
Recommendations

Recommendation 1. The General Assembly should direct the State Board of Transportation Audit Committee to revisit the Department of Transportation's Office of Inspector General's (DOT OIG) annual audit plan and determine why DOT OIG is not publishing reports.

The State Board of Transportation Audit Committee should begin including completed reports from DOT OIG's annual audit plan as a dashboard item at each monthly meeting of the Board of Transportation by October 1, 2020. The State Board of Transportation Audit Committee should report on implementation of this recommendation to the Joint Legislative Transportation Oversight Committee by October 1, 2021.

Recommendation 2. The General Assembly should direct the Council of Internal Auditing to conduct a hearing on DOT internal audit functions and assist DOT in improving the effectiveness of OIG.

The Council of Internal Auditing should receive testimony from DOT and independent experts and recommend corrective actions to DOT. The Council should report its recommendations to the Joint Legislative Transportation Oversight Committee by October 1, 2020.

After the hearing, the Council of Internal Auditing should work jointly with DOT on a general overhaul of OIG to improve its effectiveness and enhance its independence by ensuring OIG engagements do not blur boundaries of management activities. The Council should report to the Joint Legislative Transportation Oversight Committee on implementation of this portion of the recommendation by October 1, 2021.

Recommendation 3. The General Assembly should direct the Council of Internal Auditing to establish and monitor compliance with standards for all state agency internal audit units.

The Council of Internal Auditing should

- establish a minimum level of performance audit effort in compliance with standards for agency internal audit units;
- periodically examine a stratified sample of internal auditing reports and annual plans for conformity and report deficiencies; and
- review every external quality assurance review for each agency internal audit function, hold hearings on any reported deficiencies, and monitor corrective action.

If the Council approves a resolution defining requirements, the General Assembly should consider providing funding for the Council to contract with experts to perform more complex reviews of audit units and provide expertise on internal auditing operations, standards, and technology.

The Council of Internal Auditing should report to the Joint Legislative Oversight Committee on General Government on the status of this recommendation by June 1, 2021.