

Illinois State Toll Highway Authority

Minutes of the Audit Committee Meeting March 24, 2011

The Illinois State Toll Highway Authority held an Audit Committee Meeting on Thursday, March 24, 2011 at approximately 8:30 a.m. at the Central Administration Building in Downers Grove, Illinois. Directors on the Committee in attendance were as follows:

Committee Chair Paula Wolff
Director Carl Towns
Director Jim Roof

Chair Wolff announced that a Special Audit Committee meeting (date to be determined) will be held before the next Board meeting to review the 2010 Internal Audit findings.

Chair Wolff called the meeting to order. Director Roof moved to approve the minutes of the Audit Committee Meeting held on February 24, 2011; seconded by Director Towns. The motion was approved unanimously.

Executive Director Lafleur introduced Arjana Jaupi, Internal Control and Compliance Manager, to present the 2011-2012 Audit Plan. Ms. Jaupi reviewed the requirements of the Fiscal Control and Internal Audit Act and imposed by the State Internal Audit Advisory Board (“SIAAB”). She also listed the description for cycle or mandatory audits as well as the schedule for each.

Director Roof asked when the next audit by SIABB is scheduled. Ms. Jaupi indicated that SIABB is scheduled to return in 2012.

The cycle audit categories include: administrative support; budgeting, accounting and reporting; property, equipment and inventory; revenues and receivables; electronic data processing; agency organization and

management; purchasing, contracting and leasing; expenditure control and personnel and payroll. In addition to the cycle audits, Executive Director Lafleur requested that the petty cash accounts also be audited in 2011.

Chair Wolff asked how and when petty cash funds are used. Mike Colsch, Chief of Finance, explained that petty cash is managed out of the Finance Department and is typically used for small purchases of office supplies that are needed immediately in Central Administration. The petty cash audit will include a review for appropriate documentation and correct reimbursement of those accounts. Executive Director Lafleur added that it is an appropriate practice to conduct this type of audit even when the Tollway is not required to do so and there is no apparent problem. Auditing hours are allocated within the plan to accommodate requests for discretionary audits.

Director Roof asked whether this type of audit is typically announced ahead of time. Ms. Jaupi replied that advanced notice is given to the department.

Chair Wolff asked whether findings from external audits are investigated by the internal audit department. Ms. Jaupi indicated that hours are allocated to conduct follow-up investigations of external audit findings.

Chair Wolff asked about the status of the search for Chief Internal Auditor. Ms. Lafleur shared that the position has been advertised and that she is in the process of interviewing candidates.

Chair Wolff thanked Ms. Jaupi for her presentation and called for a motion to approve the 2011-2012 Audit Plan. Director Towns moved to approve; seconded by Director Roof. The motion was approved unanimously.

Director Roof added that the audit plan was the result of a thoughtful process and that it is important that sufficient hours are allocated to audit reviews.

There being no further business, Director Roolf moved to adjourn; seconded by Director Towns. The motion was approved unanimously.

Meeting adjourned at approximately 8:50 a.m.

Minutes taken by: _____

Tranece Artis