

Tarrant County College District
Internal Audit Department Charter
Effective _ March 13, 2025

PURPOSE AND MISSION

The purpose of the Internal Audit Department is to strengthen the Tarrant County College District's (TCCD) ability to support, protect, and sustain value. The mission of the Internal Audit Department is to provide the Board of Trustees and Administration with independent, risk-based and objective assurance, advice, and foresight.

The Internal Audit Department is responsible for providing the Chancellor, Board of Trustees and Administration with information about the adequacy and effectiveness of the institution's system of internal administrative and accounting controls and the quality of operating performance when compared with established standards.

TCCD internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Institute of Internal Auditors (IIA) Global Internal Auditing Standards (Standards), which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Board of Trustees.
- Internal auditors are free from undue influence and committed to making objective assessments.

STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

Internal Audit will govern itself by adhering to the mandatory elements of the IIA International Professional Practices Framework, which includes the Standards and Topical Requirements. By adhering to these standards, the department ensures the highest level of professionalism, integrity, and quality in its services. The Internal Audit Director will report annually to the Internal Audit Committee regarding Internal Audit's conformance to the Standards.

CHANGES TO THE MANDATE AND CHARTER

Circumstances may justify a follow-up discussion between the internal audit director, Board of Trustees, 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 acquisition or reorganization within the organization.

- Significant changes in the internal audit director, Board of Trustees, 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.

BOARD OVERSIGHT

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

- To the extent permitted by the Texas Open Meetings Act, ensure the internal audit director has unrestricted access to and communicates and interacts directly with the Board of Trustees, 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.
- Review the internal audit charter annually with the internal audit director to consider changes affecting the organization, such as the employment of a new internal audit director or changes in the type, severity, and interdependencies of risks to the organization; and approve the internal audit charter annually.
- Approve the risk-based internal audit plan.
- Approve the internal audit function's budget.
- Authorize the Chancellor to appoint and remove the Internal Audit Director with notice to the Board of Trustees.
- Require the Chancellor or their designee to oversee the Internal Audit Director's performance and report to the Board of Trustees.
- Receive communications from the internal audit director about the internal audit function, including its performance relative to its plan.

INDEPENDENCE

To provide for the independence of the Internal Audit Department, its personnel will report to the Internal Audit Director, who reports administratively to the Chancellor or designated Cabinet member and functionally to the Board of Trustees. The Internal Audit Committee also has oversight of the Internal Audit Director. The director must be free of all operational and management responsibilities that would impair their ability to review independently all aspects of TCCD.

AUTHORITY

The Internal Audit Director and staff of the Internal Audit Department are authorized to:

- Have unrestricted access to all functions, data, records, information, physical property and personnel pertinent to carrying out internal audits and investigations. Internal auditors are responsible for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scope of work, apply techniques required to accomplish audit and investigation objectives.
- Obtain the necessary assistance of personnel of TCCD and other specialized services from within or outside of TCCD to complete internal audit services.
- Have full and free access to the Board of Trustees.

The Internal Audit Director and staff of the Internal Audit Department are not authorized to:

- Perform any operational duties for TCCD, as well as not being assigned duties or engage in any activities that the Internal Audit Department would normally be expected to review.
- Initiate or approve accounting transactions external to the Internal Audit Department.
- Direct the activities of any TCCD employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to audit/investigations teams or to otherwise assist the internal auditors.

ETHICS AND PROFESSIONALISM

The Internal Audit Department is committed to maintaining the highest ethical standards and professionalism in all activities. This commitment aligns with the IIA's Code of Ethics, which includes principles of integrity, objectivity, confidentiality, and competency.

The internal audit director will ensure that the 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.

SCOPE OF WORK

The scope of work of the Internal Audits Department is to determine whether TCCD's network of risk management, control, and processes, as designed and represented by management, is adequate and functions in a manner to help ensure:

- Risks, including strategic risks, are appropriately identified and managed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- The actions of employees, faculty, students, contractors, or other relevant parties are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources and assets are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved and are consistent with established goals and objectives.
- Quality and continuous improvement are fostered in TCCD's control process.
- Interaction with the various governance groups occurs as needed.
- Significant legislative or regulatory issues impacting TCCD's are recognized and addressed properly.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.

Opportunities for improving management control, financial well-being, and TCCD's image may be identified during audits or investigations- within Internal Audit's scope of work. The opportunities will be communicated to the appropriate level of management.

RESPONSIBILITY

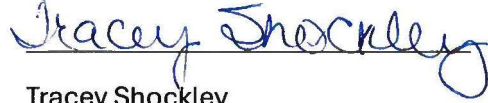
Internal Audit has responsibility to:

- At least annually, develop a flexible risk-based internal audit plan, including any risks or control concerns identified by management. Discuss the plan with the Internal Audit Committee and submit the plan to the Board of Trustees for review and approval.
- Implement the annual audit plan as approved. Review and adjust the internal audit plan, as necessary, in responses to changes in TCCD's business, risks, operations, programs, systems, and controls.

- Communicate with the Board of Trustees and senior management if there are significant interim changes to the internal audit plan.
- Have and maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Standards.
- Communicate the results of engagements promptly and to the appropriate individuals.
- 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 of Trustees and senior management for each engagement as appropriate.
- Issue reports to the Chancellor, Internal Audit Committee, and Board of Trustees summarizing results of audit activities.
- Keep the Chancellor, Internal Audit Committee, and Board of Trustees informed of emerging trends and successful practices in internal auditing.
- Assist in the investigation of significant issues within TCCD and notify appropriate members of the administration of the results.
- Perform advisory services, beyond the department's assurance services, to assist management in meeting its objectives (examples may include facilitation, control self-assessments, process design, and training).
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to TCCD.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the internal audit director cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Board of Trustees.
- The management's responses to the risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond TCCD's risk appetite, therefore the internal audit director will bring the information to the chancellor, internal audit committee and the Board of Trustees.
- Ensure compliance with Texas Government Code, Section 2102.015: *Publication of Audit Plan and Annual Report on the Internet.*

CHARTER APPROVAL

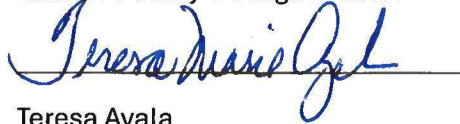
Approval/Signatures



Tracey Shockley
Internal Audit Director
Tarrant County College District

March 13, 2025

Date



Teresa Ayala
Board of Trustees - President
Tarrant County College District

March 13, 2025

Date



Dr. Elva LeBlanc
Chancellor
Tarrant County College District

March 13, 2025

Date