



NEWS CORPORATION
CORPORATE AUDIT DEPARTMENT
CHARTER

PURPOSE

This charter defines the purpose, authority, and responsibility of News Corporation's (the "Company") Corporate Audit Department.

Internal audit is defined by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") as a process, affected by the Company's board of directors, management and other employees, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations (including safeguarding of assets);
- Reliability of financial reporting; and,
- Compliance with applicable laws and regulations.

CORPORATE AUDIT MISSION

Corporate Audit's mission is to be a corporate resource to the Company's management, the Audit Committee, and the Board of Directors in providing an independent, objective assessment of risk and an evaluation of the effectiveness of risk management practices, corporate governance processes, and related internal operating and financial controls within the Company's various operating businesses.

Corporate Audit shall fulfill its mission by:

- Partnering with Business Units in managing an effective enterprise-wide risk management program – to assess risks, identify opportunities, prioritize mission-critical issues and establish accountabilities in meeting the Company's goals;
- Focusing audit activities on those business processes where the overall risk and opportunity assessment is the highest;
- Evaluating existing financial and operating controls and advising on effective and efficient control improvements and best practices;
- Providing exceptional and recognized value for its audit customers through its assurance and consulting activities; and,
- Supporting executive management and the Audit Committee in achieving its objectives and executing its responsibilities.



INDEPENDENCE

Corporate Audit reports functionally to the Audit Committee of the Board of Directors as well as operationally and administratively to the Company's Chief Financial Officer and Deputy Chief Financial Officer.

All internal audit activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

AUTHORITY

Corporate Audit fulfills a critical role in the success of the Company and has the full support of management. In order to execute the scope of work as directed by the Audit Committee of the Board of Directors, the Corporate Audit team members are authorized to:

- Have full, free, unrestricted, and timely access to all Company activities, records, property, operations and personnel with due responsibility for safekeeping and confidentiality.
- Allocate Corporate Audit resources, set frequencies of audits, determine scope of work, and apply techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel where they perform audits, as well as other specialized services from within or outside the Company.

RESPONSIBILITY

Corporate Audit is an integral part of management's control activities. Corporate Audit has neither the responsibility nor the authority for the management of operating activities, controls, or procedures; however it is responsible for supporting the Company's commitment to strong internal controls and operational excellence and providing the Audit Committee with information necessary to execute its responsibilities. It shall assist management and the Audit Committee in fulfilling this commitment by assessing the adequacy and effectiveness of controls and procedures that have a significant impact on operations and related reporting. The areas of emphasis of the conduct of this assessment include the:

- Appropriateness, efficiency, and effectiveness of the internal control environment and the susceptibility of that environment, on a sample basis, to frauds, failures in internal controls, or breaches in authority;
- Reliability and integrity of financial and other operating controls;
- Extent of compliance with Company policies and procedures and Sarbanes-Oxley 404 compliance, where appropriate;
- Accuracy and integrity of and security over data and information;
- Accountability for the Company's assets to safeguard against loss;

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- Adequacy of reviews made by the operating companies to insure an effective internal control environment is fostered and maintained; and,
- Economy and efficiency with which resources are employed.

Corporate Audit will be responsible for the development of an annual plan of audit activities, to be reviewed with and approved by the Audit Committee, which plan shall be based upon the significant financial and operational risks of the Company and its subsidiaries. The timing and scope of audits and intervals between audits are based on a continuous risk assessment and evaluation. Corporate Audit shall meet with the Audit Committee at least three times a year to review the annual audit plan and the results of its activities.

The scope of each audit shall be sufficient to express an informed conclusion about the audited subject. At the completion of each audit, the results, including agreed-upon management action plans, shall be reported on a timely basis to the appropriate level of management responsible for implementing changes. The decisions regarding the implementation of any agreed-upon action plans are the responsibility of the Company's management; however, Corporate Audit has the responsibility of evaluating proposed corrective actions to be taken by management to address any issues of findings resulting from the audit. Corporate Audit is expected to maintain a sound but objective working relationship with management.

Other responsibilities shall include:

- Assisting in the investigation of significant suspected fraudulent activities within the Company as well as notifying management and the Audit Committee of the results.
- Reviewing and investigating complaints reported through the complaint handling program and reporting to the Audit Committee on a quarterly basis, or promptly if the complaint has a material consequence for the Company.
- Providing consulting services ranging from the analysis of controls built into developing systems, analysis of security and control products, participation on task forces or management committees and participation on special projects. Decisions to adopt or implement recommendations made as a result of a consulting service remain the responsibility of management. Additionally, Corporate Audit retains the right to define audit techniques and the right of reporting to senior executives and the Audit Committee members when the nature and materiality of issues identified as a result of these consulting services pose a significant risk to the Company.

The activities of Corporate Audit are separate and distinct from the external auditors. Active coordination between the two groups is recognized as essential in order to maximize the Company's return on investment for audit services.



PROFESSIONAL STANDARDS

In addition to maintaining the highest standards of practice in the performance of duties, the Corporate Audit Department shall adhere to the Code of Ethics as established by the Institute of Internal Auditors.

Corporate Audit's framework shall closely adhere to the Institute of Internal Audit's *Standards for the Professional Practice of Internal Auditing* and other relevant professional standards. Audit emphasis shall be placed on areas within the Company and its subsidiaries (and, as provided by agreement, third parties, joint ventures and other relationships) perceived to be of significant financial or operational risk in order to provide the greatest service to the Company. Corporate Audit shall conduct all functions and related activities in a professional manner with the objective being to perform quality audits that provide factual and comprehensive results and that promote efficient and effective operations and internal controls throughout the Company.

A Quality Assurance Review Program is maintained to evaluate the operations of the Corporate Audit Department and maintain the high ethical standards of the Company.