

RESOLUTION 2023-11

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WHEREAS, the Board of Trustees, Audit Subcommittee approved an Internal Audit Charter, at the recommendation of the Director, Internal Audit, defining the governance, authority, role, responsibility, and standards of practice of the internal audit function on October 9, 2015; and

WHEREAS, the Director, Internal Audit has recognized a need for a revision to the Internal Audit Charter; and

WHEREAS, the Director, Internal Audit, in an effort to clarify organizational reporting lines, ensure independence from management, has now proposed the adoption of a revised Internal Audit Charter, and requests that the Board of Trustees adopt said Charter; now, therefore be it

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees hereby adopts the Internal Audit Charter (in form substantially similar to Exhibit A attached hereto) and authorizes the Office of Internal Audit

Exhibit A

**Cleveland State University
Internal Audit Charter**

INDEPENDENCE AND OBJECTIVITY

Internal Audit will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditor's judgment.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.

Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Director will confirm to the Audit, Compliance, and Risk Subcommittee, at least annually, the organizational independence of the Internal Audit Department.

RESPONSIBILITY

The scope of Internal Audit encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the organization's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information;
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization;
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Evaluating the effectiveness and efficiency with which resources are employed;
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned;
- Monitoring and evaluating governance processes;
- Monitoring and evaluating the effectiveness of the organization's risk management processes;
- Coordinating auditing activities with external auditors and other outside groups as well as governmental auditors;
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organization;
- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan;
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board;
- Evaluating specific operations at the request of the Board or management, as appropriate.

INTERNAL AUDIT PLAN

At least annually, the Director will submit to senior management and the Financial Affairs Committee (and/or designated subcommittee) an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal/calendar year. The Director will communicate the impact of resource limitations and significant interim changes to senior management and the Financial Affairs Committee (and/or designated subcommittee).

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Board. The Director will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs,