

# FY25 Proposed Annual Audit Plan

## INTERNAL AUDIT MISSION

The mission of Internal Audit is to help improve ATP's governance, control, and risk management through independent, objective assurance and advisory services. Guided by the authority and responsibilities outlined in ATP's Audit Charter, Internal Audit is organizationally independent of ATP administration, and reports directly to the ATP Board.

Internal Audit governs itself by adhering to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

## ABOUT US

Additional information on who we are, what we do, our professional resources, and the results of our audit projects are available on our [webpage](#).

## ETHICS HOTLINE

If you have a concern about potential misconduct or a violation of ATP policies, we provide simple and anonymous ways to voice your concerns. Visit our online [ethics portal](#) or call 888-57-2ATPTX (2-8789) for assistance.

For questions about this plan, please contact us at: [atp\\_audit@atptx.org](mailto:atp_audit@atptx.org)

### *What is the purpose of this plan?*

Each year, we share information on what we intend to audit in the upcoming fiscal year. We issue our plan at the start of ATP's fiscal year to align our project work with the fiscal cycle that ATP follows. Providing this information helps us increase transparency at ATP and notifies the public, the Board, and ATP management about the specific aspects of ATP's governance, control, and risk management our work will primarily focus on in the upcoming year. Additionally, the audit standards we follow require us to periodically prepare an audit plan and submit the plan to the ATP Board for approval.

### *How was this plan created?*

Internal Audit performed an organizational risk assessment to evaluate the governance, risk management, and operations of ATP to prepare the list of priority projects included in this plan. These projects are intended to provide the greatest possible benefit to ATP given resources and combined assurance from other oversight functions.

### *What types of projects are included in this plan?*

Projects in this plan include audit and advisory services to be conducted by Internal Audit, and projects to be outsourced to external assurance providers. Since we have now implemented our audit follow-up [dashboard](#), we have also included in this project list ongoing follow up work to assess management actions taken to address risks and recommendations noted in previous years. If needed, this plan will be revised throughout the fiscal year in response to changes in ATP's risk environment, operations, programs, systems, and controls. Significant deviations will be shared with the ATP Board, in addition to our progress on completing this plan.

### *What's new this year?*

This year, the professional audit standards we follow are undergoing a significant update. Specifically, the Institute of Internal Auditors' International Professional Practices Framework is changing to adopt the new Global Internal Audit Standards. These Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. To keep pace with this critical professional evolution, and to ensure the credibility and reliability of ATP's Internal Audit function, we will dedicate some of our efforts to adapting our Internal Audit Charter, policies and procedures, and administrative processes and records to this new guidance.

### *What happens if these projects cannot be completed?*

If we determine that one or more of the planned projects cannot be completed or completion would provide more value at a later date, we will replace the planned project(s) with an alternative project from the pool of previously identified priority replacement projects. Needed resources and costs will be evaluated as project replacements occur. These priority replacement projects include:

- Community Response and Satisfaction (audit project)
- Real Estate Acquisitions (audit project)

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AUDIT & ADVISORY SERVICE PROJECTS			
Topic	Preliminary Objective	Type	Source <sup>1</sup>
<b>Performance Measurement</b>	Has ATP defined and tracked measures of ATP's success and effectively communicated progress towards meeting measures?	Audit	Internal Audit
<b>Contractor Onboarding</b>	Advise ATP management on the development of a third-party onboarding plan to increase contractor engagement and productivity in support of ATP's mission.	Advisory Service	Internal Audit
<b>Disadvantaged Business Enterprise (DBE) Goals</b>	Has ATP established processes to ensure DBE goals are effectively set, tracked, and reported in accordance with laws and regulations?	Audit	Internal Audit
<b>User Roles in Key Systems</b>	Have proper segregation of duties been established in ATP's key systems to properly disperse critical functions?	Audit	Outsource
<b>Planning for Long-term Workforce Needs</b>	Advise ATP management on local workforce providers and market strengths, and ways to devise workforce policies and plans that provide for worker protections and match workers to Project Connect jobs to meet project goals.	Advisory Service	Internal Audit

OTHER PROJECTS	
Topic	Preliminary Objective
<b>Annual Audit Planning</b>	Perform entity-wide risk evaluation and prepare next year's annual audit plan
<b>Adoption of new audit standards</b>	Update Internal Audit Charter, policies and procedures, and administrative processes and records to ensure compliance with new Global Internal Audit Standards
<b>Ethics Investigations<sup>2</sup></b>	Review complaints received through the ethics hotline and conduct investigations as needed
<b>Audit Follow Up</b>	Evaluate management actions taken to address previously issued audit recommendations
<b>Other Risk Advisory Services</b>	<ul style="list-style-type: none"> <li>• Provide input on ATP policies and processes to enhance internal controls, as requested by management</li> <li>• Participate as risk advisor in various capacities</li> <li>• Provide fraud, waste, and abuse training and education</li> </ul>

<sup>1</sup> The resources needed to carry out this audit plan are considered as part of ATP's annual budget deliberations which occur each year in September. Internal Audit did not request additional staffing resources this year but may opt to notify the Board of the intention to fill the vacant auditor position approved in the FY2023 budget later this year should the need arise.

<sup>2</sup> Suspected misconduct or ethics concerns can be reported at: [atp.ipm.starcompliance.com](http://atp.ipm.starcompliance.com) or by calling 888-57-ATPTX (2-8789).