



The Office of Internal Audits should be free from interference in determining the scope of internal auditing, performing work, and communicating results. To provide for the independence of the Office of Internal Audits, its personnel should report to the CAO, who reports administratively to the DII and functionally to the Audit, Risk, and Compliance (ARC) Committee. The CAO shall have direct and unrestricted access to the Chancellor and the ARC Committee. The CAO will confirm to the ARC Committee and the Board of Trustees, at least annually, the organizational independence of the Office of Internal Audits. The CAO will ensure that the internal audit activity remains free of conditions that threaten the ability of the activity to carry out its activities in an unbiased manner. If the CAO determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties. The CAO will disclose to the Chancellor and the ARC Committee any interference and related implications in determining the scope of internal auditing, performing work and communicating results.