



Missouri Highways and Transportation Commission Policies

Category: AUDITS
Subcategory: Audits and Investigations Division Audit Charter

AUDITS AND INVESTIGATIONS DIVISION - AUDIT CHARTER

Accountability and Authority

It is the expectation of the Missouri Highways and Transportation Commission that all actions of the Commission and functions of the Missouri Department of Transportation will be conducted with the highest degree of integrity and transparency. Toward that end, the Director of Audits and Investigations, who reports to the Director of the Missouri Department of Transportation, may, as circumstances dictate, report directly to the Missouri Highways and Transportation Commission. At the sole discretion of the Director of Audits and Investigations, such reporting may be through the Commission's Audit Committee, specific member or members of the Commission, or all members of the Commission.

The Audits and Investigations Division (AI) will not be organizationally located within the staff or line management functions of the department.

AI has continuing access to all records, letters, notes, memoranda, and other data (except attorney-client privileged materials in Chief Counsel's Office files) produced by any office or individual that relates in any way to the operations of the Missouri Department of Transportation. Accordingly, the Missouri Highways and Transportation Commission and the Director of the Missouri Department of Transportation hereby direct all employees of the department to provide all requested information to AI, and indeed to volunteer information of which AI may be unaware.

Scope of Work

The audit functions of AI shall include, but not be limited to, the following:

- a. AI shall conduct internal audits and reviews of the Missouri Department of Transportation's operations. The audits and reviews will provide the department and the Missouri Highways and Transportation Commission with objective appraisals concerning department programs and functions and make recommendations for necessary improvements.

Audits will be performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, and may include financial audits, attestation engagements and performance audits, as defined therein.

Additional guidance for the performance of these functions will be AI's Audit Policy and Procedures Manual, as well as regulations issued by the Federal Highway Administration.

- b. AI shall conduct audits and reviews of actual cost contracts or grants awarded to third party entities, as deemed necessary to ensure the terms of the contract or grant have been met; the cost billed for providing the contract item or grant purpose was incurred and eligible; and to determine compliance with established MoDOT policies, plans, and procedures, as well as federal and state laws and regulations.

Primary guidance for the performance of these functions will be Government Auditing Standards, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; regulations and procedures of the Missouri Department of Transportation and the Federal Highway Administration; the Federal Acquisition Regulations; and the Revised Statutes of Missouri.

- c. AI shall conduct audits and reviews of Missouri motor carriers, as deemed necessary to verify International Fuel Tax Agreement (IFTA) tax returns and International Registration Plan (IRP) applications.

Primary guidance for the performance of these functions will be the IFTA Audit Manual and the IRP Audit Manual

- d. In addition to these functions, AI shall perform special reviews as requested by the department Director, the Chief Engineer, the Chief Financial Officer, other department officials, or the Audit Committee of the Missouri Highways and Transportation Commission.

AI shall coordinate with other audit and review groups that are concerned with the operation of the department; or the operation of the various contractors, consultants, and subrecipients of the department. AI audits and reviews shall be executed in such a manner as to minimize duplication of effort.

Independence

AI is an integral part of the department's system of internal control. As such, AI's functions are so fundamentally important that they are designated as ongoing and continuing, and are to be free from all organizational, internal, and external impairments that might interfere with or otherwise influence, restrict, or modify the scope or character of audits or reviews, or the selection of audit or review procedures.

AI shall not become involved in the management of the department or in the implementation of corrective action taken as a result of audit or review recommendations. In all cases, AI will remain independent, to ensure impartial and unbiased opinions, conclusions, and judgments.

Effective Date: November 7, 2013

Supersedes Policy Dated: August 9, 2006

Last Reaffirmed:

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Related Commission Actions: February 13, 1997; April 9, 1999; June 2, 2004; August 9, 2006; November 7, 2013 – Comprehensive Policy Review.