



INTERNAL AUDIT UPDATE

Chief Internal Auditor Shaun Farmer
December 15, 2022

AGENDA

Current State of Internal Audit

- Key program updates
- Internal Audit Charter
- Internal Audit resources
- Audit plan considerations
- Internal Audit Plan



2023 KEY UPDATES

Tentative Agenda Items



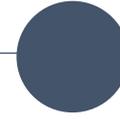
APRIL

- Summary of Internal Audit purpose, authority and responsibility
- Audit activities update
- Internal control program updates
- Governance issues/concerns



JULY

- Internal control program updates



SEPTEMBER

- Internal control program updates



DECEMBER

- Current state of Internal Audit resources
- Approval of two-year audit plan
- Audit charter review *(if needed)*



INTERNAL AUDIT CHARTER

Purpose

Accountability and authority

Responsibilities

Scope of work

Independence

Reporting process

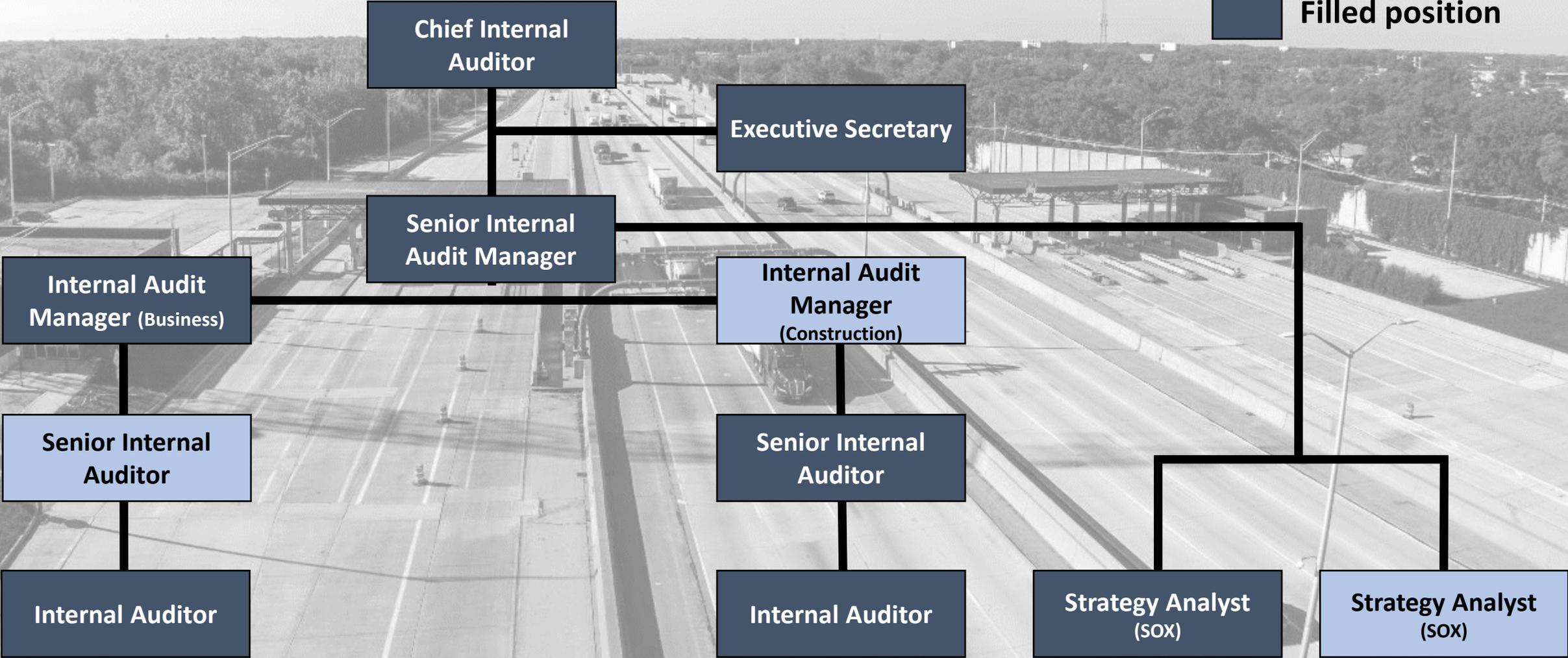
Periodic assessments

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



DEPARTMENT ORGANIZATION

 Vacant position
 Filled position



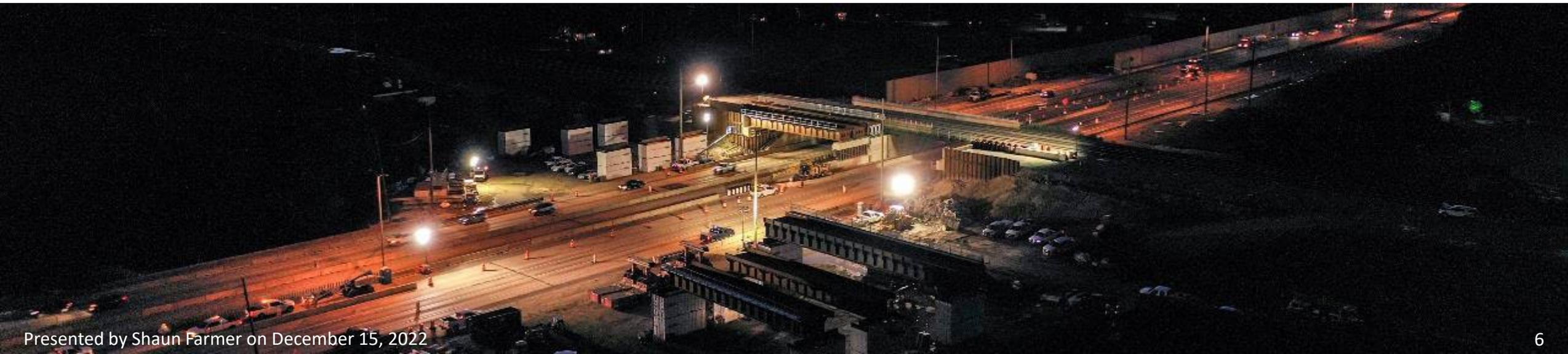
AUDIT PLAN

Annual Ongoing Risk-Based Exercise

- 1 Determine possible areas of concern
- 2 Identify potential risk areas for consideration in annual audit plan
- 3 Examine resources/skillset across internal audit staff

Key Factors

- ✓ Potential for impact on agency 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

2023

Personnel/Payroll

Purchasing and Procurement (Procurement Process)

Agency Organization and Management (AOM) Cycle

Expenditure Cycle

Petty Cash (*If Disbursements Exceed \$5,000*) OR Grants
(*If Tollway Receives Any Grants*)

Revenues and Receivables

2024

Property, Equipment and Inventory

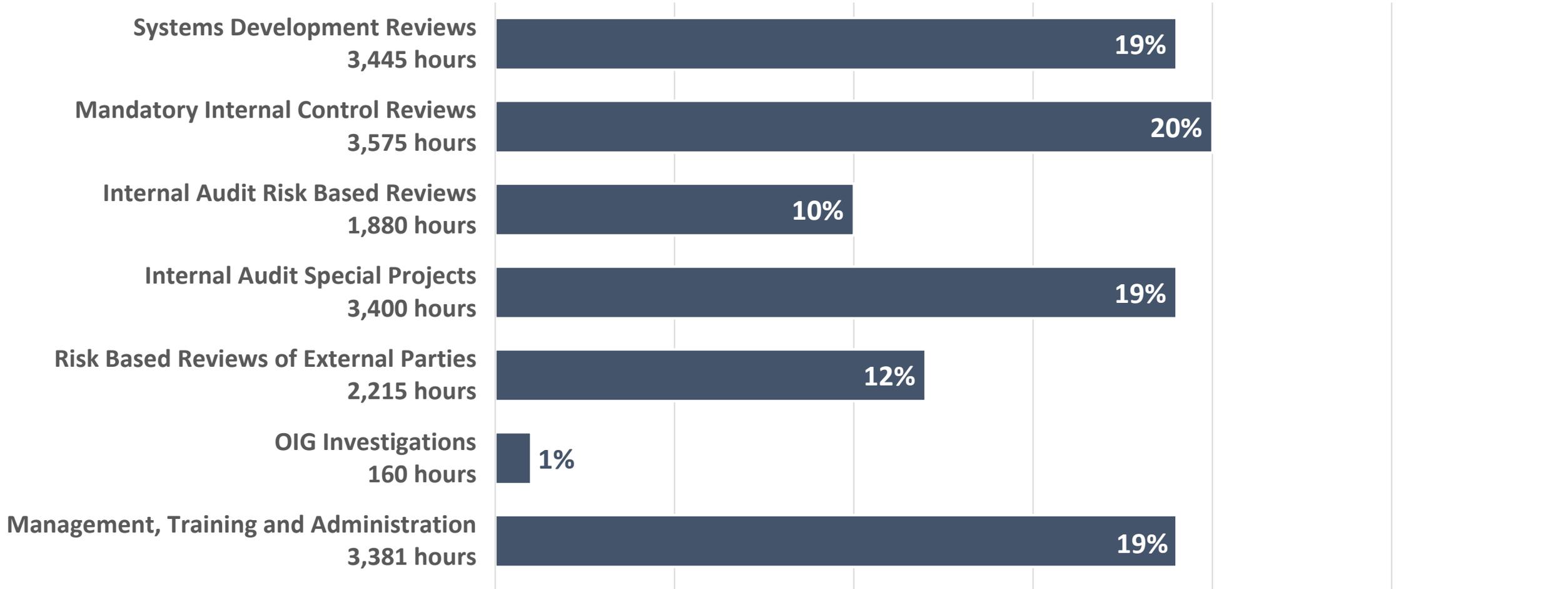
Budget Accounting and Reporting

Electronic Data Processing

Administrative Support Services

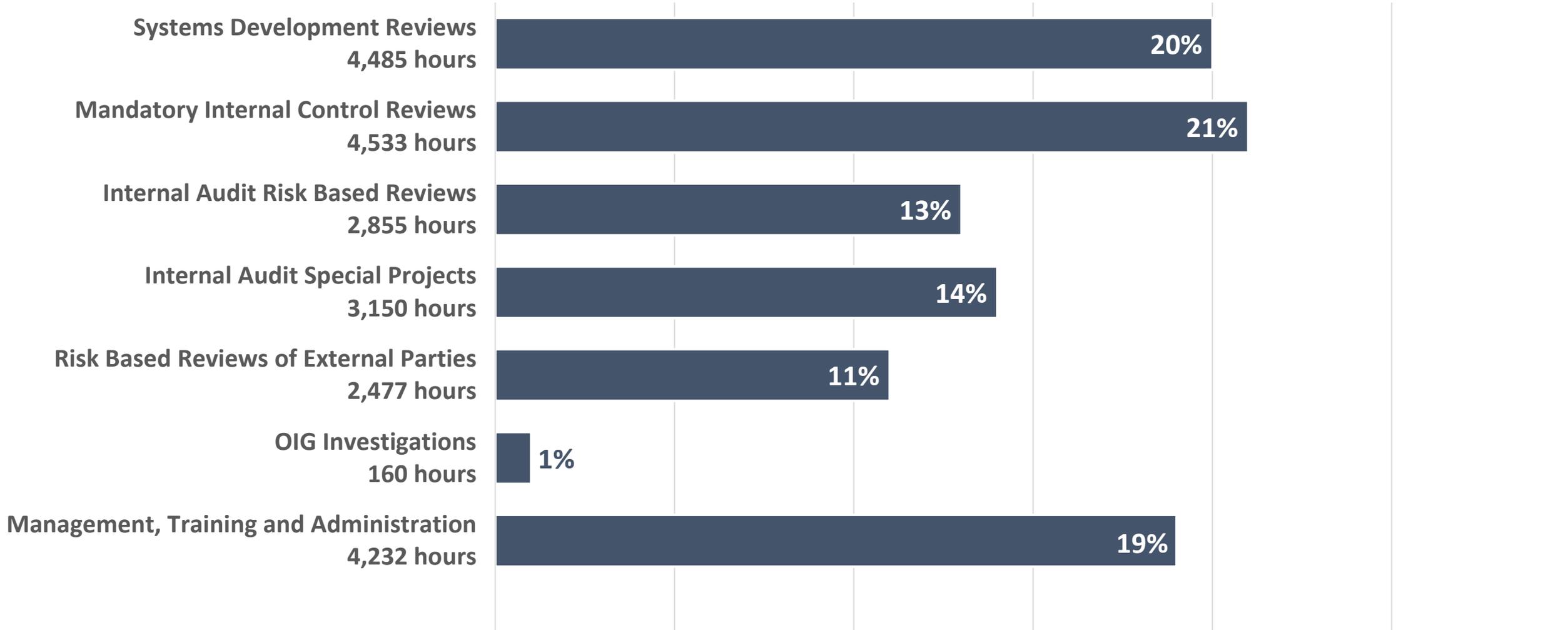
2023 INTERNAL AUDIT PLAN

Allocation of Available Hours



2024 INTERNAL AUDIT PLAN

Allocation of Available Hours



2022 AUDIT ACTIVITY HIGHLIGHTS

- ✓ Completed all required cycle audits
- ✓ Performed reviews of construction processes, vendors, and key risk areas
- ✓ On-time submittal of annual Internal Control Certification Letter (*Auditor General*)
- ✓ Enhanced activity tracking and reporting of audit findings (*internal and external*)
- ✓ Partnered with the business for various strategic consulting projects
- ✓ Annual September 30 letter to executive management
- ✓ Use of technology to drive efficiencies in audit activities



2022 AUDIT ACTIVITY HIGHLIGHTS

- ✓ Continued support of the Tollway's ERM and SOX programs
- ✓ Enhanced Risk Assessment process to drive efficiency
- ✓ Oversight and support of Tollway's annual PCI review
- ✓ Assisted other state agencies in completion of statutorily required peer review
- ✓ Adopting agile methodology
- ✓ Enhanced training opportunities and skills





THANK YOU