

**35708**  
**ADOPTED-BOARD OF TRUSTEES**  
**COMMUNITY COLLEGE DISTRICT NO. 508**  
**DECEMBER 4, 2025**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508**  
**COUNTY OF COOK AND STATE OF ILLINOIS**

**RESOLUTION**  
**ADOPTION OF THE INTERNAL AUDIT CHARTER**  
**OFFICE OF INTERNAL AUDIT**

**WHEREAS**, City Colleges of Chicago is governed by and the business and affairs of the District are managed by the Board of Trustees of City Colleges of Chicago; and

**WHEREAS**, City Colleges of Chicago has a duty to responsibly manage, invest, allocate, and spend its resources; and

**WHEREAS**, City Colleges of Chicago has created the Internal Audit Department to provide independent and objective assurance, consulting and investigative services that add value to the District; and

**WHEREAS**, the Internal Audit Department will work closely with the Board of Trustees, leadership and staff to conduct and coordinate a broad range of internal audit activities for the District; and

**WHEREAS**, the Internal Audit Director has developed, for approval by the Board, an Internal Audit Charter as described in the document attached hereto as Exhibit A; and

**WHEREAS**, the Board of Trustees of City Colleges of Chicago has reviewed the Internal Audit Charter ("Internal Audit Charter") which provides guiding principles, direction and authority to the Internal Audit function consistent with The Institute of Internal Auditors' International Professional Practices Framework (the IPPF); and

**WHEREAS**, the Finance Committee of the Board of Trustees voted to recommend this action to the Board of Trustees; and

**THEREFORE BE IT RESOLVED**, the Board of Trustees of City Colleges of Chicago hereby approves and adopts the Internal Audit Charter. Attached as Exhibit A hereto.

**DECEMBER 4, 2025 - Office of Internal Audit**

City Colleges of Chicago  
Community College District No. 508

**Internal Audit Charter**

**I. PURPOSE**

***Purpose of Internal Auditing***

Internal Auditing is an independent and objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systemic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. To accomplish this purpose, any and all institutional activities are subject to internal audit review.

***Commitment to Adhering to the Global Internal Audit Standards***

CCC's internal audit function is committed to executing its function in compliance with the Global Internal Audit Standards and Topical Requirements. The Director of Internal Auditing will report periodically to the Board and senior management regarding progress toward conformance, which will be assessed through a quality assurance and improvement program.

**II. MANDATE**

***Authority***

CCC's internal audit function mandate is found in Section 1.4.8 of the Board Bylaws. Internal Audit's authority is created by its direct reporting relationship to the Board.

Internal Audit is granted authority for full, free and unrestricted access to all of the District's functions, records, files and information systems, personnel, contractors, external auditors, physical properties, rental locations, and any other item relevant to the function, process or department under review.

Internal Audit will allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives. When necessary, Internal Audit will obtain assistance from the necessary CCC personnel and other specialized/consulting services from within or outside CCC to complete internal audit services.

***Independence, Organizational Position, and Reporting Relationships***

The Director of Internal Auditing will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function.

At CCC, the Director of Internal Auditing (Director) reports functionally to both the Board of Trustees (Board) and the Chancellor, and administratively (i.e. day-to-day operations) to the Chief Financial Officer (CFO). This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Board, when necessary, without interference, and supports the internal auditors' ability to maintain

objectivity. The Director of Internal Auditing will confirm to the Board, at least annually, the organizational independence of the internal audit function.

#### ***Changes to the Mandate and Charter***

Circumstances may justify a follow-up discussion between the Director of Internal Auditing, the Board, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

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

### **III. OVERSIGHT**

To establish, maintain, and ensure that CCC's internal audit function has sufficient authority to fulfill its duties, the Board will:

- Ensure the Director of Internal Auditing has unrestricted access to and communicates and interacts directly with the Board, including in private meetings without senior management present.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Approve the risk-based internal audit plan.
- Provide input to the internal audit function's human resources administration and budgets.
- Review the internal audit function's expenses.
- Provide input to senior management on the appointment and removal of the Director of Internal Auditing, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.
- Review and provide input to senior management on the Director of Internal Auditing's performance.
- Receive communications from the Director of Internal Auditing about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.

### **IV. ROLES AND RESPONSIBILITIES**

#### ***Ethics and Professionalism***

The Director of Internal Auditing will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.

- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

### ***Objectivity***

The Director of Internal Auditing will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Director of Internal Auditing determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for CCC or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any CCC employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Board, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

### ***Managing the Internal Audit Function***

The Director of Internal Auditing has the responsibility to:

- Develop a risk-based internal audit plan that considers the input of the Board, and senior management. Discuss the plan with the Board and senior management and submit the plan to the Board for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Board and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in CCC's business, risks, operations, programs, systems, and controls.
- Communicate with the Board and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and laws and/or regulations.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Board and senior management periodically and for each engagement as appropriate.

- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact CCC and communicate to the Board and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to CCC's relevant policies and procedures. In the event of any conflict between such internal policies and the Global Internal Audit Standards, the matter shall be escalated to the Board for resolution.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Director of Internal Auditing cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Board.

#### ***Communication with the Board and Senior Management***

The Director of Internal Auditing will report periodically to the Board and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Resource requirements.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Board that could interfere with the achievement of CCC's strategic objectives.
- Results of assurance and advisory services.

#### ***Quality Assurance and Improvement Program***

The Director of Internal Auditing will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program will also assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the Internal Auditing Director will communicate with the Board and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from

outside CCC; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

**V. SCOPE AND TYPES OF INTERNAL AUDIT SERVICES**

The scope of internal audit services covers the entire breadth of the organization, including all of CCC's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board and management on the adequacy and effectiveness of governance, risk management, and control processes for CCC.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.