

If you think you've witnessed misconduct or unethical behavior relating to ATP, please report it at <https://atp.ipm.starcompliance.com> or by calling the ethics hotline at 888-57-ATPTX (28789).

1. What does Internal Audit do?

Internal auditing helps an organization accomplish objectives by evaluating and improving the effectiveness of risk management, control, and governance processes. An effective, independent Internal Audit function can increase a government's credibility with the public, oversight agencies, granting authorities, and bond markets.

In a nutshell, we evaluate ATP to see if there are ways to make us operate more effectively and efficiently. If we identify process improvement opportunities, we make recommendations on how to improve ATP to management, and ATP management then decides whether they agree or disagree with those recommendations.

When they agree, they formulate an action plan on how they'll make those improvements and then auditors will follow up on those actions plans periodically in future years. When ATP management and auditors work together, we are more accountable to taxpayers and ultimately, we are better able to serve the City.

2. Why do we have an internal auditor?

The role of ATP's independent auditor was established in 2020 when the vision of ATP's funding and governance was created. The mission of Internal Audit is to help improve ATP's governance, control, and risk management through independent, objective assurance and advisory services.

3. Who does the Internal Auditor report to?

Internal Audit is organizationally independent of ATP administration and reports directly to the Board.

4. How does Internal Audit decide which departments, programs, or services to audit?

ATP functions selected for audit come from an organization wide risk assessment that auditors conduct once a year. This assessment evaluates the governance, risk environment, and operations of ATP and it prioritizes key risks to be further evaluated through audit and advisory projects throughout the upcoming year. Projects are included on the Annual Audit Plan and that plan is approved by the ATP Board.

Good news! Since we act with transparency, we share this plan in a public meeting every September. To see if your area is the subject of an audit this year, check out our latest audit plan on the ATP website.

5. How can an audit benefit ATP?

Auditors add accountability and transparency to the organizations they serve. Accountability means we are aware of our obligations to the public and we take our responsibility to design and build Project Connect seriously!

Transparency means we are committed to doing business in an open manner, so the public can be apprised of all we do by reviewing our records, participating in meetings, viewing our progress, and generally, staying up to date on how ATP is spending the public's money to enhance our City. Audit results often result in recommendations to improve our processes. When managers act on these recommendations, operations become more effective and efficient.

Ultimately, we all benefit when ATP institutes methods to better meet our obligations to the public.

6. Why do auditors ask so many questions?

Remember: you are the experts in your work! Auditors are outside of ATP's administration, so we aren't as knowledgeable about your business function as you are. We ask a lot of questions to gain a better understanding of what we're reviewing. We ask for documents to support our understanding of the answers we get to our questions.

7. Why ask for so many documents? Can't you just take my word for it?

Your word is just as valid as another's, and people have different perspectives and responses to questions. Further, as time goes on, opinions change and memories fade. Writing down answers and supporting answers with documentation is a better way to assure information is consistent and can be relied on over time.

Additionally, we want things written down so that there can be seamless and efficient knowledge transfer when we hire new staff or share our records with outside reviewers (like federal partners or consultants). Finally, we follow audit standards to make sure our work is credible and useful to decision-makers, and audit standards require us to consider documentary evidence in addition to the testimonial evidence we receive.

Most importantly, don't perceive a request for documentation to support your statements as a determination that your word is not valid or we don't believe you. The primary reason we request documentation is because it helps us understand the subject matter we're

reviewing better and reading materials about a process often saves time that you would otherwise spend explaining processes to us.

8. I'm undergoing an audit now. What do auditors expect from me and what can I expect from them?

First, please know that we understand everyone has had different experiences with audits in the past and that some people may have a negative connotation when they hear the word “audit.” We already discussed why auditors ask so many questions, but it’s also important to note that it is perfectly acceptable to say you don’t know the answer to an auditor’s question. No one has all the answers!

The main way you can help the audit team is by connecting the auditor to people and resources that have the answers to the questions they ask. In addition to connecting auditors to answers, we expect that you are honest, transparent, and act timely and in good faith to help advance the audit.

You can expect us to be honest and transparent with you. Also, we are happy to explain more about our process at any time (this document is intended to demonstrate that). We’re also committed to sharing the results of our work and what we find—good and bad—throughout the entire project.

We will not share audit results with outsiders before we share those results with the staff undergoing the audit and ATP management. As internal auditors, we are part of the ATP team and we want to ensure our colleagues are apprised of our work well before we share that work publicly.

9. What is the difference between our internal and external auditors?

There are many different types of audits and auditors. Generally, you can divide auditors into two groups—external auditors and internal auditors. External auditors, such as IRS agents or financial auditors, are not part of the organization they analyze and tend to conduct compliance audits that determine whether entities or individuals comply with specific regulations like the IRS Tax Code or required accounting principles.

Internal auditors, however, are part of the organizations they serve, and their scope of work involves more than just compliance. Internal audit work involves assessing more comprehensive elements of operations and broadly speaking, internal audit aims to help the organizations they work for accomplish objectives through improved operations, risk management, internal controls, and governance.

10. Besides audits, what else does Internal Audit do for ATP?

In addition to conducting assurance (audit) engagements, Internal Audit may perform advisory services. Advisory services are more consultative in nature and typically involve assessing a process or element of operations, in a less formal manner to communicate improvement opportunities to ATP management directly. Further, Internal Audit may periodically participate in management committees or project teams. Participation in these engagements will be of an advisory nature to preserve auditor independence.

Internal Audit also manages ATP's ethics hotline and conducts investigations into allegations of employee misconduct, and fraud, waste, or abuse. Our ethics hotline is available 24/7 at 888-57-ATPTX (28789) or online: <https://atp.ipm.starcompliance.com>.

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