

**INTERNAL AUDIT PLAN  
FISCAL YEAR 2023**

The mission of Internal Audit is to help improve ATP’s governance, control, and risk management through independent, objective assurance and advisory services. Internal Audit assessed the governance, risk environment, and operations of ATP to prepare this audit plan. Using that assessment, this plan was developed following a risk-based approach to provide the greatest possible benefit to ATP given resources and combined assurance from other oversight functions.

Projects in this plan include audit<sup>i</sup> and advisory services<sup>ii</sup> conducted by Internal Audit, as well as projects co-sourced and outsourced to external assurance providers. If needed, this audit 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 presented to the ATP Board.

AUDIT PROJECTS				
Project Topic	Preliminary Objective	Priority	Source	Resources & Cost
<b>Contract Compliance Audits of HDR, AECOM, and HNTB agreements<sup>1</sup></b>	Are ATP contract monitoring practices ensuring task orders are effectively evaluated and contractor compliance with key contract provisions?	<b>High</b>	<b>Co-source</b>	Tiered contract with external assurance provider
<b>Joint Powers Agreement</b>	Are processes being designed and implemented to ensure ATP fulfills key provisions of the joint powers agreement?  Focus areas may include: <ul style="list-style-type: none"> <li>• Conducting community engagement</li> <li>• Establishing transit equity goals and metrics</li> <li>• Developing the Disadvantaged Business Enterprise (DBE) program</li> <li>• Ensuring OSHA compliance</li> <li>• Identifying ways to clarify expectations</li> </ul>	<b>High</b>	<b>Internal Audit</b>	Internal Audit staff*

<sup>1</sup> **NOTE:** Agreements were executed by the Capital Metropolitan Transportation Authority (CapMetro) in December 2018, March 2019, and April 2019 respectively prior to the establishment of Austin Transit Partnership. As the contracting entity, the CapMetro Board continues to provide oversight of contract modifications related to these agreements.

\* To complete this audit plan, two Internal Audit staff positions are requested for FY23. Decisions regarding how to staff Internal Audit will be made as part of ATP’s budget deliberations in September 2022.

AUDIT PROJECTS (cont.)				
Project Topic	Preliminary Objective	Priority	Source	Resources & Cost
<b>Procurement Process</b>	Do procurement processes comply with ATP policies and promote efficient and fair contracting processes?	<b>Medium</b>	<b>Co-source</b>	Contract with external assurance provider
<b>Public Information Requests</b>	Do current processes ensure ATP is following open records laws and ensure ATP is prepared to properly respond to public information requests (PIRs) in accordance with State law?	<b>High</b>	<b>Internal Audit</b>	Internal Audit staff

NON-AUDIT AND ADVISORY PROJECTS				
Project Topic	Objective	Priority	Source	Resources & Cost
<b>Annual Audit Planning</b>	Perform entity-wide risk evaluation and prepare annual audit plan	<b>High</b>	<b>Internal Audit</b>	Internal Audit staff
<b>Ethics Investigations<sup>2</sup></b>	Review complaints received through the ethics hotline and conduct related investigations as needed	<b>High</b>	<b>Internal Audit</b>	Internal Audit staff
<b>Other Risk Advisory Services</b>	<ul style="list-style-type: none"> <li>Review executive travel and expense reimbursements</li> <li>Provide input on ATP policies to enhance internal controls, as requested by management</li> <li>Participate as risk advisor in various capacities</li> </ul>	<b>Low</b>	<b>Internal Audit</b>	Internal Audit staff

<sup>2</sup> Suspected misconduct or ethics-related concerns can now be reported at [atp.ethix360.com](http://atp.ethix360.com) or by calling 888-57-ATPTX (2-8789).

### Project Alternatives

If it is determined that one or more of the projects above cannot be completed or completion would provide more value at a later date, priority should be given to the following replacement projects. Needed resources and costs will be evaluated as project replacements occur.

Project Topic	Type	Preliminary Objective	Priority	Source
Communication with Impacted Businesses	Audit	Are communications with impacted businesses transparent and timely?	Medium	Internal Audit
Human Resources	Advisory Service	Evaluate human resources policies to identify priority areas for further development.  Focus areas may include: <ul style="list-style-type: none"> <li>• Recruiting and hiring</li> <li>• Onboarding and training</li> <li>• Employee relations</li> <li>• Employee benefits</li> <li>• Organizational structure and culture</li> <li>• Performance management</li> </ul>	High	Internal Audit
Shared Services	Advisory Service	Evaluate functions shared with partner organizations to identify gaps and redundancies.	Medium	Internal Audit
Transparency: External	Advisory Service	Assemble community feedback on what information the public would most like to receive and determine if ATP has established processes to communicate transparently and meet those needs.	High	Internal Audit

<sup>i</sup> An audit, or assurance, engagement is a project whereby an independent internal auditor objectively assesses an entity, operation, function, process, system, or other subject matter to provide an opinion or overall conclusion on the efficacy of the audited subject. The nature and scope of an assurance engagement are determined by the internal auditor. Results are reported to an oversight entity such as a Board of Directors or Audit Committee.

<sup>ii</sup> An advisory, or consulting, service is generally performed at the specific request of an engagement client, or the intended recipient of the advisory service. The nature and scope of the consulting engagement are subject to agreement with the engagement client. Internal auditors are required to maintain objectivity throughout advisory engagements, and not assume management responsibility despite the advisory nature of the project.