

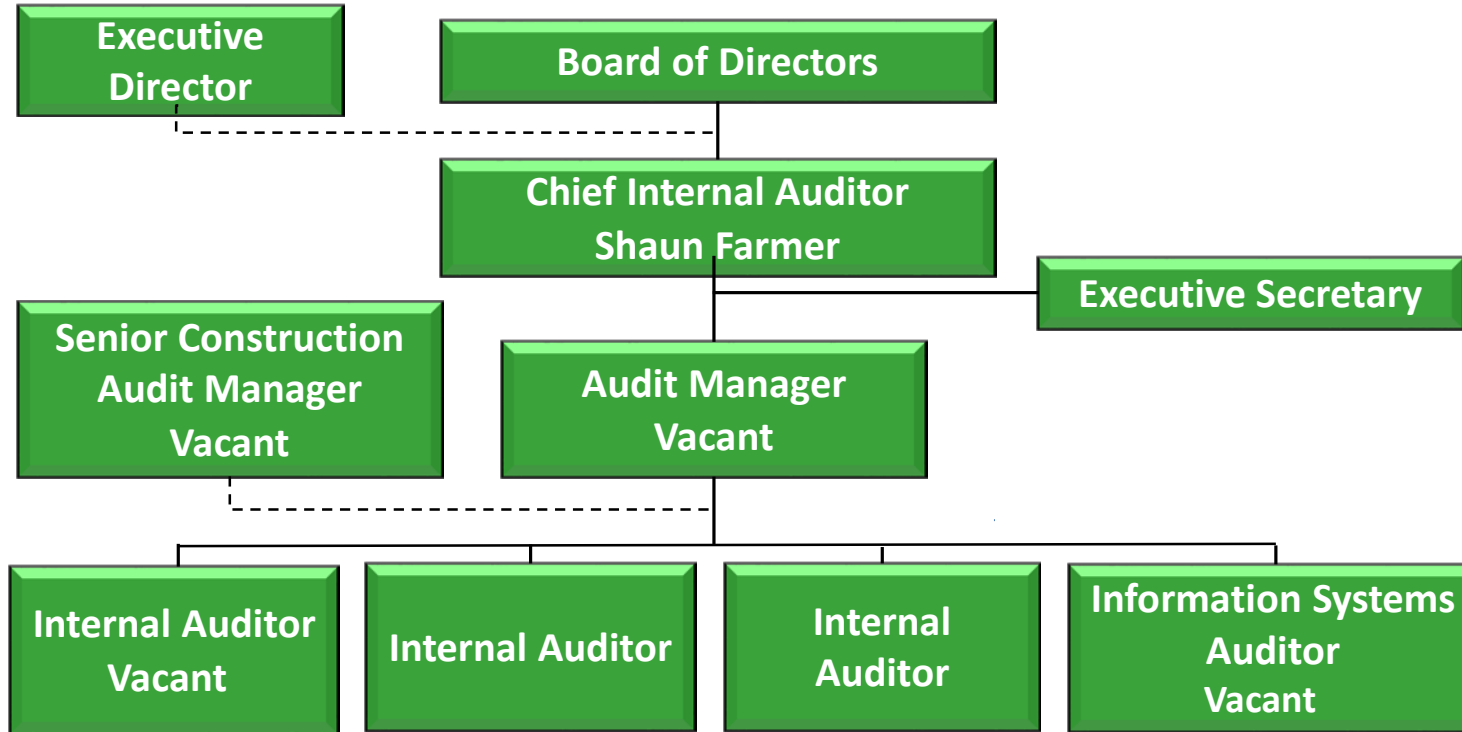


Internal Audit Department Overview

August 15, 2019



Internal Audit Department Organization



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



Internal Audit Roles and Responsibilities

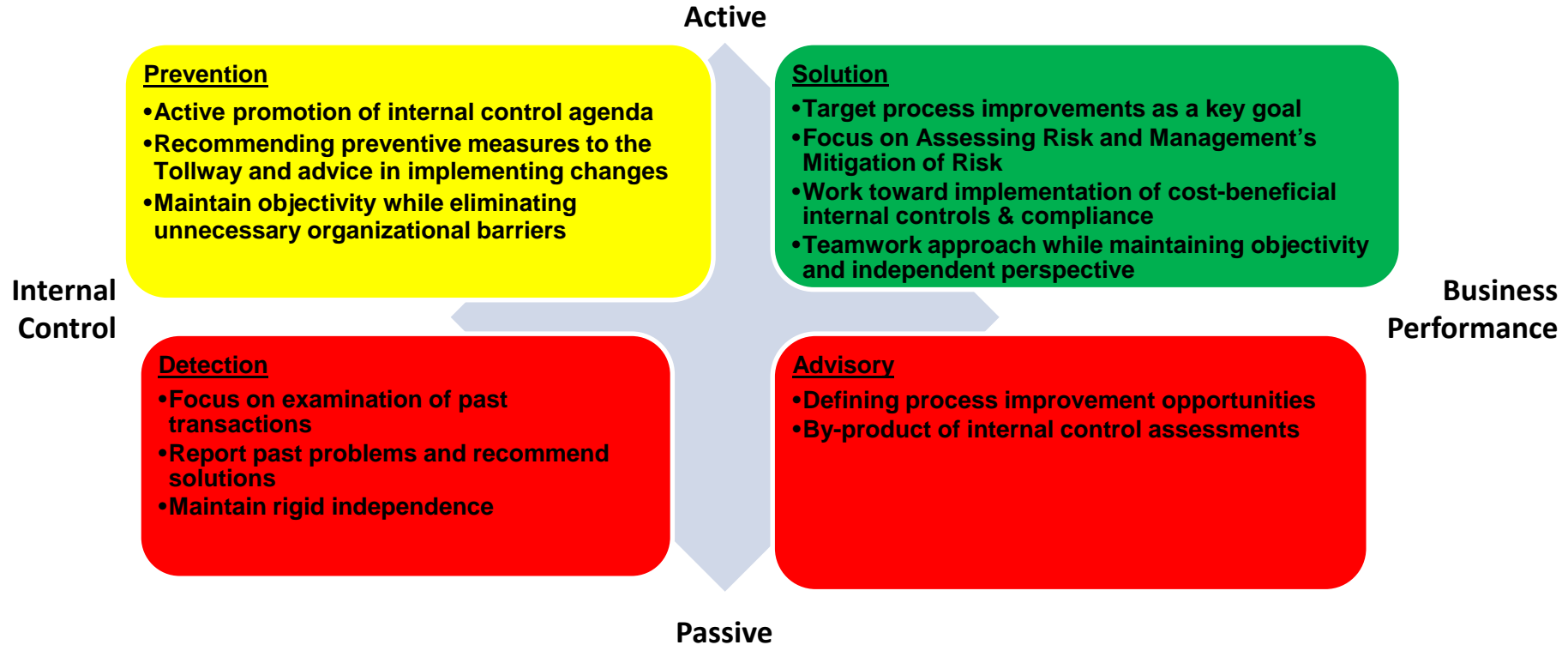
- Internal Audit is an independent, objective assurance and consulting activity, which is established to add value and improve the Tollway's operations
- Internal Audit assists the Tollway in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes
- The role of Internal Audit is formally defined in the Internal Audit Charter (provided) and the audit activities are set out in the Annual Audit Plan
- Internal Audit confirms with the Board and Executive Director, at least annually, the organizational independence of the internal audit activity



Internal Audit Scope

- Internal Audit does not and cannot have any management responsibilities beyond the scope of auditing
- Internal Audit cannot install systems or procedures, prepare records, or engage in any other activity which would be audited or reviewed by Internal Audit
- At the beginning of each audit, team members participating in the engagement sign independence statements to confirm their objectivity
 - Any impairments by a team member would be disclosed and addressed accordingly, if necessary

Key Department Functions - Mission



Key Department Functions

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 (IIA Standards)
- Code of Ethics of the Institute of Internal Auditors
- State of Illinois Internal Audit Advisory Board (SIAAB) guidance
- Generally Accepted Government Auditing Standards (GAGAS)
- Internal Audit's Charter

Key Department Functions

Fiscal Control Internal Auditing Act (FCIAA) requirements

- Two-year audit plan (provided)
- Cycle audits
- Vendor audits/special audits
- System pre-implementation reviews
- Annual agency certification letter to Auditor General due May 1

Cycle Audit Schedule

Title	Scheduled Completion	
Agency Organization and Management	2019	-
Purchasing, Contracting and Leasing	2019	-
Expenditure Control	2019	-
Personnel and Payroll	2019	-
Petty Cash (if disbursements exceed \$5,000)	2019	2020
Grant Administration		2020
Administrative Support Services	-	2020
Budget, Accounting and Reporting	-	2020
Property, Equipment and Inventory	-	2020
Revenues and Receivables	-	2020
Electronic Data Processing	-	2020



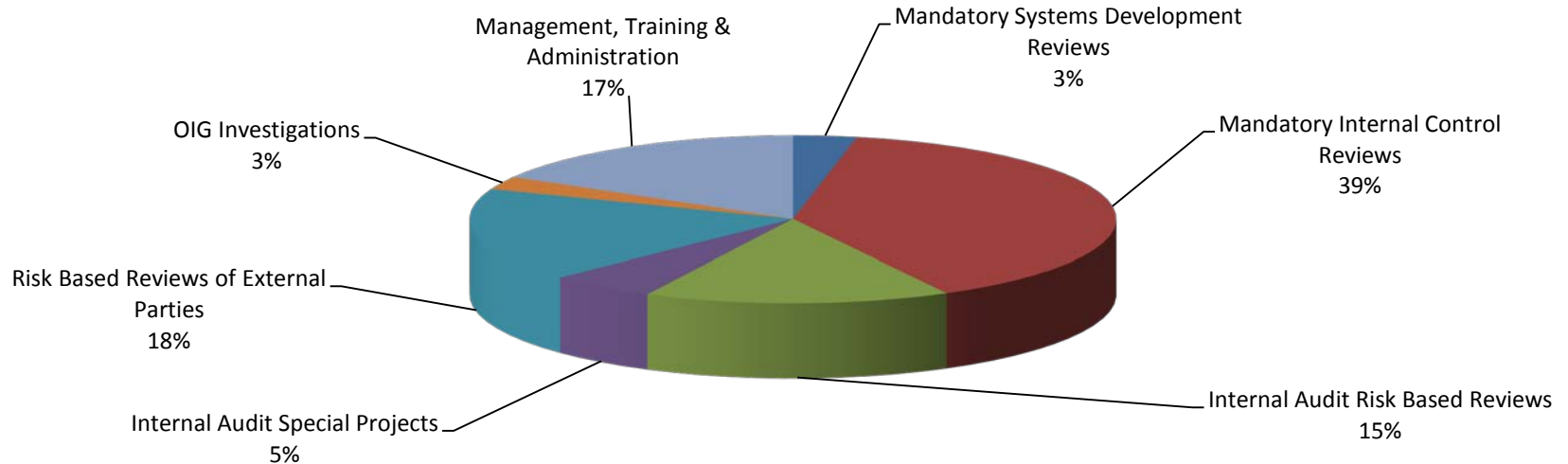
2019 Internal Audit Plan

Internal Audit resource availability – 2019

Allocation of available hours		
Mandatory internal control reviews	2,448	39 percent
Management, training and administration	1,046	17 percent
Risk-based reviews of external parties	1,134	18 percent
Internal Audit risk-based reviews	960	15 percent
Internal Audit special projects	336	5 percent
Mandatory systems development reviews	200	3 percent
OIG investigations	160	3 percent
Total hours 2019	6,284	100 percent

2019 Audit Plan

FY 2019 Audit Staff Planned Allocations



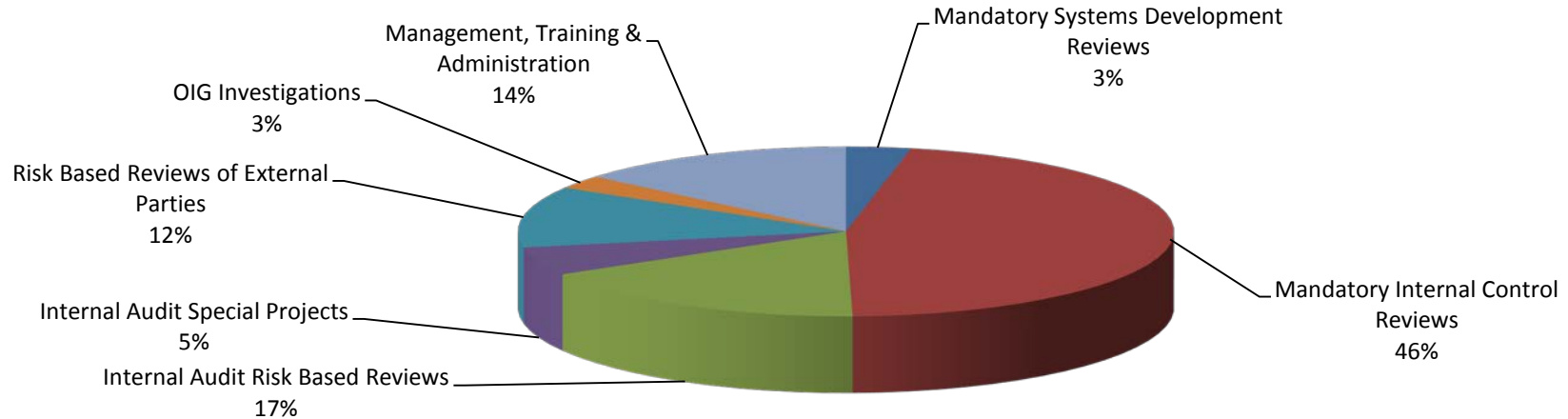
2020 Internal Audit Plan

Internal Audit resource availability – 2020

Allocation of available hours		
Mandatory internal control reviews	2,908	46 percent
Management, training and administration	866	14 percent
Risk-based reviews of external parties	730	12 percent
Internal Audit risk-based reviews	1,056	17 percent
Internal Audit special projects	336	5 percent
Mandatory systems development reviews	200	3 percent
OIG investigations	160	3 percent
Total hours 2020	6,256	100 percent

2020 Audit Plan

FY 2020 Audit Staff Planned Allocations



Audit Committee Agenda Items

April meetings

- Summary of Internal Audit's purpose, authority, responsibilities and performance relative to audit plan
- Internal Audit activities results from prior year, including risk exposure and/or control issues
- Governance issues/concerns

August meetings (generally optional)

- Results of Annual External Audit
- Governance issues/concerns

October meetings (generally optional)

- Governance issues/concerns

December meetings

- Current State of Internal Audit resources
- Approval of Two-Year Audit Plan
- Governance issues/concerns

- Meetings with the Audit Committee are held at a minimum, twice per year with additional meetings being optional
- Results of the committee meetings are communicated to the full Board

Current Initiatives/Projects

Audit Activity

- Agency Organization and Management Cycle Audit – in progress
- Personnel and Payroll Cycle Audit – in progress
- Purchasing Cycle Audit – in progress
- Annual Internal Control Certification review – completed
- Follow-up audits on prior year(s) audit findings – completed
- 2018 Annual External Audit (Financial, Compliance, IT) – Clifton, Larson, Allen LLP – completed
- TeamMate + Internal Audit management software upgrade – completed



THANK YOU