



INTERNAL AUDIT UPDATE

Shaun Farmer, *Chief Internal Auditor*

December 17, 2020

AGENDA

- Audit Committee schedule**
- Internal Audit Charter**
- Internal Audit resources**
- Audit Plan considerations**
- Internal Audit Plan**
- Next steps**



AUDIT COMMITTEE 2021 SCHEDULE

April

- Summary of Internal Audit's purpose, authority and responsibility
- Results relative to approved Audit Plan
- Results from prior year
- Governance issues/concerns

August

- Results of the annual external audit

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

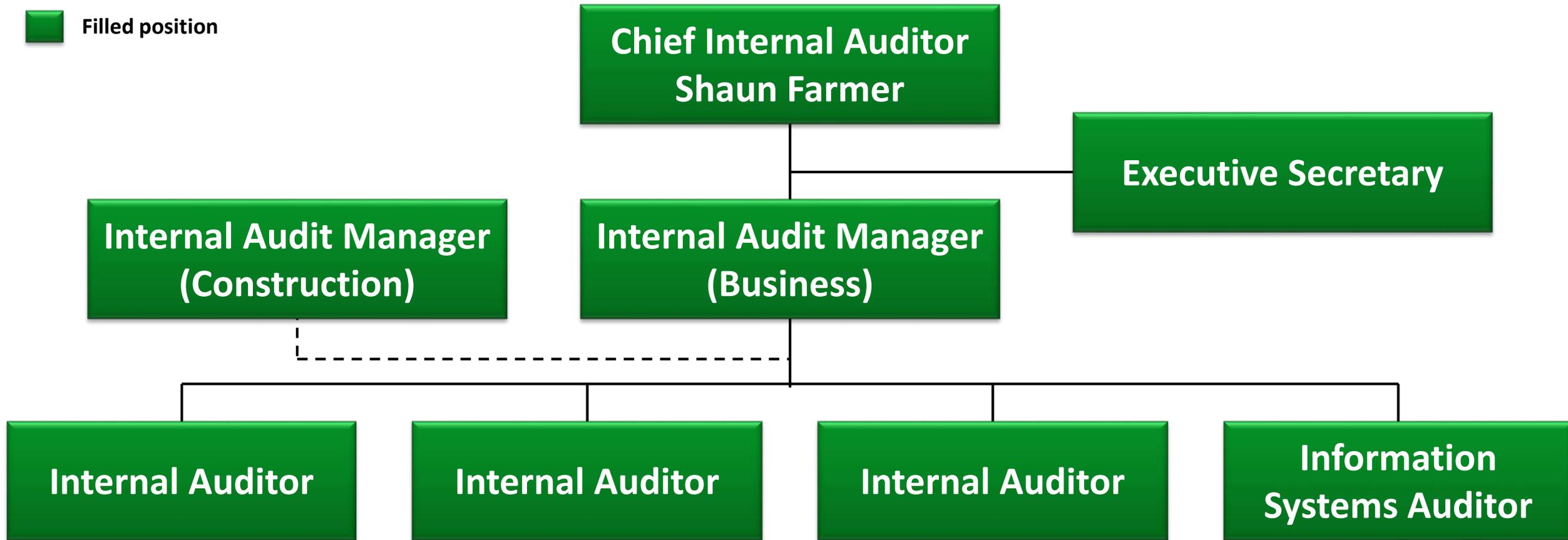
Periodic assessments



DEPARTMENT ORGANIZATION

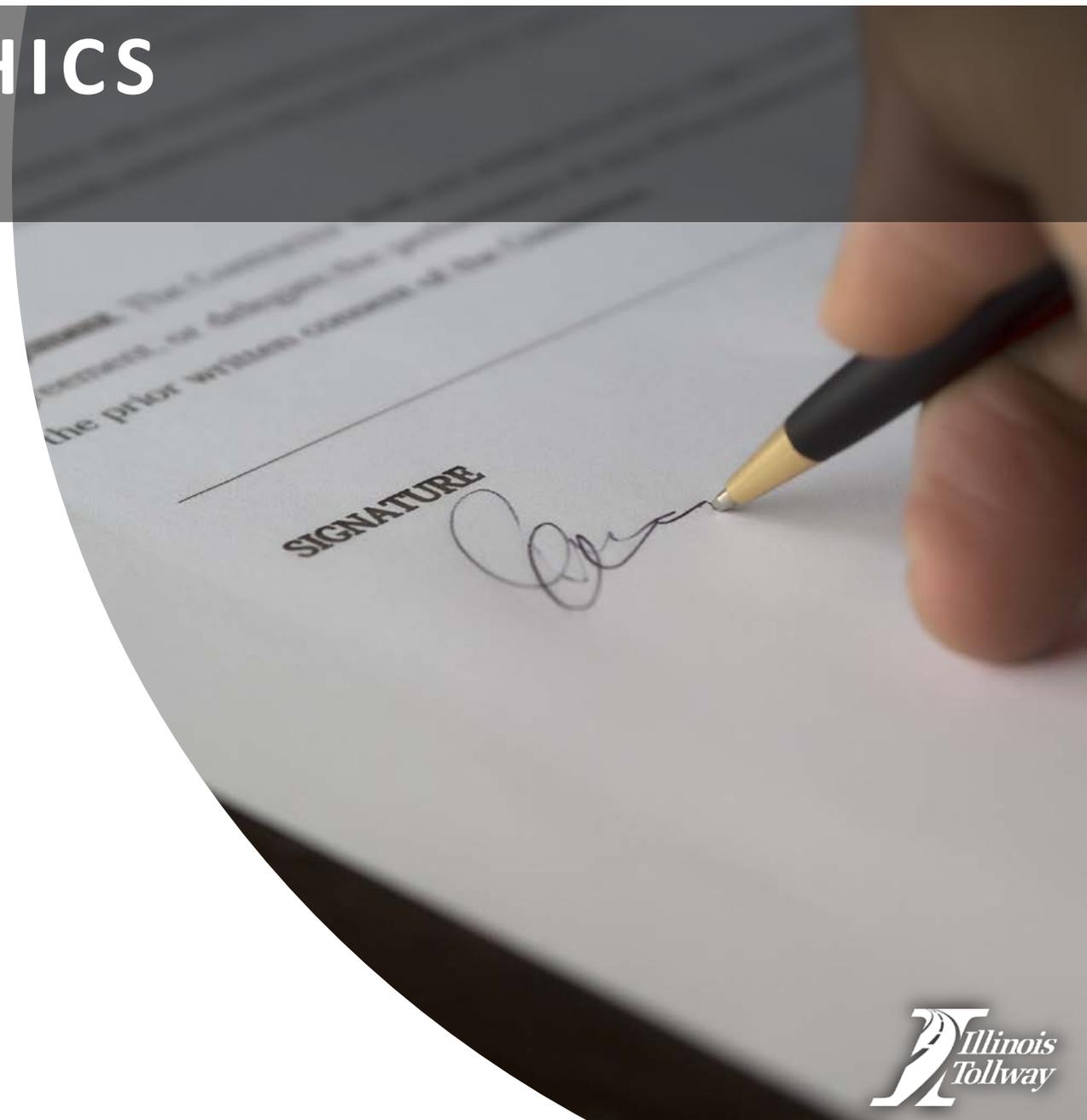


Filled position



INDEPENDENCE AND ETHICS

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



AUDIT PLAN

Annual ongoing risk-based exercise to identify concerns, potential risk areas to be considered for inclusion in annual Audit Plan

Resources, skill set mix of Internal Audit staff

Key factors:

- Potential for impact on agency wide 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

2021

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

2022

Property, Equipment and Inventory

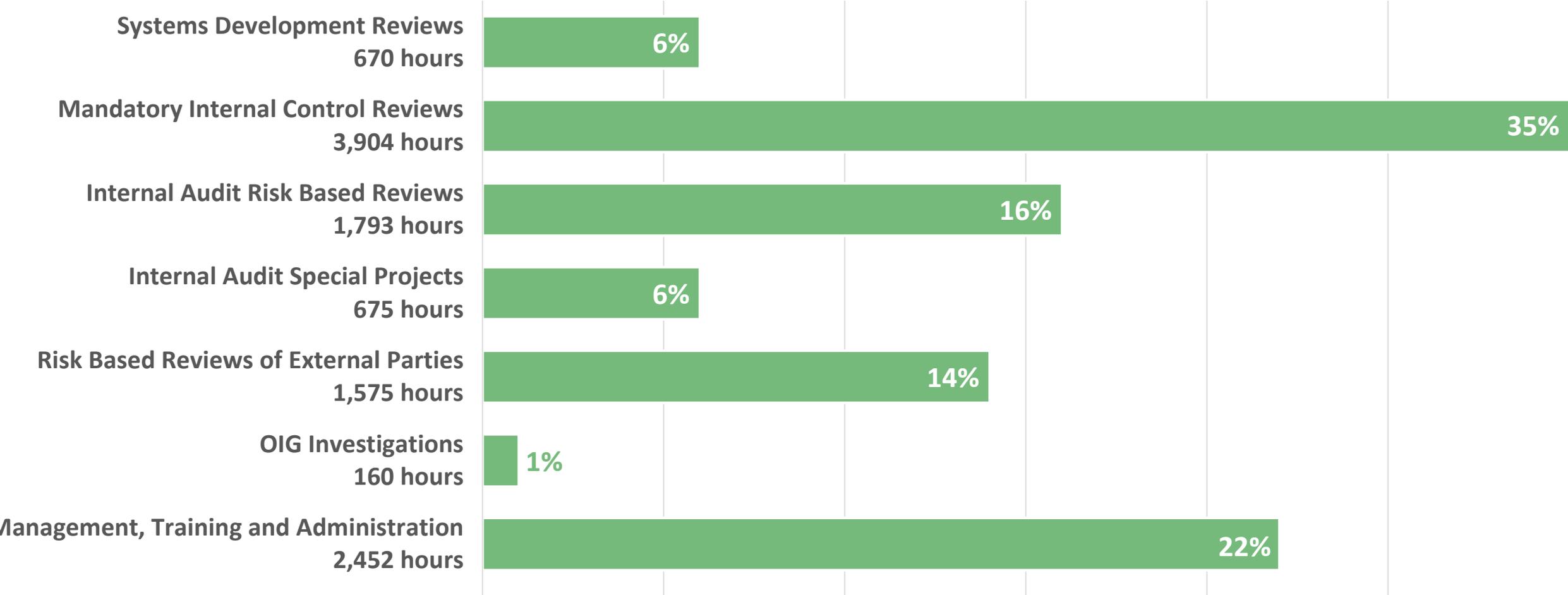
Budget Accounting and Reporting

Electronic Data Processing

Administrative Support Services

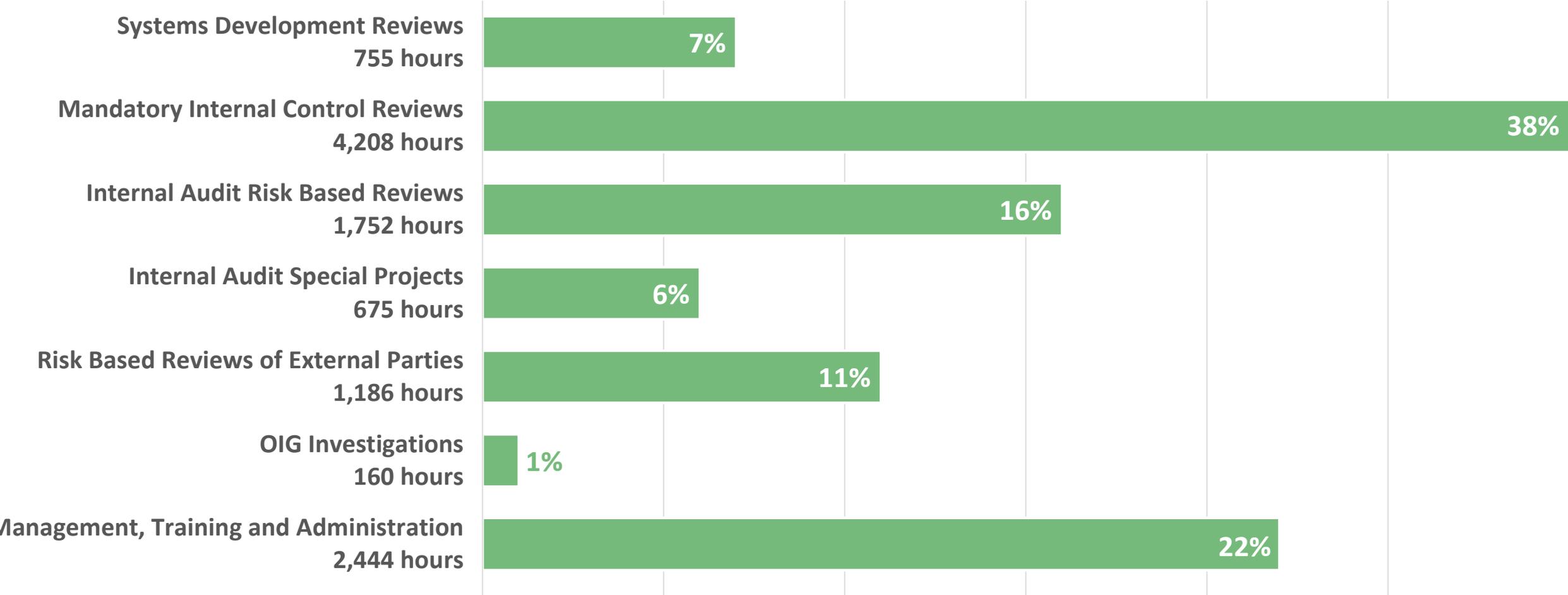
2021 INTERNAL AUDIT PLAN

Allocation of available hours



2022 INTERNAL AUDIT PLAN

Allocation of available hours



2020 AUDIT ACTIVITY HIGHLIGHTS

- ✓ **Completed all required cycle audits**
- ✓ **Performed additional reviews of construction processes**
- ✓ **On-time submittal of annual Internal Control Certification Letter**
- ✓ **Actively managed open audit findings, partnered with business for closure**
- ✓ **Liaison for the 2019 annual External Audit (financial, compliance, IT)**
- ✓ **Key member in the implementation of the Tollway's ERM and SOX programs**
- ✓ **Procured TeamMate+ controls audit software**
- ✓ **Oversight of Tollway's annual PCI review**
- ✓ **Annual September 30 letter to the Executive Director**
- ✓ **Filled key vacant positions to achieve optimal staffing levels**



NEXT STEPS

Approval of the 2021-2022 two-year Tollway Audit Plan



An aerial photograph of a multi-lane highway interchange with several overpasses and ramps. The scene is set in a green, rural landscape with some water features. The text "THANK YOU" is overlaid in large, white, sans-serif capital letters across the center of the image.

THANK YOU

