

Exhibit B

OFFICE OF INTERNAL AUDIT CHARTER

This Charter establishes the operating framework for the District's Office of Internal Audit (OIA).

ROLE

The Office of Internal Audit and the internal audit activity are established by the Columbus City Schools District Board of Education (BOE). The internal audit activity's responsibilities are defined by the BOE as part of the BOE's oversight role. The Internal Auditor is a direct report of, and is directly accountable to, the BOE.

INTRODUCTION

Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the BOE and management with independent, risk-based, and objective assurance, advice, insight, and foresight. "Internal auditing" is an independent, objective assurance and advisory service designed to add value and improve operations. It helps Columbus City Schools accomplish its goals and objectives by applying a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and internal control processes.

GUIDING PRINCIPLES

The OIA will govern itself by adherence to *Government Auditing Standards 2024 Revision*. *Government Auditing Standards 2024 Revision* provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence. Such performance provides accountability and helps improve operations and services. These standards, commonly referred to as generally accepted government auditing standards (GAGAS), provide the foundation for government auditors to lead by example in areas of independence, transparency, accountability, and quality through the audit process. The internal audit activity will adhere to relevant BOE policies and procedures and the OIA operating procedures manual.

AUTHORITY

The internal audit activity's mandate is established by BOE policies PO1710, *Employment of the Internal Auditor*, and PO1720, *Responsibilities of the Internal Auditor*. The BOE authorizes OIA, with strict accountability for confidentiality and safeguarding records and information, full, free, and unrestricted access to any and all of Columbus City Schools records, physical properties, and personnel pertinent to carrying out its activities. The BOE directs all employees to assist the OIA in fulfilling its roles and responsibilities. The OIA activity has free and unrestricted access to the BOE and BOE committees.

The BOE will ensure that the internal activity maintains organizational independence and has sufficient authority to fulfill its duties by:

- Approving the internal audit charter.
- Approving the risk based internal audit annual work plan.
- Approving the internal audit budget and resource plan.
- Receiving timely communications from the Internal Auditor on the internal audit activity's performance relative to its plan and other matters.

- Approving decisions regarding the appointment, removal, and remuneration of the Internal Auditor.
- Making appropriate inquiries of management and the Internal Auditor regarding whether inappropriate scope or resource limitations exist.
- Completing performance evaluations of the Internal Auditor.

The Internal Auditor will communicate and interact directly with the BOE including in executive sessions and between BOE meetings as appropriate and in compliance with Ohio's Open Meeting Laws.

INDEPENDENCE AND OBJECTIVITY

The OIA activity will remain free from interference by any element in the organization, including on matters of audit selection, scope, procedures, frequency, timing, or report content, to permit maintenance of a necessary independent and objective mental attitude. As part of exercising its oversight of the internal audit activity, the BOE may direct the cessation of any internal audit activity or override the Internal Auditor's judgement or conclusions on any matter only by a two-thirds vote of all BOE members taken during a public meeting.

Internal auditors will have no direct responsibility or authority for any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop operating procedures, install systems, prepare records, or engage in any activity that may impair the internal auditor's independence or objectivity. Occasionally, internal auditors provide advisory services for specific internal controls, procedures, or processes to enhance management's operations which management adopts and implements. Such instances will be disclosed to the BOE.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interest or by others in forming judgments.

OIA RESPONSIBILITY

The scope of internal auditing 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 goals, adherence to guardrails, support of strategic priorities, objectives, and the Portrait of a Graduate.
- 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 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.

- 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 BOE.
- Evaluating specific operations at the request of the BOE, BOE committees, or management, as appropriate.

INTERNAL AUDIT PLAN

At least annually, the Internal Auditor will submit to the BOE and senior management an internal audit work plan for the subsequent fiscal year. The work plan will be approved by the BOE. The internal audit work plan will consist of a work schedule as well as budget and resource requirements. The Internal Auditor will communicate the impact of resources limitations and significant operational changes to senior management and the BOE.

The internal audit work plan will be developed based on a prioritization of the audit universe using a risk-based methodology, and include input from senior management and the BOE. The Internal Auditor will review and adjust the work plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit work plan will be communicated to BOE and senior management through periodic activity reports.

OIA REPORTING AND MONITORING

A written report will be prepared and issued by the Internal Auditor or designee for each internal audit engagement and will be distributed as appropriate. Internal audit engagement results will also be communicated to the BOE through periodic activity reports.

The internal audit report may include management's response and corrective action taken or to be taken in regard to specific audit findings and recommendations. Management's response, whether included within the original audit report or provided thereafter by management will state an estimated implementation date for corrective action, identify the process owner responsible for corrective action, and explanation if not implementing corrective action.

The internal audit activity will be responsible for follow-up on engagement findings and recommendations. All significant findings will remain open until corrective action is verified as implemented.

QUALITY MANAGEMENT, ENGAGEMENT QUALITY REVIEWS, AND PEER REVIEW

The internal audit activity will design, implement, and operate a system of quality management for engagements conducted in accordance with GAGAS. The objective of the system of quality management is to provide reasonable assurance the OIA and its personnel fulfill their responsibilities in accordance with professional standards and applicable laws and regulations and perform and report on engagements in accordance with such standards and requirements.

The Internal Auditor will communicate to the BOE on the internal audit activity's system of quality management, including results of external assessments conducted at least every three years.

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