

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

February 8, 2023

TOPIC: Board Policy 7-01, Audit Committee Authority and Charter

PRESENTED BY:

Angela Gramse, General Counsel

Danielle Bundy, Director of Internal Audit

RELATIONSHIP TO THE STRATEGIC PLAN:

Redefine our value proposition through accessibility, affordability, quality, accountability, resource development, and operational excellence.

EXPLANATION:

In 2007, the Board approved its last revision to Board Policy 7-01, "Audit Committee Charter". The System has reviewed this policy as part of its five-year review cycle and discussed the proposed changes with the Board Audit Committee.

The policy's title is being updated to reflect the fact that it encompasses both the Audit Committee responsibilities as well as the "Internal Audit Charter".

The substance of the policy is being significantly re-written and restructured to reflect the following:

- Separate the Audit Chair and Audit Committee responsibilities from those of the audit team. The audit team's responsibilities are detailed in the "Internal Audit Charter".
- Remove Audit Chair responsibilities that are duplicative, not currently in practice, and not required by guidance.
- Update the Internal Audit Charter to include responsibilities of the Internal Audit Director.
- Update the Internal Audit Charter to include current requirements from the Institute for Internal Auditors, which includes adding the following:
 - The Director of Internal Audit will confirm to the audit committee at least annually, the organizational independence of the internal audit department.
 - Establishing a quality and improvement program that covers all aspects of the internal audit department. This program requires an external evaluation to be conducted once every five years by a qualified assessor.

The attached BP 7-01 reflects the substantive as well as non-substantive, editorial or conforming changes. A redline version showing the details of all revisions is available upon request.

RECOMMENDATION:

CCCS Staff recommends the Board approve the revisions made to BP 7-01.

ATTACHMENT(S):
BP 7-01 Final