



Internal Audit Department

April 18, 2018



Agenda

Internal Audit purpose, authority and responsibility

Internal Audit activity

Cycle audits

Department resources

Purpose, Authority and Responsibility

Internal Audit provides 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

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)

Purpose, Authority and Responsibility

Responsibility

- 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 Activity

2017

- Two-year audit plan
- Annual certification letter
- Risk-based reviews
- External audit coordination
- Vendor audits
- Cycle audits
- Payment card industry audit coordination
- ERP pre-implementation review

2017 Cycle Audits Completed

Title of Audit	Findings
Agency Organization and Management	5
Purchasing and Contracting	1
Expenditure Control	1
Personnel and Payroll	2
Petty Cash (If disbursements exceed \$5,000)	N/A

2018 Cycle Audits

Title of Audit

Electronic Data Processing

Administrative Support Services

Budget, Accounting and Reporting

Property, Equipment and Inventory

Revenues and Receivables

Petty Cash (If disbursements exceed \$5,000)



Internal Audit Activity – 2017

Audit recommendations and observations are being appropriately addressed by management and have been implemented or are scheduled for implementation in 2018

Internal Audit is organizationally independent and no restrictions have been placed on Internal Audit work



Internal Audit Activity- 2018

Vendor Management and Service Provider Audits

- Performance of vendor audits to identify potential cost recoveries and highlight areas of contractual non compliance
- Provides appropriate oversight and risk management of significant third party relationships
 - Vendors with access to customer information
 - Vendors deemed to be mission critical



Internal Audit Resources

Chief of Internal Audit

Internal Audit Manager

Internal Auditors (two staff auditors)



State master contract for Internal Audit assistance

- Tollway contract – *in process*