



# INTERNAL AUDIT UPDATE

SHAUN FARMER, *CHIEF INTERNAL AUDITOR*

June 29, 2023



# AGENDA

**Internal Auditor: Purpose, Authority and Responsibility**

**Internal Audit Charter**

**2022 Internal Audit Activity**

**2023 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 2022 - 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

# 2022 INTERNAL AUDIT ACTIVITY

- ✓ Two-year audit plan
- ✓ Annual certification letter
- ✓ Cycle audits (5)
- ✓ September 30th Report
- ✓ Operational audits
- ✓ Support key Tollway initiatives
- ✓ Payment Card Industry (PCI) audit
- ✓ Peer reviews to assist other state agencies
- ✓ Audit finding remediation

# 2022 INTERNAL AUDIT ACTIVITY

## *2022 Audits*

<b>TITLE OF AUDIT</b>
<b>Change Order/Extra Work Order Audit</b>
<b>General Engineering Consultant Audit Review</b>
<b>Administrative Support Services Cycle</b>
<b>Disaster Recovery Review</b>
<b>Property, Equipment and Inventory Cycle</b>
<b>Electronic Data Processing Cycle</b>
<b>Ethics Compliance Audit</b>
<b>Budgeting, Accounting and Reporting Cycle</b>
<b>Revenues &amp; Receivables Cycle</b>
<b>Petty Cash (if disbursements &gt;\$5,000)</b>
<b>Grants (if the Tollway receives Federal grants)</b>

# 2023 PLANNED AUDIT ACTIVITIES

## 2023 Cycle Audits

- Expenditures
- Personnel and payroll
- Agency organization and management
- Purchasing and procurement
- 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 department initiatives
- Finding remediation and resolution
- Support to other state agencies
- Inspector General assistance
- Training and education
- Volunteer and outreach activities

# 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 Executive Director
- 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

**Executive Secretary**

**Chief Internal Auditor**

**Senior Internal Audit Manager**

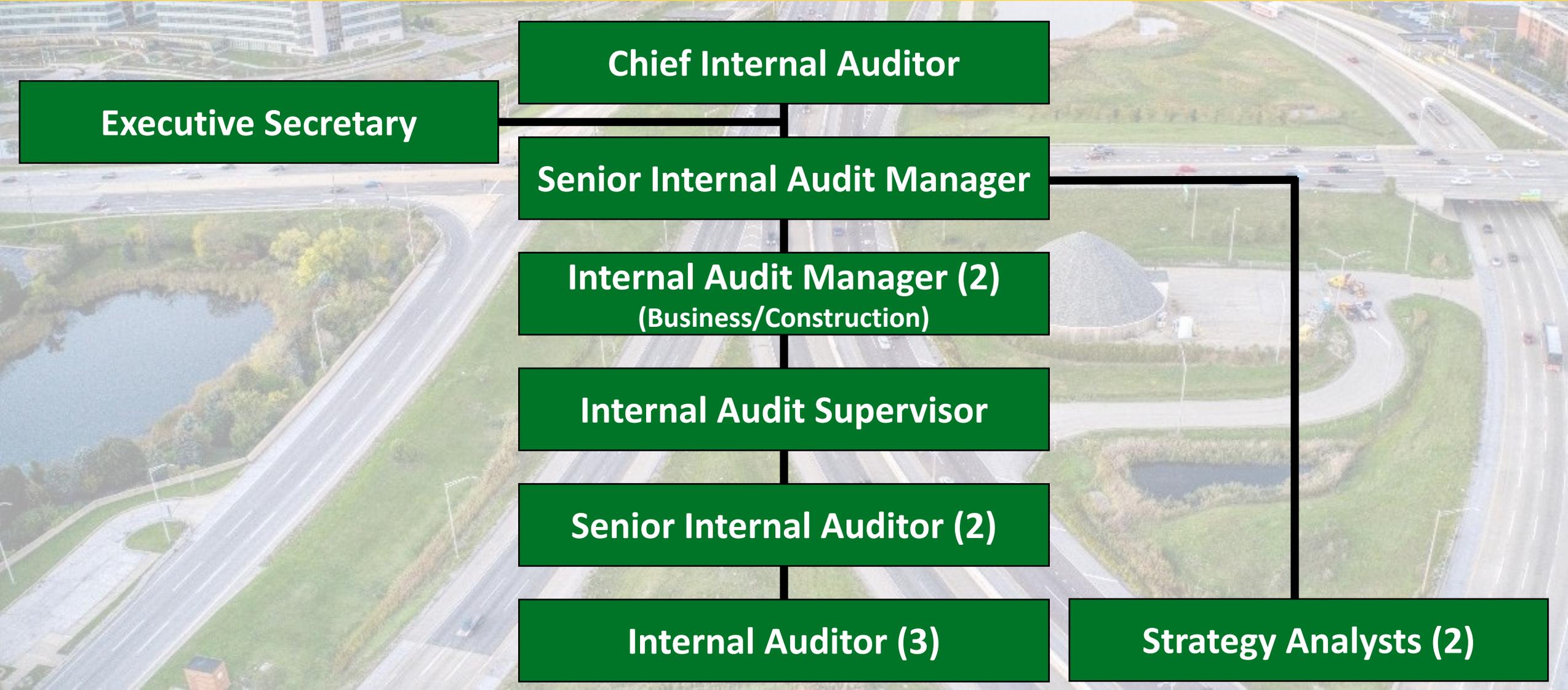
**Internal Audit Manager (2)  
(Business/Construction)**

**Internal Audit Supervisor**

**Senior Internal Auditor (2)**

**Internal Auditor (3)**

**Strategy Analysts (2)**





THANK YOU