of a new contract and then at a frequency appropriate to the assessed level of risk, and at a minimum of every three (3) years, to determine the level of conformance with the requirements of the IGO Management System.

The scheduling of site and function audits will ensure that some aspects are assessed each year at each site and function, and at relevant exploration and office locations. This will ensure some aspects of the IGO Management System and/or some areas (e.g. groups, locations or projects) of each site or function are assessed each year.

3.4 Contractor Audit

IGO will:

- establish terms and conditions of contract that require contractors to cooperate and participate in IGO audit of contractors
- require our contractor managers to complete audits of major contractors to assess the level of conformance to the requirements of the IGO Management System or their statutory obligations.

Refer to *IGO Sustainability and Risk Committee Charter*.

3.5   Audit and Assessment Review Processes

IGO internal and external audits are planned and conducted by audit teams comprising qualified, competent and impartial auditors who are independent of the part of the organisation being audited. Where required, auditors are aided by technical experts to provide the competencies that meet the objectives and scope of the particular audit.

Site and function audits are typically conducted by trained IGO employees.

In general, audits and assessment reviews are conducted to a defined plan, scope, objectives and audit or assessment review criteria and in accordance with formal audit and assessment review protocols addressing the requirements of these standards and specifying the corresponding levels of compliance.

Feedback is provided to management and personnel of the site, function, project or location being audited at the time of the audit or assessment review.

Audit and assessment review reports are prepared in a timely manner and are documented.

Reports must:

- document evidence sighted including comprehensive field verification, documentation and records verification, and relevant personnel interviewed
- list findings and, if/where appropriate, recommend relevant improvement actions to be taken
- provide input to management review.

During or immediately after an audit or assessment review, improvement actions are identified, allocated a time for completion, responsibility for each action is determined, and these are entered into the IGO electronic action tracking system (INX) for tracking until closed-out.

3.6   Records Management

IGO will ensure:

- audit and assessment review procedures are established and maintained
- audit and assessment review reports are maintained as records as per *IGO Common Management System Standard 8 - Document Control, Records and Data Management*.

4.   RELATED DOCUMENTS

- IGO Audit Committee Charter
- IGO Sustainability and Risk Committee Charter
- IGO Common Management System Standard 3 - Risk Management
- IGO Common Management System Standard 8 - Document Control, Records and Data Management