



## Record of Meeting | April 18, 2018

The Illinois State Toll Highway Authority (the “Tollway”) held the regularly scheduled Audit Committee Meeting on Wednesday, April 18, 2018 in the Boardroom of the Tollway’s Central Administration Building in Downers Grove, Illinois. The Meeting was held pursuant to By-Laws of the Tollway upon call and notice of the Meeting executed by Chairman Robert J. Schillerstrom and posted in accordance with the requirements of the *Illinois Open Meetings Act*. The Meeting was open to the public.

*[Bolded entries indicate issues which may require follow-up to present or report to Directors.]*

## Call to Order / Roll Call

Committee Chair David Gonzalez called the Meeting to order at approximately 10:34 a.m., stating that this is the regularly scheduled meeting of the Audit Committee of the Tollway Board of Directors. He then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:	Committee Members Not Present:
Committee Chair David Gonzalez	None
Director Earl Dotson, Jr.	

The Board Secretary declared a quorum present.

## Public Comment

Committee Chair Gonzalez opened the floor for public comment. No public comment was offered.

## Committee Chair’s Items

Committee Chair Gonzalez called for a motion to approve the Minutes of the regular Audit Committee meeting held on December 13, 2017, as presented. Director Dotson made a motion for approval; seconded by Committee Chair Gonzalez. Committee Chair Gonzalez then called for a vote. The motion was PASSED unanimously.



---

## Committee Business

---

**Internal Audit Update:** Committee Chair Gonzalez introduced Cassaundra Rouse, Chief Internal Auditor, to present to the Committee an update on Internal Audit Department activity. [See attached presentation.](#)

Ms. Rouse's presentation included an overview of the Internal Audit purpose, authority and responsibility, 2017 Internal Audit activity, cycle audits and Internal Audit resources.

Upon conclusion of the presentation, Director Dotson inquired about the term "PII" used in the course of the overview provided. Ms. Rouse responded that the acronym stands for Personally identifiable information (PII) and is any data that could potentially identify a specific individual, such as credit card numbers. She then discussed new statutory guidance provided in 2017 regarding PII and the framework which has been implemented at the agency to protect customer and employee information. Committee members and Ms. Rouse then briefly discussed audit findings regarding PII, controls put in place as a result of those findings, and follow-up which is to be performed.

Director Dotson then inquired about the status of the procurement for Technical Assistance programs. Ms. Rouse provided an update on the interview processes underway with potential providers, highlighting the emphasis in the procurement on mechanisms for "real time" feedback to ensure improvements can be implemented quickly and that services provided are aligned with the needs of program participants. Gustavo Giraldo, Chief of Diversity and Strategic Development, noted that findings of the selection process are anticipated to be discussed at the Diversity Advisory Council and/or Diversity and Inclusion Committee meetings in August.

Director Dotson asked about Internal Audit staffing levels. Committee Chair Gonzalez noted that the agency is in the process of procuring Internal Audit assistance utilizing a Department of Central Management Services (CMS) master contract.

---

## Adjournment

---

There being no further business, Committee Chair Gonzalez requested a motion to adjourn. Motion to adjourn was made by Director Dotson; seconded by Committee Chair Gonzalez. Committee Chair Gonzalez then called for a vote. The motion was PASSED unanimously.



The meeting was adjourned at approximately 10:54 p.m.

Minutes taken by: \_\_\_\_\_

Christi Regnery  
Board Secretary  
Illinois State Toll Highway Authority



# Internal Audit Department

April 18, 2018



# Agenda

**Internal Audit purpose, authority and responsibility**

**Internal Audit activity**

**Cycle audits**

**Department resources**

# Purpose, Authority and Responsibility

Internal Audit provides ongoing, objective and independent review of internal controls and independent appraisals, audits, analysis, and counsel related to the assessment of business risk.



# Purpose, Authority and Responsibility

## Internal Audit performs audit activities in conformance with:

- The Fiscal Control and Internal Auditing Act (FCIAA)
- International Standards for the Professional Practice of Internal Auditing Standards (IIA Standards)
- Code of Ethics of the Institute of Internal Auditors
- State of Illinois Internal Audit Advisory Board ( SIAAB)
- Generally Accepted Government Auditing Standards ( GAGAS)

# Purpose, Authority and Responsibility

## Responsibility

- Review the reliability and integrity of financial and operating information
- Review fiscal, operational and administrative operations
- Review systems established to ensure compliance with policies, plans, procedures, laws and regulations that could significantly impact operations
- Evaluate the effectiveness and efficiency with which resources are employed



# Internal Audit Activity

## 2017

- Two-year audit plan
- Annual certification letter
- Risk-based reviews
- External audit coordination
- Vendor audits
- Cycle audits
- Payment card industry audit coordination
- ERP pre-implementation review

# 2017 Cycle Audits Completed

Title of Audit	Findings
Agency Organization and Management	5
Purchasing and Contracting	1
Expenditure Control	1
Personnel and Payroll	2
Petty Cash ( If disbursements exceed \$5,000)	N/A



# 2018 Cycle Audits

## Title of Audit

Electronic Data Processing

Administrative Support Services

Budget, Accounting and Reporting

Property, Equipment and Inventory

Revenues and Receivables

Petty Cash (If disbursements exceed \$5,000)



# Internal Audit Activity – 2017

**Audit recommendations and observations are being appropriately addressed by management and have been implemented or are scheduled for implementation in 2018**

**Internal Audit is organizationally independent and no restrictions have been placed on Internal Audit work**



# Internal Audit Activity- 2018

## Vendor Management and Service Provider Audits

- Performance of vendor audits to identify potential cost recoveries and highlight areas of contractual non compliance
- Provides appropriate oversight and risk management of significant third party relationships
  - Vendors with access to customer information
  - Vendors deemed to be mission critical



# Internal Audit Resources

Chief of Internal Audit

Internal Audit Manager

Internal Auditors (two staff auditors)



State master contract for Internal Audit assistance

- Tollway contract – *in process*