



# INTERNAL AUDIT UPDATE

**Shaun Farmer – Chief Internal Auditor**

DECEMBER 18, 2025



# **PRESENTATION**

## **AGENDA**

- 1** Key Board Updates
- 2** Internal Audit Charter
- 3** Internal Audit Resources
- 4** Audit Plan Considerations
- 5** Internal Audit Plan
- 6** Audit Department Highlights

# 2026 KEY UPDATES



## Tentative Agenda Items

**APR 4**

- Summary of IA purpose, authority and responsibility
- Audit activities update
- Governance issues/concerns
- Internal control program updates

**JUN 6**

Internal control program updates

**SEP 9**

**DEC 12**

- Current state of Internal Audit resources
- Approval of two-year audit plan
- Audit charter review *(if needed)*

# INTERNAL AUDIT CHARTER

Internal Audit confirms that there are no significant facts or matters that impacted or impaired our independence or scope of work as auditors.

**Purpose**

**Responsibilities**

**Independence**

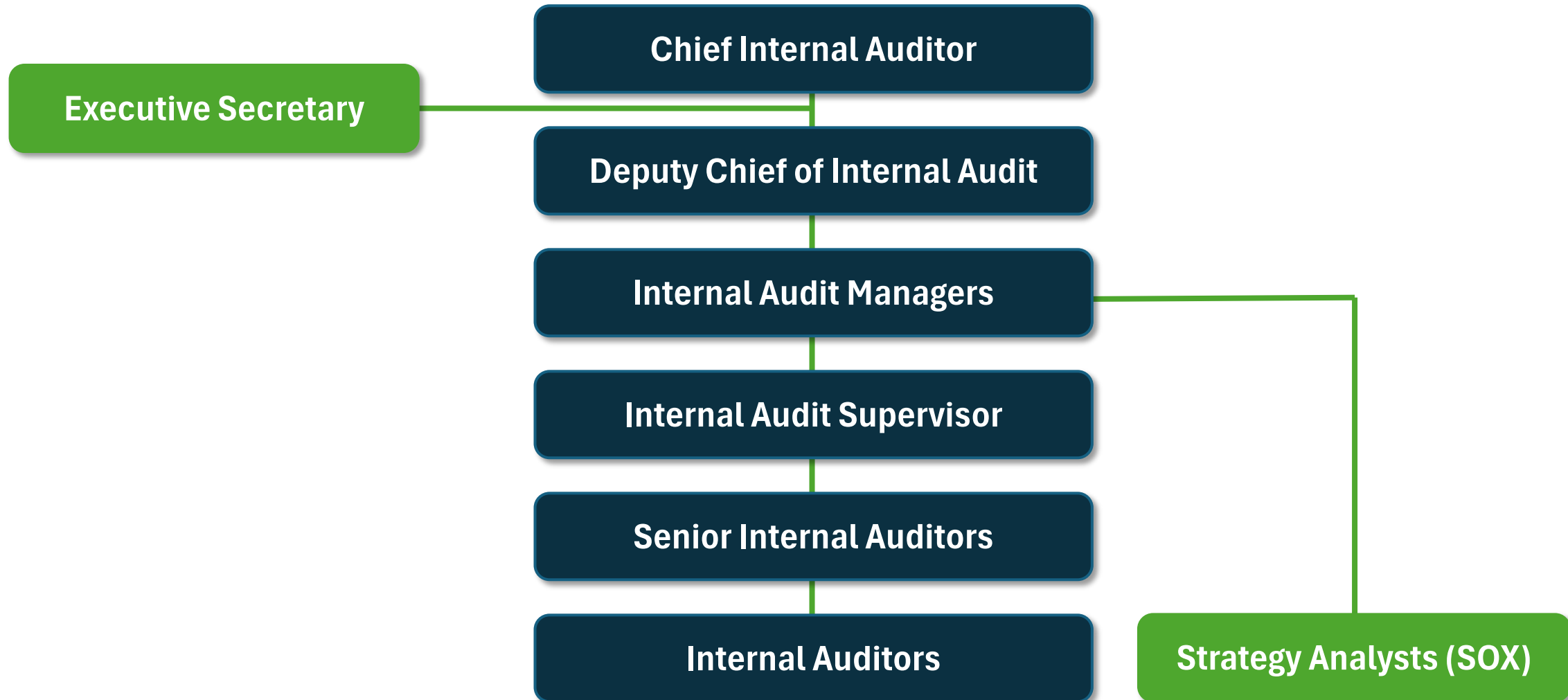
**Accountability and Authority**

**Scope of Work**

**Reporting Process**

**Periodic Assessments**

# DEPARTMENT ORGANIZATION





# 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

2026

- Revenues and Receivables
- Property, Equipment and Inventories
- Budget, Accounting and Reporting
- Electronic Data Processing
- Administrative Support Services
- **Petty Cash** *(If Disbursements Exceed \$5,000)* **OR**

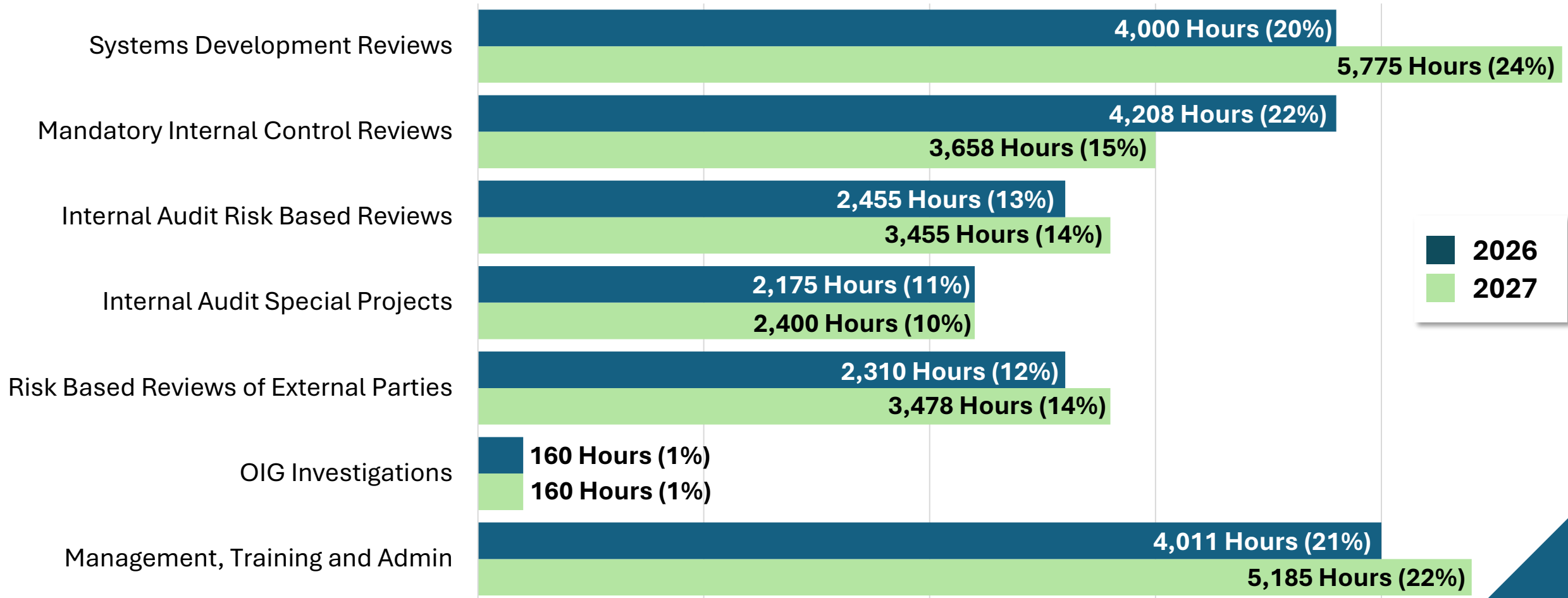
2027

- **Grant Administration** *(If Tollway Receives Any Grants)*
- Personnel and Payroll
- Purchasing, Contracting and Leasing
- Organization and Management
- Expenditure Control

# 2026/2027 INTERNAL AUDIT PLAN



## Allocation of Available Hours





# 2025 AUDIT ACTIVITY HIGHLIGHTS



- Completed all required cycle audits
- Timely submittal of annual Internal Control Certification Letter (Auditor General)
- Annual September 30 letter to executive management
- Performed reviews of Finance, Facilities, Engineering, IT, vendors and key risk areas
- Partnered with business units on various strategic initiatives
- Updated internal policies, procedures and other relevant documents
- Rolled out Internal Audit Roadshow presentation
- Represented Tollway as audit and risk industry leader at multiple events
- Continued support of the Tollway's Enterprise Risk Management (ERM), SOX and third-party risk management programs



# 2025 AUDIT ACTIVITY HIGHLIGHTS



- Continued efforts on prevailing wage compliance
- Support of Tollway's annual PCI review
- Actively managed open audit findings; partnered with business for closure
- Assisted with liaison activities for the 2024 annual external audit
- Partnered with multiple state agencies for their adoption of industry best practices
- Enhanced training opportunities and skills
- Employee recognized by industry for outstanding leadership
- Multiple employees involved in the community and outreach efforts





# THANK YOU

