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# Internal Audit Update

May 1, 2025

**CITY COLLEGES<sup>®</sup>**  
OF CHICAGO

# Internal Audit Update

Agenda
Internal Audit Department Background
New Global Internal Audit Standards Discussion
Risk Assessment Overview and Results
Internal Audit Plan

# Internal Audit Department Background

## Mission

The mission of the Internal Audit function is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. Internal Audit helps CCC accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes.

## Core Values

- Integrity – We will perform our work honestly, diligently and responsibly. Integrity establishes trust and thus provides the basis for reliance on our judgment.
- Objectivity – We will perform our duties with an unbiased mental attitude to ensure assessments are not unduly influenced by our own interest or judgements.
- Competency – We will apply the knowledge, skills and experience needed in the performance of our work.
- Confidentiality – We will respect the value and ownership of information received and will not disclose information without appropriate authority, unless there is a legal or professional obligation to do so.
- Communication – We will communicate openly, constructively, and respectfully. Reports will be accurate, timely, and contain relevant recommendations.

## Internal Audit Team

Dulce Niedzialkowski, Director, Internal Audit  
Kristine Ann, Audit Supervisor, Internal Audit  
Casi Kroth, Senior Internal Auditor

# New Global Internal Audit Standards Overview and Discussion

- Overview
- Essential Conditions – Board
- Internal Audit Strategic Plan

# New Global Internal Audit Standards Overview

## Revised Global Internal Audit Standards Overview



Five Domains → 15 Principles → 53 Standards



### Purpose Statement

Internal auditing strengthens the organization’s ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing enhances the organization’s:

- ❖ Successful achievement of its objectives.
- ❖ Governance, risk management, and control processes.
- ❖ Decision-making and oversight.
- ❖ Reputation and credibility with its stakeholders.
- ❖ Ability to serve the public interest.

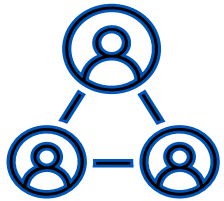
Internal auditing is most effective when:

- ❖ It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
- ❖ The internal audit function is independently positioned with direct accountability to the board.
- ❖ Internal auditors are free from undue influence and committed to making objective assessments.



# New Global Internal Audit Standards Essential Conditions

**Domain III – Governing the Internal Audit Function** includes the responsibilities and **essential conditions** of the Standards and how the Board, Senior Management and Internal Audit can collaborate to establish and maintain an effective Internal Audit function.



Domain III, includes three principles:

- Principle 6, Authorized by the Board,
- Principle 7, Positioned Independently
- Principle 8, Overseen by the Board.

## 6.1 Internal Audit Mandate

## 6.2 Internal Audit Charter

## 6.3 Board and Senior Management Support

- Determine the appropriate authority, role, and responsibilities of the Internal Audit function (Internal Audit Mandate).
- Approve the Internal Audit Charter, Budget, Audit Plan and Resource Plan.
- Ensure the IA Director reports to a level that allows Internal Audit to fulfill its mandate.
- Champion the Internal Audit function to enable it to fulfill the Purpose of Internal Auditing and its strategy and objectives.
- Specify that Internal Audit should have unrestricted access to data, records, information, personnel, and physical properties.
- Inquire whether any restrictions exist that limit Internal Audit function's ability to carry out its responsibilities.
- Support and meet periodically with IA Director through regular and direct communications.

## 7.1 Organizational Independence

## 7.2 Chief Audit Executive Qualifications

- A direct reporting relationship with IA Director and Internal Audit function.
- Authorize the appointment and removal of IA Director.
- Engage senior management to appoint a qualified, competent IA Director to manage the Internal Audit function.
- Provide input to support the IA Director's performance evaluation and remuneration.
- Approve IA Director roles or responsibilities beyond the scope of internal auditing, if applicable.
- Establish appropriate safeguards if IA Director roles and responsibilities impair the Internal Audit function's independence.

## 8.1 Board Interaction

## 8.2 Resources

## 8.3 Quality

## 8.4 External Quality Assessment

- The board's perspective on organizational strategies, objectives, and risks to assist with determining IA department's priorities.
- Set expectations for: 1) frequency for communications from Internal Audit, 2) criteria for determining which issues should be escalated to the board, and 3) process for escalating matters of importance to the board.
- Collaborate with senior management to ensure Internal Audit has sufficient resources.
- Approve Internal Audit's performance objectives at least annually.
- Assess the effectiveness and efficiency of the Internal Audit function.
- Collaborate with Internal Audit to determine scope and frequency of the EQA.
- Review/approve Internal Audit's plan for an EQA. Receive EQA results from the assessor.
- Review/approve Internal Audit's plans to address deficiencies/opportunities for improvement.
- Approve a timeline for action plan completion and monitor.

# Internal Audit Strategic Plan

Domain IV – Principle 9, Plan Strategically, requires the creation of an Internal Audit Strategic Plan. Below is the Strategic Plan for IA:



## Assurance Delivery

Enhance effectiveness, quality, and value received from Internal Audit.

- Create an IA Charter.
- Develop a risk-based Audit Plan.
- Create an IA Operations Manual and develop supporting processes and templates that align with the new standards.
- Establish a Quality Assurance and Improvement Program (QAIP).
- Implement the use of Internal Audit software to improve the efficiency and effectiveness of IA procedures and compliance with the standards.
- Commission an External Quality Assessment (EQA) review.

## Stakeholder Management

Strengthen collaboration and communication with stakeholders.

- Obtain feedback from stakeholders on valuable performance metrics for Internal Audit function.
- Proactively engage with City Colleges leaders to understand their internal audit needs and priorities (e.g. more inclusive risk assessment process).
- Increase collaboration with second line roles (e.g., Finance, Compliance, OIG, EEO, Ethics, and Cybersecurity) for a unified approach to risk management.

## Team Development

Increase professional development opportunities and improve competencies.

- Provide annual training and development opportunities.
- Encourage staff participation in certification programs and conferences.
- Establish succession planning initiatives to ensure continuity and sustainability of the Internal Audit function.

These IA strategic objectives are in line with CCC's Core Levers:

Lever 4 –  
Build a  
Culture of  
Excellence.

- Create a Path to Excellence by operationalizing a growth mindset and culture of high expectations, reflection and continuous improvement.
- Invest in people and processes to facilitate excellence at all levels.
- Provide staff opportunities to develop and lead effectively.

Lever 5 –  
Create a  
Collaborative  
& Connected  
Ecosystem.

- Develop a culture and practices that facilitate cross-functional, interdisciplinary, and cross-college problem-solving and innovation.

# Risk Assessment Overview and Results

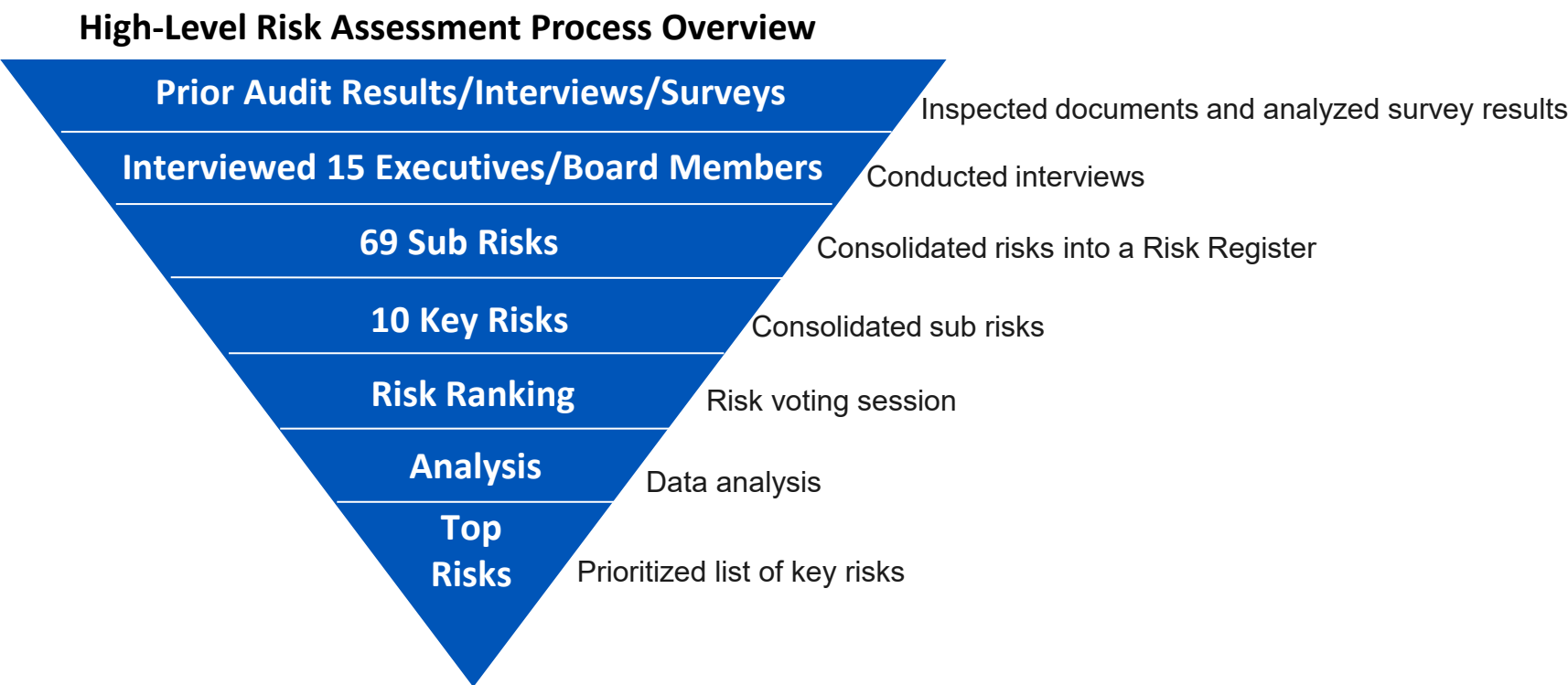
- Risk Assessment Overview
- Risk Assessment Heat Map
- Internal Audit Plan



# Risk Assessment Overview

The primary objectives of the Risk Assessment were to:

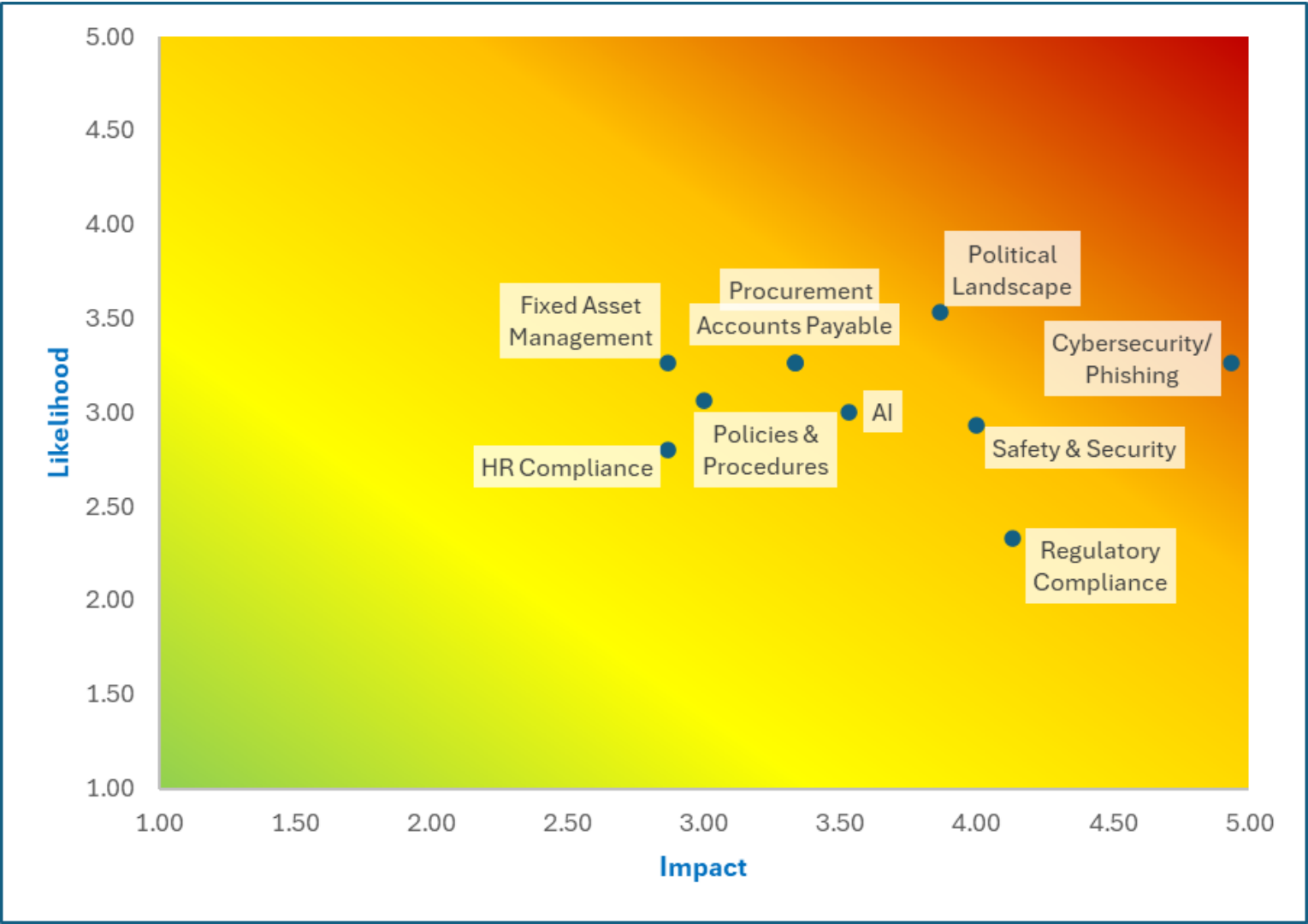
- Provide management and the Board with insights on key risks and opportunities as part of an overall risk management process.
- Assist Internal Audit in creating a risk-based audit plan for the next two fiscal years.



# Risk Assessment Heat Map

10 Key Risks identified in Risk Assessment discussions were ranked by CCC executives for Risk Impact and Likelihood.

Heat map reflects average ranking of key risks.



# Internal Audit Plan

FY2026	FY2027
Campus Audits (3)	Campus Audits (3)
Campus/Student Safety	Grants Management
Employee Leave & Worker’s Compensation	Specialized Program Accreditation Compliance
Dual Credit / Early College	IT General Controls & Cybersecurity*

*\*ITGC & Cybersecurity Audit will require the use of an external Subject Matter Expert (SME).*