

# INTERNAL AUDIT UPDATE

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April 30, 2020

# AGENDA

**Internal Audit Purpose, Authority and Responsibility**

**Internal Audit Charter (copy provided)**

**Internal Audit Activity and Results**

**Cycle Audits**

**Department Resources**



# PURPOSE, AUTHORITY AND RESPONSIBILITY

## Purpose of Internal Audit

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



# PURPOSE, AUTHORITY AND RESPONSIBILITY

## Authority of Internal Audit

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 (copy provided)



# PURPOSE, AUTHORITY AND RESPONSIBILITY

## Responsibility of Internal Audit

- Review the reliability and integrity of financial and operating information
- Review fiscal, operational, and administrative operations
- Review systems established to ensure compliance with policies, plans, procedures, laws and regulations that could significantly impact operations
- Evaluate the 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**



# INTERNAL AUDIT ACTIVITY

## 2019

- Two-year Audit Plan
- Annual Certification Letter
- External Audit Coordination
- Cycle Audits
- Payment Card Industry (PCI) Audit Coordination
- Construction Auditing
- Peer Review
- September 30th Report to the Executive Director



# 2019 AUDIT RESULTS

TITLE OF AUDIT	NUMBER OF FINDINGS
SAP Post-Implementation Review	6
Construction Auditing Assistance	6
Agency Organization and Management Cycle	5
Expenditures Cycle	5
Purchasing Cycle	4
Personnel & Payroll Cycle	2
Petty Cash (if disbursements >\$5,000)	N/A
Grants (if the Tollway receives Federal grants)	N/A

# 2020 CYCLE AUDITS AND OTHER ACTIVITIES

## 2020 Cycle Audits

- Administrative Support Services Cycle
- Budget, Accounting and Reporting Cycle
- Revenues and Receivables Cycle
- Electronic Data Processing Cycle
- Grant Administration (if Tollway receives any grants)
- Petty Cash (if disbursements exceed \$5,000)

## Other Audit Activities

- Risked based reviews
- Reviews of external parties
- Special projects, management request and consulting engagements
- Systems reviews
- Inspector General assistance and investigations

# GOVERNANCE AND MANAGEMENT OF FINDINGS

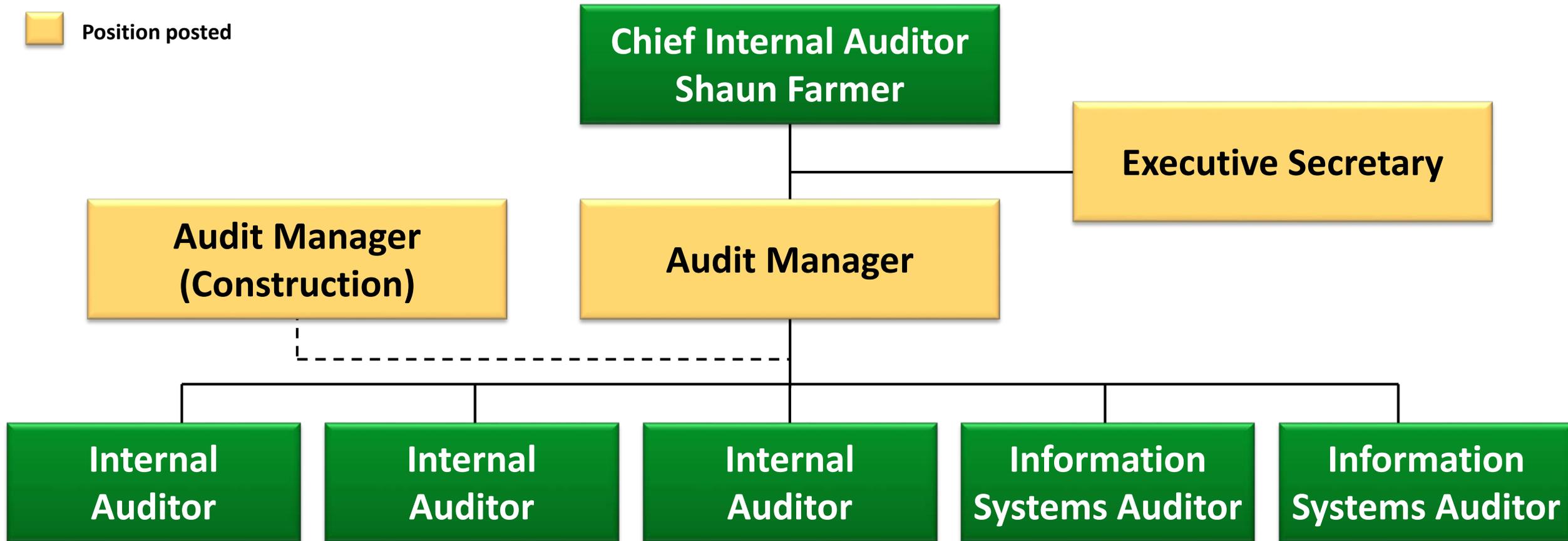
- Audit observations and recommendations are addressed by management
- Responses and estimated implementation dates provided
- Internal Audit follows up on finding status (Certification Letter)
- More frequent interaction to be driven by implementation of automated audit software
- Monthly touch base meetings set up by department
- Monthly reports and meetings with Executive Director
- Coordinated efforts with Chief Strategy and Implementation Officer
- Monthly meetings and additional communications with the Chairman and the 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



Position posted



Organization chart is included annually with Internal Audit's Annual September 30th Report to the Executive Director



THANK YOU

