AGENDA

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

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.
• 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
<table>
<thead>
<tr>
<th>CYCLE AUDIT SCHEDULE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative Support Services</strong></td>
</tr>
<tr>
<td><strong>Budget, Accounting and Reporting</strong></td>
</tr>
<tr>
<td><strong>Property, Equipment and Inventory</strong></td>
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<tr>
<td><strong>Revenues and Receivables</strong></td>
</tr>
<tr>
<td><strong>Electronic Data Processing</strong></td>
</tr>
<tr>
<td><strong>Grant Administration</strong> <em>(if Tollway receives any grants)</em></td>
</tr>
<tr>
<td><strong>Petty Cash</strong> <em>(if disbursements exceed $5,000)</em></td>
</tr>
<tr>
<td><strong>Agency Organization and Management</strong></td>
</tr>
<tr>
<td><strong>Purchasing, Contracting and Leasing</strong></td>
</tr>
<tr>
<td><strong>Expenditure Control</strong></td>
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<tr>
<td><strong>Personnel and Payroll</strong></td>
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</tbody>
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Presented by Shaun Farmer on December 5, 2019
2020 INTERNAL AUDIT PLAN

Allocation of available hours

- Systems Development Reviews: 840 hours (7%)
- Mandatory Internal Control Reviews: 2,838 hours (25%)
- Internal Audit Risk Based Reviews: 1,500 hours (13%)
- Internal Audit Special Projects: 1,760 hours (15%)
- Risk Based Reviews of External Parties: 3,300 hours (29%)
- OIG Investigations: 160 hours (1%)
- Management, Training & Administration: 1,094 hours (10%)
## 2021 INTERNAL AUDIT PLAN

### Allocation of available hours

<table>
<thead>
<tr>
<th>Category</th>
<th>Hours</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems Development Reviews</td>
<td>1,370</td>
<td>12%</td>
</tr>
<tr>
<td>Mandatory Internal Control Reviews</td>
<td>2,328</td>
<td>20%</td>
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<tr>
<td>Internal Audit Risk Based Reviews</td>
<td>1,480</td>
<td>13%</td>
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<tr>
<td>Internal Audit Special Projects</td>
<td>2,356</td>
<td>20%</td>
</tr>
<tr>
<td>Risk Based Reviews of External Parties</td>
<td>2,572</td>
<td>22%</td>
</tr>
<tr>
<td>OIG Investigations</td>
<td>160</td>
<td>1%</td>
</tr>
<tr>
<td>Management, Training &amp; Administration</td>
<td>1,282</td>
<td>11%</td>
</tr>
</tbody>
</table>

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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
Approval of the 2020-2021 two-year Tollway Audit Plan
THANK YOU