



Record of Meeting | March 16, 2022

The Illinois State Toll Highway Authority (“Tollway”) held the regularly scheduled Audit Committee meeting on Wednesday, March 16, 2022 in the Boardroom of the Tollway headquarters in Downers Grove, IL. The meeting was held pursuant to the By-Laws of the Tollway upon call and notice of the meeting executed by Chair Dorothy Abreu and posted in accordance with the requirements of the Open Meetings Act, 5 ILCS 120/1, *et seq.* 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 Alice Gallagher called the meeting to order at approximately 9:31 a.m., stating that this is the regularly scheduled meeting of the Audit Committee of the Tollway Board of Directors. She then asked the Board Secretary to call the roll, those Directors present and absent being as follows:

Committee Members Present:
Committee Chair Alice Gallagher
Director James Connolly
Director Jacqueline Gomez
Director Scott Paddock
Director Gary Perinar

Other Directors in Attendance:
Director Stephen Davis
Director James Sweeney
Director Karen McConnaughay

Committee Members Not Present:
None

The Board Secretary declared a quorum present.

Public Comment

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



Committee Chair's Items

Committee Chair Gallagher entertained a motion to approve **Committee Chair's Item 1**, the Minutes of the regular Audit Committee meeting held on December 16, 2021, as presented. Director Gomez made a motion to approve the minutes, seconded by Director Connolly. Committee Chair Gallagher asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Connolly, Director Paddock, Director Perinar, Committee Chair Gallagher (5)

Nays: (0)

The motion PASSED.

Committee Business

Committee Chair Gallagher called on Chief Internal Auditor Shaun Farmer to present to the Committee an update on Internal Audit Department activity. [See attached presentation.](#)

Directors and staff discussed protocols for audit/compliance of submitted certified payrolls and whether there is a role for the Tollway in addressing compliance. Staff responded that the Illinois Department of Labor is the governing body with regard to compliance enforcement. Cassaundra Rouse, Chief Operating Officer, added that staff will review the Tollway's compliance mechanisms to ensure they are appropriate. **Committee Chair Gallagher asked that staff report back to the Committee on their findings**, noting that if needed, certified payroll compliance could be added to the scope of the upcoming Administrative Support audit.

Upon conclusion of the discussion, Committee Chair Gallagher thanked Mr. Farmer.

Adjournment

There being no further Committee business, Committee Chair Gallagher entertained a motion to adjourn. Director Gomez made a motion to adjourn, seconded by Director Connolly. Chair Gallagher asked that the roll be called on the motion, the vote of yeas and nays being as follows:

Yeas: Director Gomez, Director Connolly, Director Paddock, Director Perinar, Committee Chair Gallagher (5)

Nays: (0)



ILLINOIS STATE TOLL HIGHWAY AUTHORITY

Minutes of the
Audit Committee Meeting

Meeting Date
March 16
2022



The motion PASSED.

The meeting was adjourned at approximately 9:55 a.m.

A handwritten signature in cursive script that reads 'Christi Regnery'.

Minutes taken by: _____

Christi Regnery
Board Secretary
Illinois State Toll Highway Authority

INTERNAL AUDIT UPDATE

Shaun Farmer, Chief Internal Auditor
March 16, 2022



AGENDA

Internal Auditor: Purpose, Authority and Responsibility

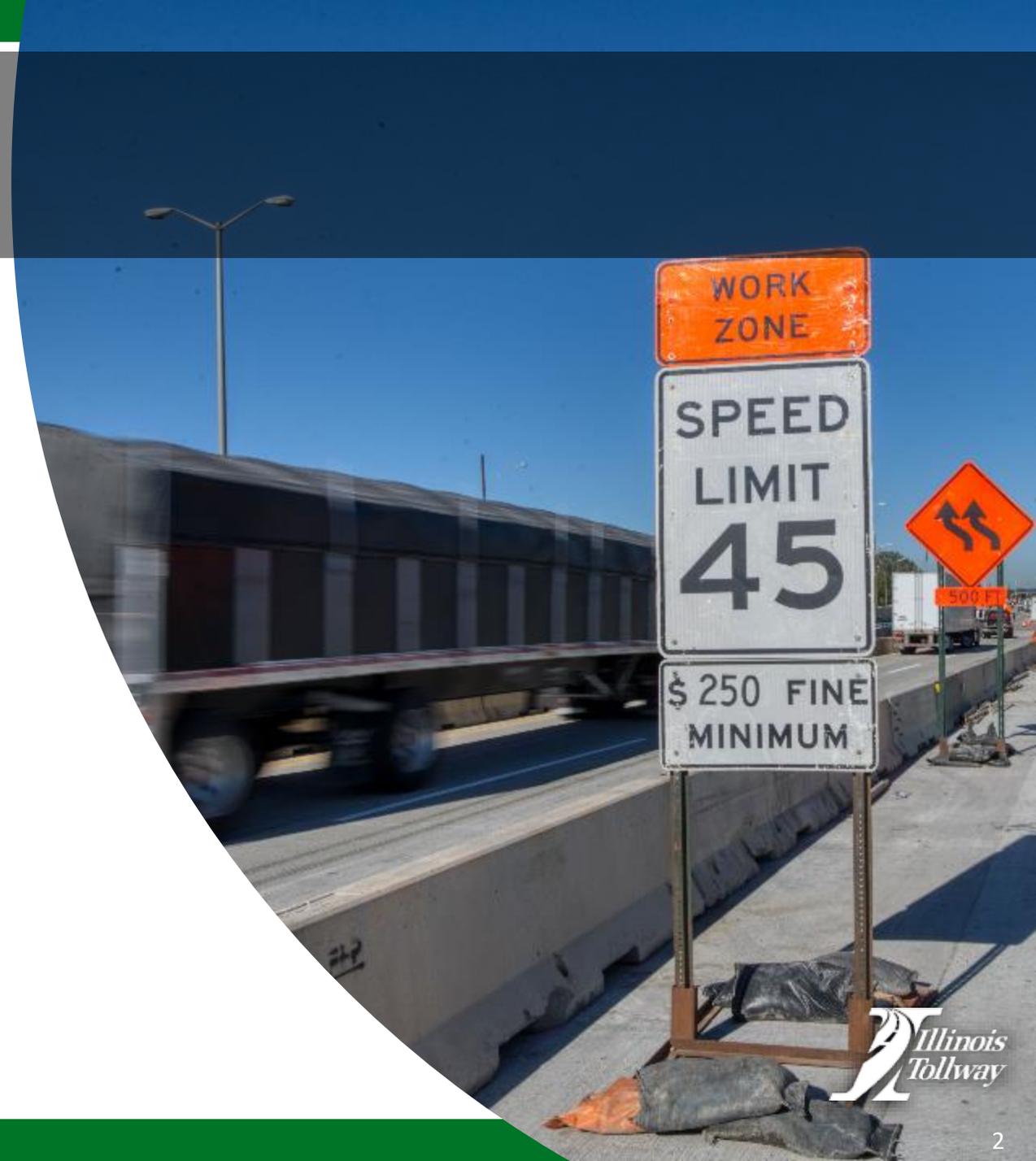
Internal Audit Charter

2021 Internal Audit Activity

2022 Planned Audit Activities

Governance and Management of Findings

Department Organization



INTERNAL AUDITOR

Purpose, Authority and Responsibility

Purpose

To provide ongoing, objective and independent review of internal controls and independent appraisals, audits, analysis and counsel related to the assessment of business risk

Authority

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)
- Internal Audit Charter (updated in 2020 - copy provided)

Responsibility

To review:

- The reliability and integrity of financial and operating information
- Fiscal, operational and administrative operations
- Systems established to ensure compliance with policies, plans, procedures, laws and regulations that could significantly impact operations

To evaluate effectiveness and efficiency with which resources are employed

INTERNAL AUDIT CHARTER

Purpose

Accountability, Authority and Access

Responsibilities

Scope of work

Independence

Reporting process

Periodic assessments





2021 INTERNAL AUDIT ACTIVITY

- ✓ **Two-year audit plan**
- ✓ **Annual Certification Letter**
- ✓ **Cycle audits**
- ✓ **Report to the Chief Executive Officer and Executive Director (Sept. 30)**
- ✓ **Construction-related audits**
- ✓ **External Audit coordination**
- ✓ **Payment Card Industry (PCI) audit coordination**
- ✓ **Assist other state agencies with required peer reviews**
- ✓ **Audit finding remediation support**



2021 INTERNAL AUDIT ACTIVITY

2021 Audit Results

TITLE OF AUDIT	FINDINGS
Personnel and Payroll Cycle	6
Agency Organization & Management Cycle	3
Purchasing Cycle	3
Expenditures Cycle	2
Construction Project Field Review	2
Construction Contract Closeout Review	1
Petty Cash (if disbursements >\$5,000)	N/A
Grants (if the Tollway receives Federal grants)	N/A

2022 PLANNED AUDIT ACTIVITIES

2022 Cycle Audits

- Revenue and Receivables
- Property, Equipment, and Inventories
- Budget, Accounting, and Reporting
- Electronic Data Processing
- Administrative Support Services
- Grant administration (if necessary)
- Petty Cash (if disbursements exceed \$5,000)

Other Key Audit Activities

- IT, risk-based, and external party reviews
- Special projects, management requests, and consulting engagements
- Finding remediation and resolution
- Support to other state agencies
- Inspector General assistance and investigations
- Training and education

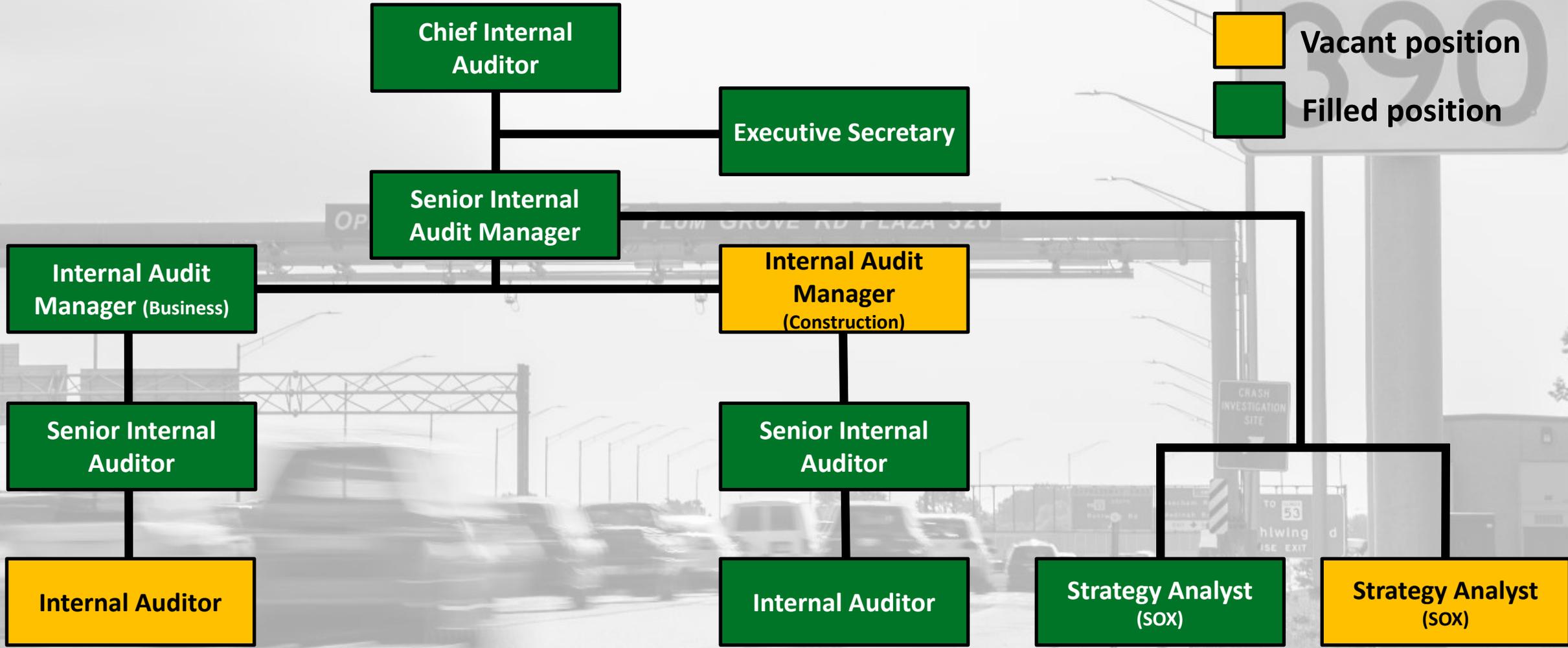


GOVERNANCE AND MANAGEMENT OF FINDINGS

- Audit observations and recommendations addressed by management
- Responses and estimated implementation dates provided by Tollway management
- Internal Audit follows up on finding status monthly and annually for Certification Letter
- Frequent interaction and reporting to support the business units
- Monthly touch base meetings held with each department
- Monthly report distributed to management/key stakeholders
- Coordinated efforts with the Chief Operating Officer
- Monthly meetings and additional communications with the Chairman and Audit Chair
- Support from the Board of Directors, Audit Chair, and Executive Office driving results

INTERNAL AUDIT IS INDEPENDENT, FREE OF OPERATIONAL DUTIES, AND NO RESTRICTIONS ARE PLACED UPON WORK OR ACCESS

DEPARTMENT ORGANIZATION



THANK YOU

EXIT
27 B



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MPH

