

INTERNAL AUDIT UPDATE

Shaun Farmer, *Chief Internal Auditor*
December 5, 2019

AGENDA

- Audit Committee Schedule**
- Internal Audit Charter**
- Internal Audit Resources**
- Audit Plan Considerations**
- Internal Audit Plan**
- Next Steps**



AUDIT COMMITTEE SCHEDULE

April 2020

- Summary of IA's purpose, authority and responsibility
- IA's results relative to approved Audit Plan
- Results from prior year
- Governance issues/concerns

August 2020

- Results of the annual external audit

November 2020

- Current state of Internal Audit resources
- Approval of two-year Audit Plan
- Audit Charter review and approval

INTERNAL AUDIT CHARTER

Purpose

Accountability and authority

Responsibilities

Scope of work



Independence

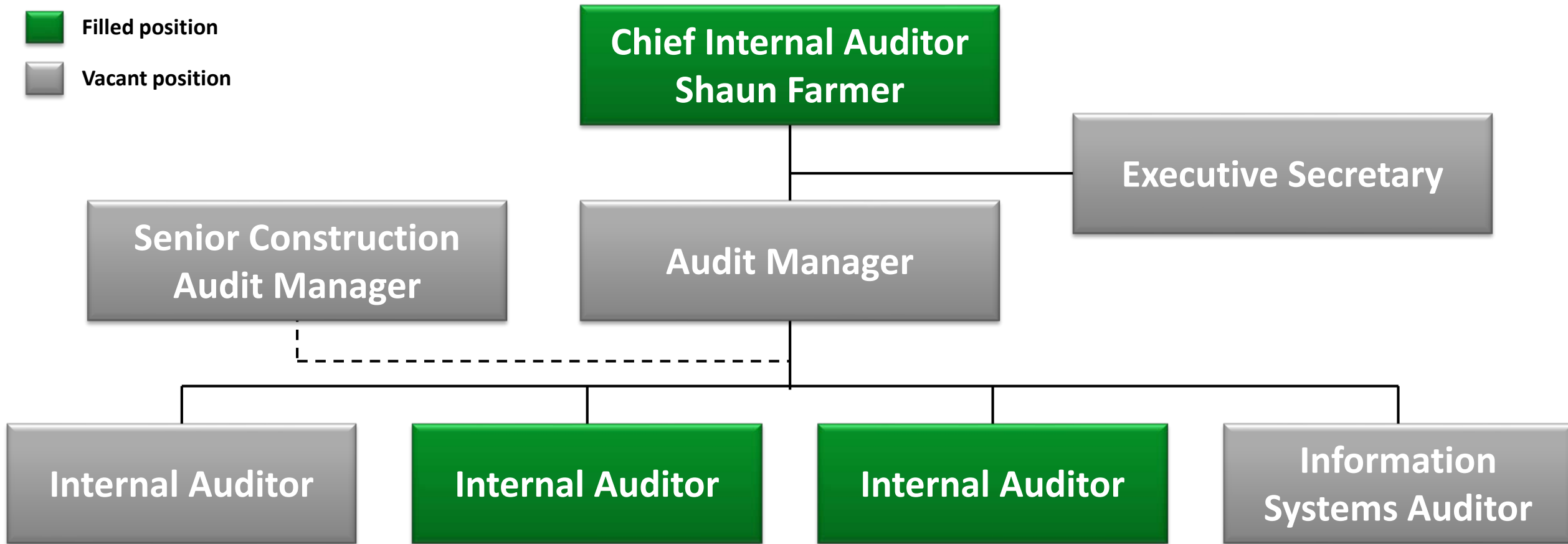
Reporting process

Periodic assessments



DEPARTMENT ORGANIZATION

-  Filled position
-  Vacant position

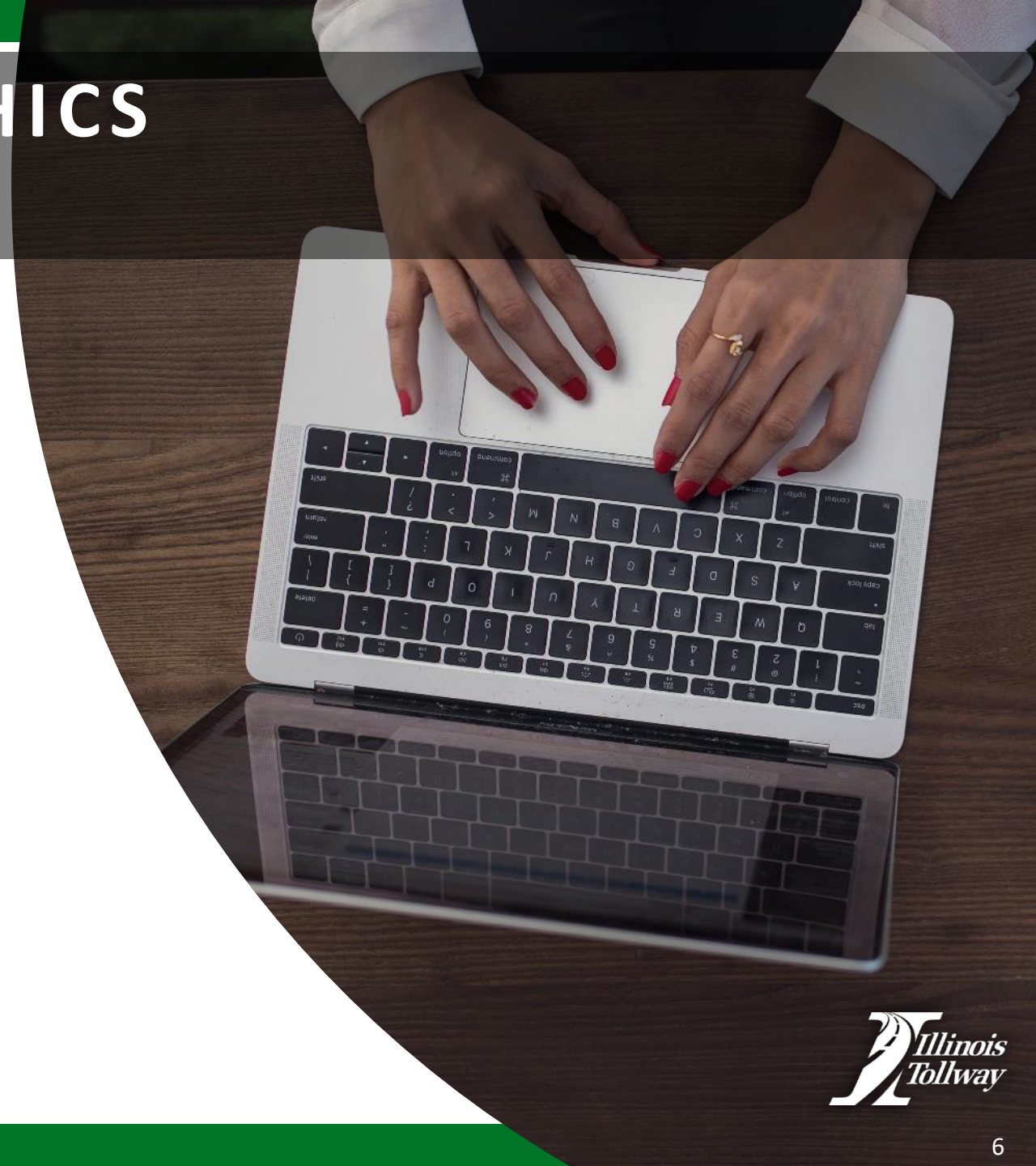


Organization chart is included annually with Internal Audit's Annual September 30th Report to the Executive Director



INDEPENDENCE AND ETHICS

Internal Audit confirms that there are no significant facts or matters that impact or impair our independence as auditors.



AUDIT PLAN

- **Annual ongoing risk-based exercise to identify concerns and potential risk areas to be considered for inclusion in the Annual Audit Plan**
- **Resource constraints and skill set mix of the existing Internal Audit staff**
- **Key factors considered:**
 - Potential for impact on agency wide policies and procedures
 - Changes in systems, processes, policies or procedures
 - Results and time since last audit engagement
 - Extent of government regulation
 - Information and communication
 - Transaction volume
 - Staffing levels



CYCLE AUDIT SCHEDULE

2020

Administrative Support Services

Budget, Accounting and Reporting

Property, Equipment and Inventory

Revenues and Receivables

Electronic Data Processing

Grant Administration *(if Tollway receives any grants)*

Petty Cash *(if disbursements exceed \$5,000)*

Agency Organization and Management

2021

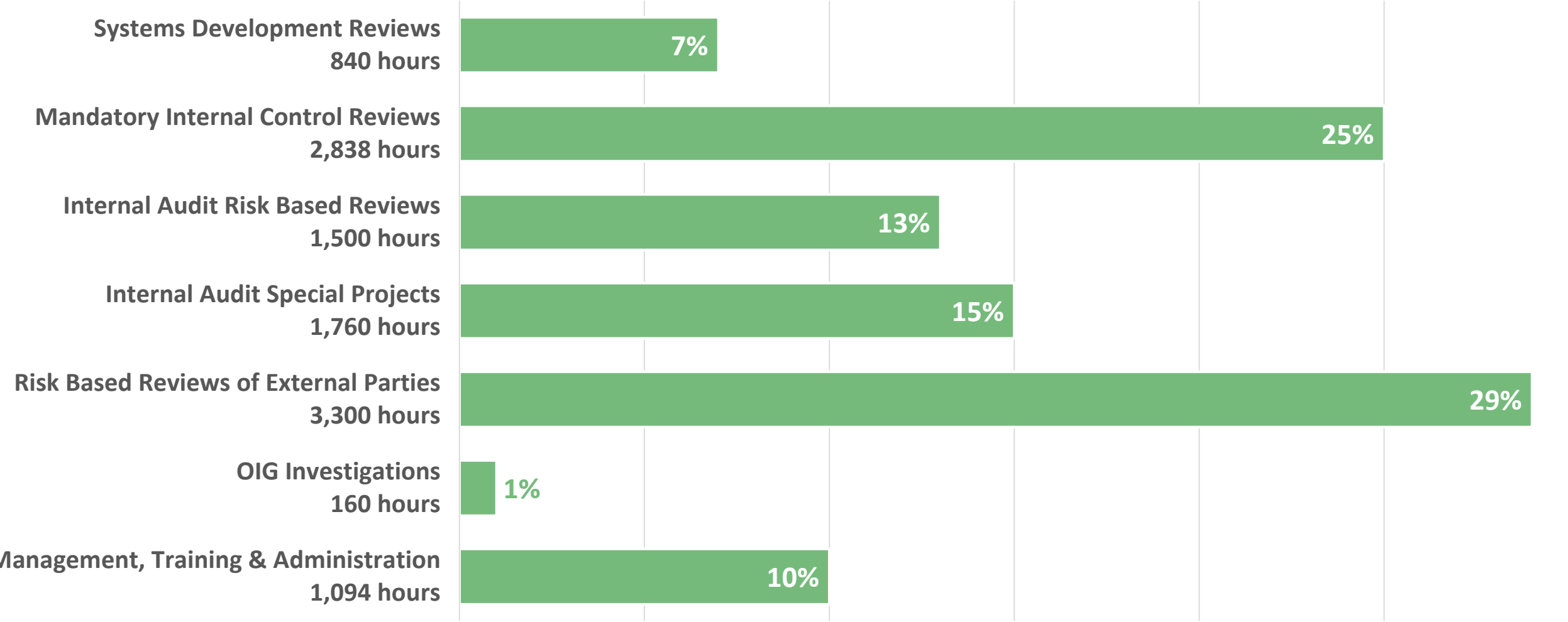
Purchasing, Contracting and Leasing

Expenditure Control

Personnel and Payroll

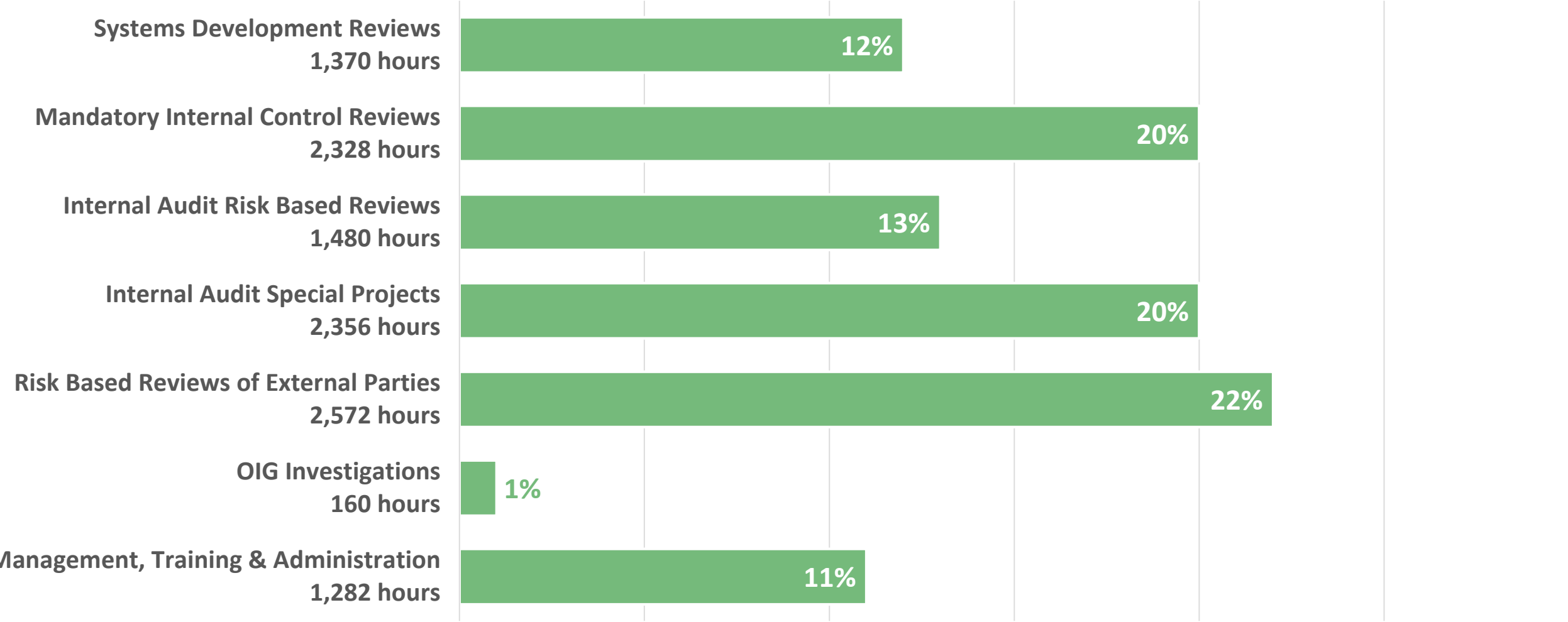
2020 INTERNAL AUDIT PLAN

Allocation of available hours



2021 INTERNAL AUDIT PLAN

Allocation of available hours



2019 AUDIT ACTIVITY HIGHLIGHTS

- Completed all statutorily required cycle audits
- Obtained highest rating from the State Internal Audit Advisory Board (SIAAB)
- Performed review of construction processes
- On-time submittal of the Annual Internal Control Certification Letter
- Followed-up on all open prior years audit findings
- Liaison for the 2018 Annual External Audit (Financial, Compliance, IT)
- Implemented TeamMate+ Internal Audit management software
- Oversight of Tollway's annual PCI Review
- Annual September 30th Letter to the Executive Director



NEXT STEPS

**Approval of the 2020-2021 two-year
Tollway Audit Plan**

THANK YOU

