

# INTERNAL AUDIT UPDATE

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# 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



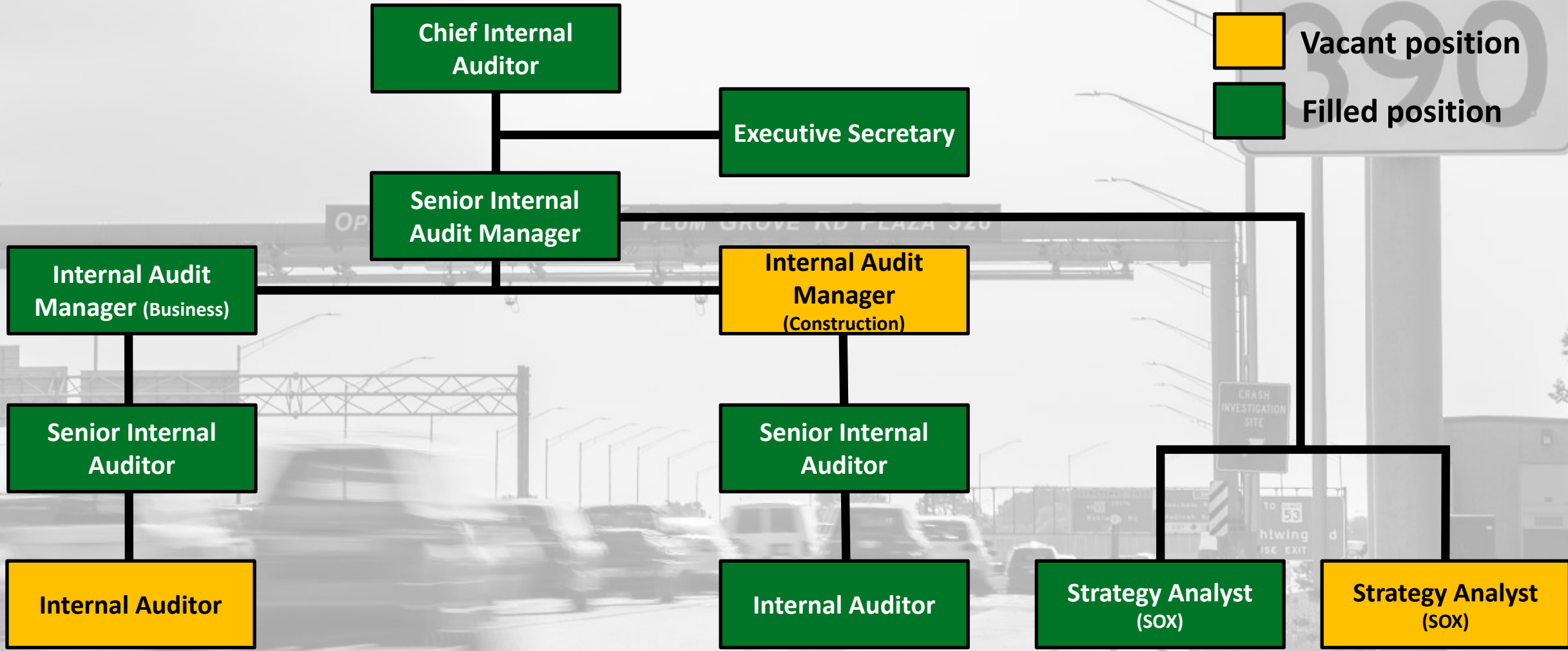
# GOVERNANCE AND MANAGEMENT OF FINDINGS

- 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

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