



# INTERNAL AUDIT UPDATE

Chief Internal Auditor Shaun Farmer  
December 14, 2023

# AGENDA

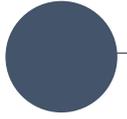
## Current State of Internal Audit

- Key Board updates
- Internal Audit Charter
- Internal Audit resources
- Audit Plan considerations
- Internal Audit Plan
- Audit Department highlights



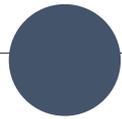
# 2024 KEY UPDATES

## 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



### 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

## Chief Internal Auditor

*Oversees Executive Secretary and Department*



## Senior Internal Audit Manager

*Oversees Internal Audit Managers*



## Internal Audit Managers (2)

*Oversee Internal Auditor Supervisor and staff*



## Internal Audit Supervisor

*Oversees Senior Internal Auditors (2)*

*Oversees Internal Auditors (3)*

*Oversees Strategy Analysts (2)*

## Vacancies

- Internal Auditor Manager (*Construction*)
- Internal Audit Supervisor
- Two Senior Internal Auditors
- One Internal Auditor
- One Strategy Analyst

# 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

2024

Revenues and Receivables

Property, Equipment and Inventory

Budget Accounting and Reporting

Electronic Data Processing

Administrative Support Services

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

Personnel/Payroll

2025

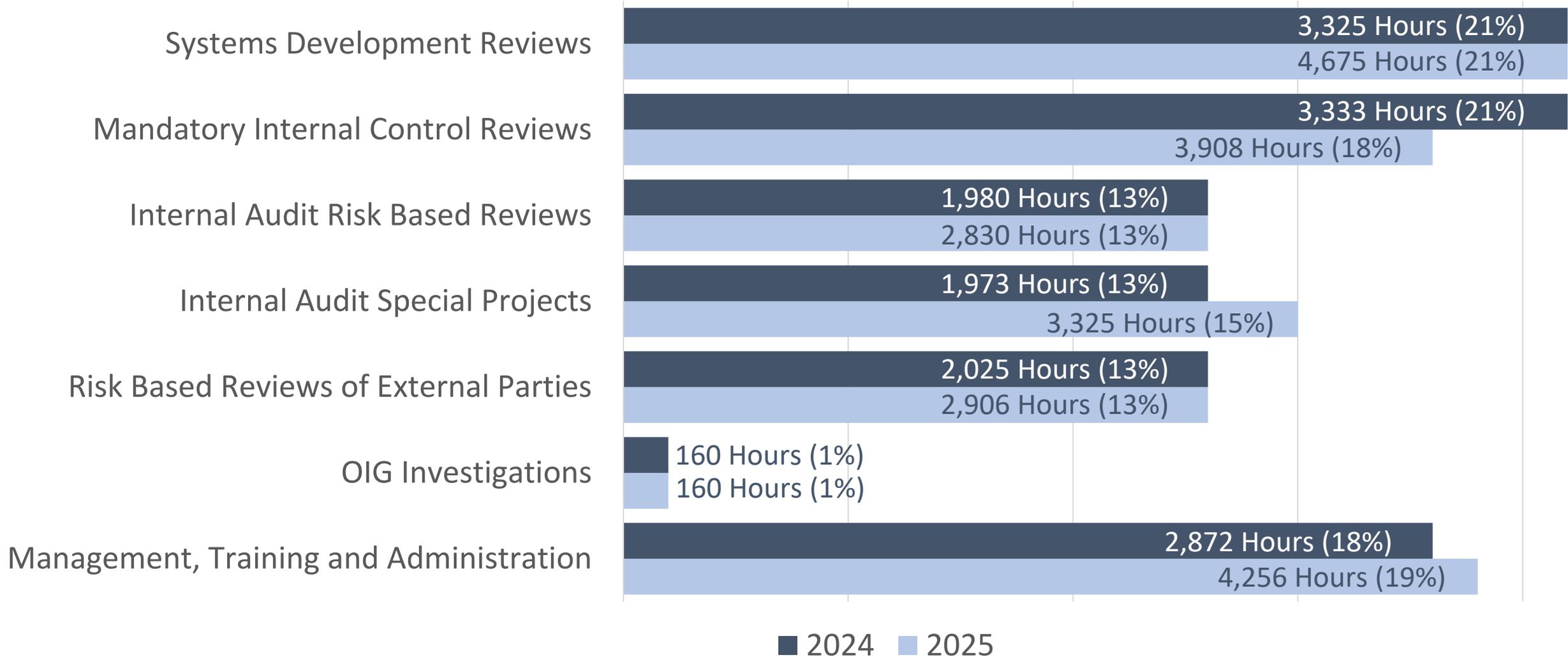
Purchasing and Procurement (Procurement Process)

Agency Organization and Management (AOM) Cycle

Expenditure Cycle

# 2024 / 2025 INTERNAL AUDIT PLAN

## Allocation of Available Hours



# 2023 AUDIT ACTIVITY HIGHLIGHTS

- ✓ Completed all required cycle audits
- ✓ Performed reviews of Engineering, IT, vendors and key risk areas
- ✓ On-time submittal of annual Internal Control Certification Letter (*Auditor General*)
- ✓ Partnered with business units on various strategic initiatives
- ✓ Annual September 30 Letter to executive management
- ✓ Use of technology to drive efficiencies in audit activities
- ✓ Implemented audit software to support Board initiatives
- ✓ Represented Tollway as audit industry leader at multiple events



# 2023 AUDIT ACTIVITY HIGHLIGHTS

- ✓ Continued support of the Tollway's ERM and SOX programs
- ✓ Oversight of Tollway's annual PCI review
- ✓ Assisted a state agency in completion of statutorily required peer review
- ✓ Rolled out agile audit principles
- ✓ Enhanced training opportunities and skills
- ✓ Actively managed open audit findings; partnered with business for closure
- ✓ Liaison for the 2022 annual external audit





**THANK YOU**