



**NEW YORK**  
STATE OF  
OPPORTUNITY™

**Thruway  
Authority**



**GOVERNOR  
MARIO M. CUOMO  
BRIDGE**

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*Audit committee meeting no. 58  
MONDAY December 5, 2022  
ALBANY, New York*



### **AUDIT COMMITTEE AGENDA**

Meeting No. 58  
December 5, 2022  
Albany, New York

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1. Approval of Minutes of Audit Committee Meeting No. 57
2. Presentation from BST on Audit Plan Year Ending December 2022
3. 2023 Audit Plan for the Bureau of Fiscal and Toll Audit
4. 2023 Internal Audit Plan/Projects
5. Other Business
6. Adjournment

TO: The Audit Committee

DATE: December 5, 2022

FROM: Tanya M. Morris  
Secretary to the Board

SUBJECT: Approval of Minutes of Committee Meeting No. 57

Copies of the Minutes of Committee Meeting No. 57 were made available to the Committee Members as part of the Agenda.

#### RECOMMENDATION

It is recommended that the Minutes of Committee Meeting No. 57, held on March 28, 2022 be approved by the Committee.



**MINUTES**  
**AUDIT COMMITTEE MEETING NO. 57**  
**200 Southern Boulevard**  
**Albany, New York**  
**March 28, 2022**

The following committee members were present on Webinar:

Joanne M. Mahoney, Chair  
Robert Megna, Vice-Chair  
Jose Holguin-Veras, Ph.D., Board Member  
Donald Rice, Board Member  
Heather Briccetti, Board Member  
Stephen Saland, Board Member

Constituting a majority of the members of the Thruway Authority Board.

Staff Present during Webinar:

Matthew Driscoll, Executive Director  
Matthew Trapasso, Chief of Staff  
Matt Howard, Treasurer and Chief Financial Officer  
Frank Hoare, General Counsel  
Rich Lee, Chief Engineer  
Jim Konstalid, Director, Maintenance & Operations  
Jennifer Givner, Director of Media Relations & Communications  
Mary Boehm, Acting Director, Audit & Management Services  
John Barr, Director, Administrative Services  
Andrew Trombley, Director of Contracts & Procurement Services  
Pete Nilsson, Information Technology Specialist  
Tanya M. Morris, Board Secretary

Audit Committee is comprised of Chair Donald Rice along with committee members Robert Megna; and Chair Joanne Mahoney (who serves in the ex-officio capacity). The Audit Committee began at 11:18 a.m.

Ms. Morris recorded the minutes as contained herein (public notice of the meeting had been given).

## **Item 1**

### **Approval of Minutes of the Audit Committee Meeting No. 56**

Upon motion duly made and seconded, the Audit Committee approved the minutes of the previous meeting held on December 6, 2021.

## **Item 2**

### **Presentation from Brendan Kennedy (BST) on Audit of the Authority's Financial Statements, Report on Compliance with Single Audit Requirements, Report on Compliance with Investment Guidelines and Required Communications to the Authority's Board**

Mr. Brendan Kennedy (BST) presented an overview of the Authority's Financial Statements, Report on Compliance with Single Audit Requirements, Report on Compliance with Investment Guidelines and Required Communications to the Authority's Board.

Copies of the BST were provided to the Committee Members and are maintained in Authority records. Details of the Committee Members discussion with Mr. Kennedy and staff are included in the audio recording of the meeting and maintained by the Authority.

Upon motion duly made and seconded, the Audit Committee accepted the Report.

## **Adjournment**

There being no other business to come before the Audit Committee, upon motion duly made and seconded, the meeting was adjourned at 11:38 a.m.

*Note: Webcasts, which include dialogue of Authority Board Meeting, are available on the Thruway Authority website 48 hours after such meetings occur and remain on the website for a period of four months.*

TO: The Audit Committee  
FROM: Matthew A. Howard  
Chief Financial Officer

DATE: December 5, 2022

SUBJECT: 2022 Audit Plan

The Chief Financial Officer formally submits the Thruway Authority's Audit Plan for the year ending December 31, 2022.



**Thruway  
Authority**

# Audit Plan Year Ending December 31, 2022

December 5, 2022

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# Scope of Services

## Financial Statement Audit

- Financial statements of the New York State Thruway Authority (Authority) for the fiscal year ending December 31, 2022
- Conduct of the Audit
  - Auditing *Standards Generally Accepted in the United States (GAAS) and Government Auditing Standards (GAS)*

## Additional Reports, Letters and Opinions

- Report on internal controls over financial reporting and on compliance and other matters
- Report on compliance with Section 2925(3)(f) of the New York State Public Authorities Law (Investment Guidelines)
- Report on the Authority's compliance for major federal programs in accordance with the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- Communications with Audit Committee regarding the results of the audit in accordance with professional standards
- Management letter comments or communications in accordance professional standards

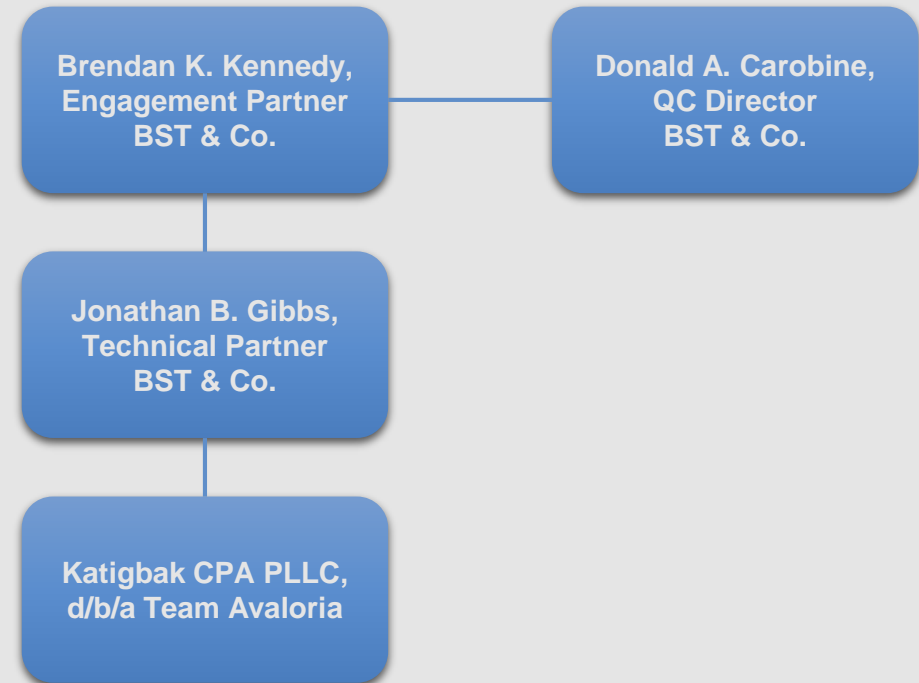
# Engagement Team

**Brendan K. Kennedy, Engagement Partner** – responsible for the overall audit approach, execution of the audit and delivery of all required reports and service.

**Donald A. Carobine, Quality Control Manager** – technical resource during the engagement and secondary reviewer of all deliverables.

**Jonathan B. Gibbs, Technical Partner** – assist the engagement partner and supervise engagement staff/fieldwork.

**Tiffany Lu, Audit Specialist** – Katigbak CPA PLLC, dba Team Avaloria liaison.



# Engagement Team (cont.)

**BST & Co. CPAs, LLP**  
Albany, New York

Final responsibility for all deliverables under the contract with NYSTA. Utilize resources from BST and partnering firms to provide all required services.

**Katigbak CPA PLLC,**  
dba Team Avaloria

Role in conducting financial statement and Single Audit testing during course of engagement. All work performed under direct supervision of BST audit team.

# Management's Responsibilities

- Preparation and fair presentation of the financial statements
  - Accounting principles generally accepted in the United State of America (U.S. GAAP)
- Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
- Establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls
- Providing us with access to all information relevant to the preparation and fair presentation of the financial statements, including documentation and access to personnel
- Report distribution

# Responsibilities of BST

- To conduct our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and Government Auditing Standards issued by the Comptroller General of the United States
- In accordance with those standards:
  - Perform procedures to obtain audit evidence about the amounts and disclosures in the financial statements;
  - Utilize professional judgment; and
  - Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management
- Obtain reasonable assurance about whether the financial statements are free from material misstatement
  - Because of the inherent limitations of an audit, along with the inherent limitations of internal controls, there is a risk that some material misstatements may exist but not be detected.
  - An audit is not designed to detect errors or fraud immaterial to the financial statements.

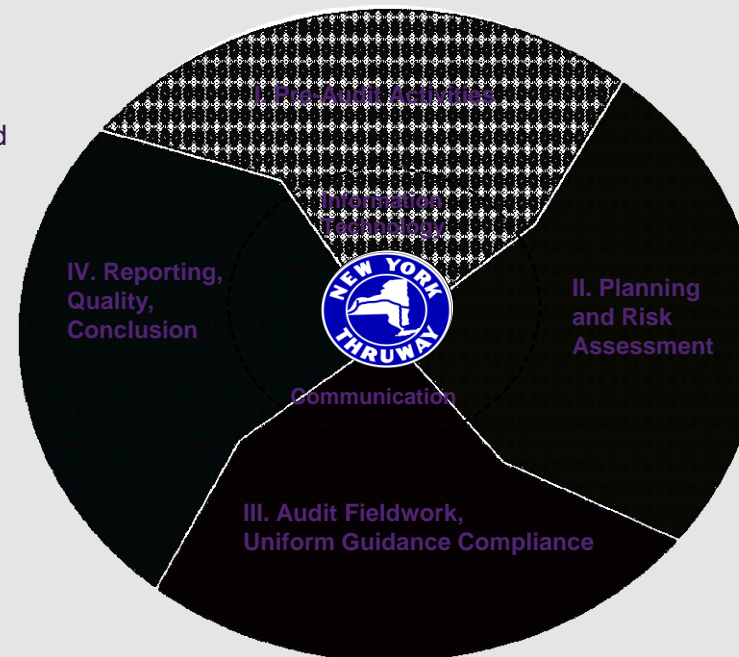
# BST Audit Methodology

## Segment I, Pre-Audit

- Agree fieldwork and deliverable dates
- Assess inherent risk for each reporting segment
- Determine materiality
- Agree on PBC schedules
- Obtain significant contracts and agreements

## Segment II, Planning

- Assess risk at account and potential error level
- Develop understanding of the plan and programs to be audited
- Initial communications with those charged with governance
- Design substantive tests



## Segment IV, Reporting

- Review subsequent events
- Obtain management reps
- Assess engagement quality
- Report to those charged with governance
- Obtain feedback

## Segment III, Fieldwork

- Substantive tests of details
- Tests of internal controls and Uniform Guidance compliance
- Evaluate findings
- Write recommendations
- Status meetings

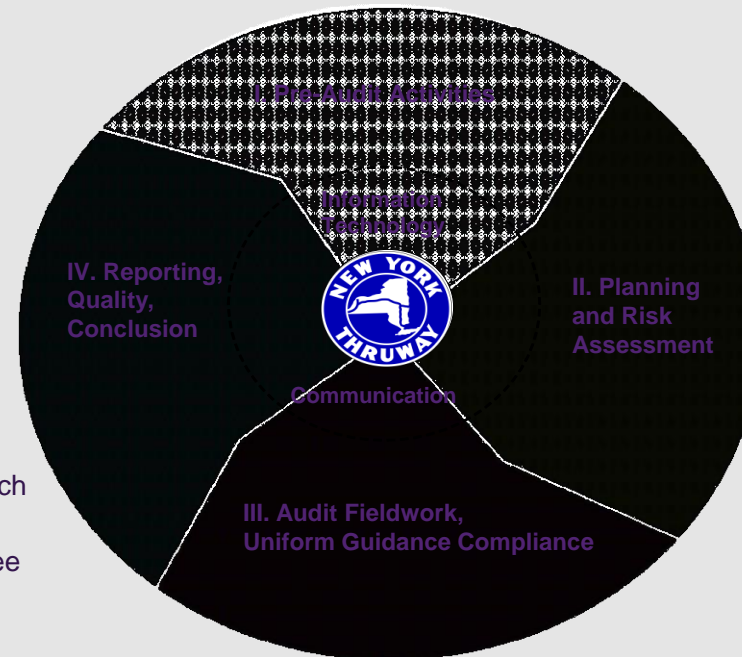
# Timing

## Pre-Audit

- On-going throughout year
- Communications with management
- Review of Blue Book and monitoring of Board minutes

## Planning

- November and December 2022



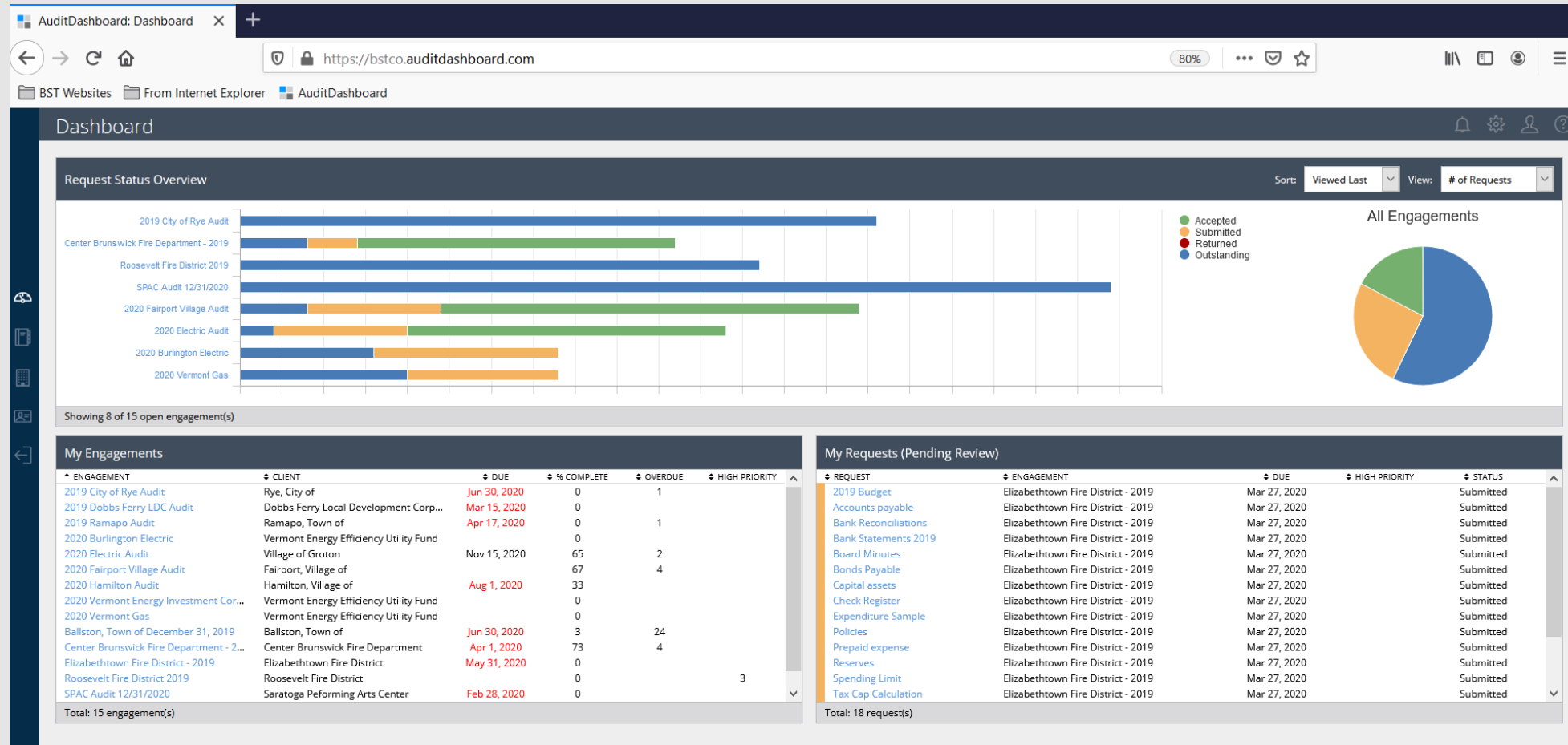
## Reporting

- Board Ready Drafts – mid-March 2023
- Presentation to Audit Committee – late March 2023
- Final Reports Due – March 31, 2023

## Fieldwork

- February – March 2023

# Audit Dashboard





# Audit Dashboard (cont.)

AuditDashboard: Engagements X +

https://bstco.auditdashboard.com/Engagements/1126/5460

BST Websites From Internet Explorer AuditDashboard

## 2020 Vermont Energy Investment Corporation

Engagements +

Filter: ☐ Show All ☒ Outstanding ☒ Returned ☒ Submitted ☒ Accepted ☐ Assigned To Me ☐ Overdue

<input type="checkbox"/>	Title	Reference	Client User	Firm User	Due Date	Modified	Icons
<input checked="" type="checkbox"/>	Bank Statements	Cash	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	4
<input type="checkbox"/>	Bank Statements	Cash	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	2
<input type="checkbox"/>	Cash Reconciliations	Cash	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	1
<input type="checkbox"/>	Expense Sample	Expenses	Lasher, Jess		Oct 1, 2020	Sep 18, 2020	32
<input type="checkbox"/>	General Ledger Detail	Financial	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	1
<input type="checkbox"/>	Trial Balance	Financial	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	1
<input type="checkbox"/>	Entity Level Questionnaire	General	Lasher, Jess		Sep 10, 2020	Sep 10, 2020	2
<input type="checkbox"/>	Information System Questionnaire	General	Lasher, Jess		Sep 10, 2020	Sep 10, 2020	1
<input type="checkbox"/>	Process Narrative - Cash Reconciliations	Internal Controls	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	1
<input type="checkbox"/>	Process Narrative - Disbursements	Internal Controls	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	1
<input type="checkbox"/>	Process Narrative - Revenue	Internal Controls	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	2
<input type="checkbox"/>	Accounts Payable	Liabilities	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	1
<input type="checkbox"/>	Accrued Expenses	Liabilities	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	0
<input type="checkbox"/>	Accrued VEC Performance Incentive	Liabilities	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	3
<input type="checkbox"/>	Disbursement File	Liabilities	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	1
<input type="checkbox"/>	Search for Unrecorded Liabilities	Liabilities	Lasher, Jess		Aug 12, 2020	Sep 18, 2020	0
<input type="checkbox"/>	Taxes Payable	Liabilities	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	1
<input type="checkbox"/>	Accounts Receivable - Aging	Revenue/Receivables	Lasher, Jess		Sep 18, 2020	Sep 18, 2020	2
<input type="checkbox"/>	Accounts Receivable - Listing	Revenue/Receivables	Lasher, Jess		Sep 24, 2020	Sep 24, 2020	11

### Bank Statements

Cash

Copy of the 6/30/2020 bank statements.

Add Comment...

☒ ☐ ☐ Upload ☐ Restrict

### Activity

[Download Activity List](#)

Lasher, Jess uploaded	Sep 18, 2020 at 11:17 AM
<a href="#">06.20 VEEU Sweep.pdf</a>	
Lasher, Jess uploaded	Sep 18, 2020 at 11:17 AM
<a href="#">06.20 RGGI Cash Mgt Bank Statement.pdf</a>	
Lasher, Jess uploaded	Sep 10, 2020 at 3:26 PM
<a href="#">VEEU 6.30.2020 stmt.pdf</a>	
Lasher, Jess uploaded	Sep 10, 2020 at 3:26 PM
<a href="#">RGGI 6.30.20 stmt.pdf</a>	

# Key Areas of Audit Focus

## Cash and Investment Management

- Confirmation of balances with external financial institutions/review of year-end statements
- Review of account reconciliations and material reconciling items
- Examination of compliance with NYS Investment guidelines

## Revenues and Receivables

- Review of historical cash collections on billed revenues
- Review of cash received subsequent to year-end
- Analytical review of charges to revenue sources
- Sampling of certain revenue sources and tracing to contract or other source documentation
- Assessment of management's estimate for uncollectible receivables
- Cashless tolling
- Revenue recognition policies

## Capital Assets

- Review of capital contributions
- Review of capitalized interest
- Evaluation of reasonableness of useful lives and remaining useful lives
- Review of capital asset additions, deletions, and transfers
- Consideration of asset impairment

# Key Areas of Audit Focus (cont.)

## Accounts Payable and Accrued Expenses

- Search for unrecorded liabilities via examination of payments made subsequent to year-end and a review of open payables listing
- Review of significant accruals, including management's estimation process
- Review of OPEB valuation, including inputs (such as census data), assumptions, and actuary qualifications

## Bonds Payable and Related Accounts

- Accounting and financial reporting for bond refinancing transactions.
- Confirmation of balances with external financial organizations
- Review of interest expense for reasonableness
- Recalculation of premiums and discounts, gains/losses on refundings, and bond issuance costs
- Compliance with bond covenants

## Operating Expenses

- Analytical review of operating expenses comparing budgets to actuals
- Sampling of expenditures to test underlying documentation such as invoices and agreements

# Key Areas of Audit Focus (cont.)

## Adoption of GASB Statement No. 87, Leases

- Effective for the Authority's fiscal year-ending December 31, 2022 (previously delayed to due to COVID-19 pandemic).
- Replaces old guidance under GASB 13, the private sector has a comparable accounting standard that commercial entities are implementing.
- Concept of Operating Lease vs. Capital Lease is no long applicable, instead:
  - Lessee recognizes a lease liability and a lease asset at the commencement of the lease term.
  - Lessee reduces a lease liability as payments are made and recognize an outflow for interest on the liability. The leased asset is depreciated over the life of the lease.
  - Lessor recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term.
  - Lessor should recognize interest revenue on the lease receivable and revenue from the deferred inflow of resources on a systematic and rational basis.
- Management of the Authority has been working on the implementation for over the past year; BST has been consulted.

# Single Audit

- Performance of the Federal Single Audit will occur simultaneously with the audit of the financial statements.
- Planning Phase
  - Determine each program type and which programs will be considered major
  - Utilize draft Schedule of Federal Expenditures to be prepared by the Thruway
  - Identifying the program/compliance requirements applicable to the major programs
- Compliance Testing
  - Performed during planning and final fieldwork
  - To include testing of the Authority's internal controls over compliance
  - Dual purpose testing to be utilized where appropriate in an effort to increase efficiency
- Certification
  - Federal Audit Clearinghouse within 30 days of report issuance

# Reviews and Reporting

- Engagement Reviews
  - Engagement Review – in-charge review of the work of the staff to ensure it follows firm guidelines.
  - Partner Review – the engagement partner will review all workpaper files, financial statements, audit reports, compliance reports and required communications.
  - Quality Control Review – the engagement quality partner will perform a review of the financial statement audit reports, compliance reports, required communications and select workpapers files for significant and critical areas and concurrence with conclusions of the engagement team.
- *At the conclusion of the audit, we will issue the required opinions on the Authority's basic financial statements, on compliance with the Authority's investment guidelines, and on the Schedule of Expenditures of Federal Awards. Our management letter will discuss internal control recommendations for procedural improvements we identified during the audit.*

# Consideration of Fraud

- Professional Responsibilities
  - Obtaining reasonable assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.
- Audit Objectives
  - Identify and assess the risks of material misstatement of the financial statements due to fraud
  - Obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud
  - Respond appropriately to fraud or suspected fraud identified during the audit.
- Audit Procedures to Address Risk of Fraud
  - Discussions with management
  - Incorporate an element(s) of unpredictability into the audit.
  - Review unusual or unexpected relationships and transactions
  - Review journal entries and topside entries (if applicable)
  - Consider other information obtained during the course of the audit

# Communications

- Effective two-way communication is important to understanding matters related to the audit and in developing a constructive working relationship.
- New York State Thruway Authority → BST
- Your insights may assist us in understanding the New York State Thruway Authority and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.



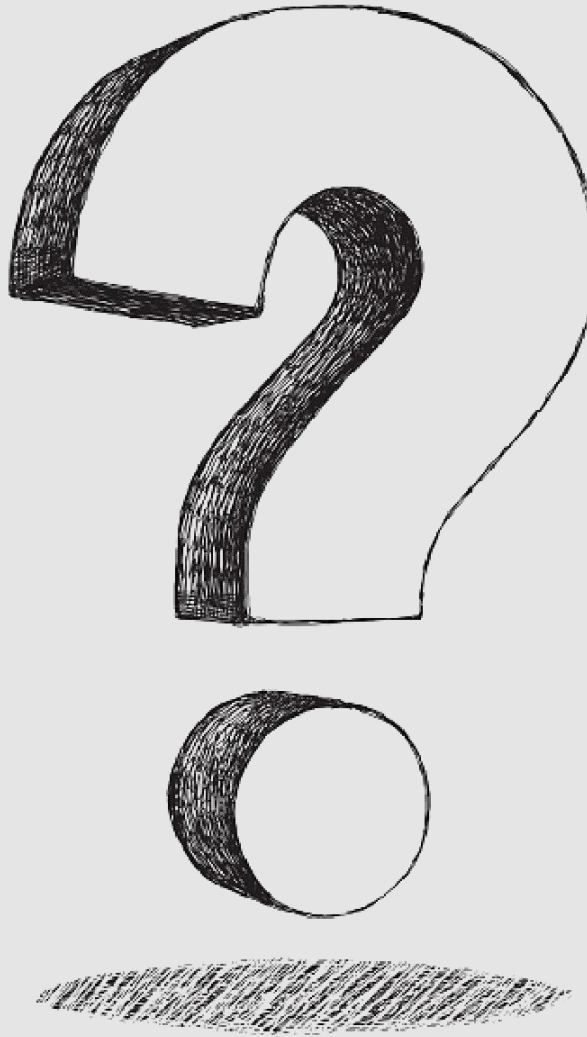
# Communications (cont.)

- BST → New York State Thruway Authority
- We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, instances of noncompliance with laws and regulations that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit.
- We will also communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

# Independence

- Our independence policies and procedures are designed to provide reasonable assurance that our Firm and its personnel comply with applicable professional independence standards.
- Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence.
- Our policies restrict certain non-audit services that may be provided by BST and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

# Questions?



# Thank You!



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Brendan K. Kennedy, Engagement Partner – [bkennedy@bstco.com](mailto:bkennedy@bstco.com)  
Jonathan B. Gibbs, Technical Partner – [jgibbs@bstco.com](mailto:jgibbs@bstco.com)

TO: The Audit Committee  
FROM: Matthew A. Howard  
Chief Financial Officer

DATE: December 5, 2022

SUBJECT: Bureau of Fiscal and Toll Audit's 2023 Audit Plan

The Chief Financial Officer formally submits the Bureau of Fiscal and Toll Audit's 2023 Audit Plan.

Enclosed please find the following:

- Bureau of Fiscal and Toll Audit's 2023 Audit Plan.
- Preliminary Accomplishments Report for 2022
- Report of Accomplishments for 2019-2021
- Summary tables detailing number of audits performed and resource allocation for 2019, 2020 and 2021

New York State Thruway Authority  
Office of Fiscal Audit and Budget  
2023 Audit Plan

December 5, 2022

## **Bureau of Fiscal and Toll Audit** **2023 Audit Plan**

Enclosed please find the Bureau of Fiscal and Toll Audit's 2023 Audit Plan. The plan is updated annually to adjust for new initiatives, revise processes, adapt to changes to better reflect the priorities of the organization, and to allocate our resources more efficiently. In 2022 we resumed field audits, which were limited in 2021 due to continued COVID-19 pandemic restrictions. As described below, staff hours are allocated to high-risk areas including testing, reconciliation and reporting of All Electronic Toll Collection (AET, also known as Cashless Tolling) trips and revenues. Billings for customer service and maintenance of the equipment on the gantries and toll collection software at AET locations are reviewed to track expenses and ensure that they are in accordance with the agreements.

### **Risk Based – Analysis of operating controls, likelihood of material failure and impact to operations and finances:**

The plan was developed using a risk-based approach. The first step in developing the plan is to group key functions together into Primary Audit Areas, which are used as a guide on how to allocate audit staff. The next step analyzes the likelihood of failures occurring in a key function, considering the controls, or lack of controls in place to prevent or minimize the failure from occurring. These controls are established and monitored by the operating department in most situations. The next step is to evaluate the impact that a potential failure would have on Authority operations and finances. The definition of failure is principal to the analysis, as it must be measurable and material in nature. Good controls can also minimize the magnitude of the impact of a failure.

### **Overall Risk Assessment:**

The assessment is based on the residual possibility that detection controls will not identify operating control breakdowns in a timely manner, and material failures will occur.

### **Audit Plan – Detection controls and reporting:**

The audit function includes detection controls that consist of reviews and audits to test that operating controls are in place and that proper procedures are followed and documented. Audit reports summarizing findings are provided to leaders and managers that document weaknesses or lack of controls, review whether procedures are being followed and that records are updated timely, provide recommendations for improvements, and remind supervisors and personnel of proper procedures. The recommendations are designed to eliminate or reduce the likelihood of a control failure and provide measures to minimize the impact that these failures will have on the organization. Auditors also follow up on their reports to verify that recommendations have been implemented or acted upon. Our outside auditors annually review our reports on a sample basis and have found them acceptable to rely on.

### **Audit Areas in Annual Plan:**

Audit Area 1 – Revenues and Reimbursements, includes the below described Toll Audit activities as well as audits of Concession Revenue and reimbursements for Federal Disaster Assistance and other Claims and Grants.



Audit Area 2 – Financial Reporting and Regulatory Compliance, includes production of required monthly, annual and year-end financial reports for internal and external use.

Audit Area 3 – Billings and Contract Compliance, includes processing payments and auditing of the Toll Systems and Administrative providers, Engineering and other Personal Services Agreements.

Audit Area 4 – Asset Control, includes physical verification of Equipment and Materials Inventories and controls over Financial assets such as Cash, Checks and Accounts Receivable.

Audit Area 5 – Salary and Benefits, reviews of all items that impact employee compensation and Authority benefit expenditures.

### **Staff Allocation:**

Based on analysis of risk components, staff hours are allocated to each primary audit area required to perform detection controls assessment to reduce overall risk to an acceptable level. In 2022, staff activities continued the evaluating of toll system program operations and revenue reporting post-conversion to cashless tolling. The transition has been complex and requires a continued high level of testing and development of the reporting and reconciliation systems, as well as evaluation of the performance and functioning of equipment on the gantries and toll collection software at all tolling points across the Thruway. These activities lie within Audit Areas 1 - Revenues and 3 – Billings and Contract Compliance.

For 2023 the Audit Plan will continue to dedicate staff time to the oversight of post-transition vendor compliance and performance, reporting, and establishment of new audits and reconciling activities. Management will also use the Plan to track staff time and document activities that diverge from the plan as they arise.

### **Summary Table:**

The 2023 chart displays a summary of the rating of each component of the risk assessment, audit staff allocation and overall risk assessment of the primary audit areas. Attached are detailed overviews of the five primary audit areas with analysis and past audit results to support the rating of the components of a risk analysis (controls, likelihood that failures will occur and impact to operations or finances when failures occur) to support an overall risk assessment rating.

**Bureau of Fiscal & Toll Audit  
2023 Audit Plan  
Risk Assessment Summary**

<b>Risk Components</b>						
<b>Primary Audit Areas</b>	<b>Operating Controls</b>	<b>Likelihood of Failure</b>	<b>Impact to Operations</b>		<b>Staff Allocation</b>	<b>Overall Risk Assessment</b>
<b>Area 1 - Revenues &amp; Reimbursements</b> <i>Key Functions Include:</i> E-ZPass and Cashless Tolls By Mail Revenues	Moderate	Moderate	High	➡	42%	High
Concessions Capital Investment and Lease Revenue Federal Reimbursements - Disaster Claims & Mitigation Grants	Strong	Low/Moderate	Moderate		6%	Moderate
<b>Area 2 - Financial Reporting &amp; Regulatory Compliance</b> <i>Key Functions Include:</i> Financial Statement Review Regulatory & Financial Reporting	Strong	Low/Moderate	Moderate	➡	3%	Low
<b>Area 3 - Billings &amp; Contract Compliance</b> <i>Key Functions Include:</i> Cashless Tolling & Fiber Optic Maintenance E-ZPass and Tolls By Mail Systems & Customer Acct. Mgmt.	Strong	Moderate	High		5%	High
Engineering Consultants Other Personal Service Contracts State Agency Billings Concessionaires - Remediation, Renewal and Replacement	Strong	Moderate	Moderate/High	➡	22%	Moderate
<b>Area 4 - Asset Control</b> <i>Key Functions Include:</i> Equipment - Field Audits Inventory - Field Audits Checks, Credit Cards & Accounts Receivable	Moderate	Moderate	Low/Moderate	➡	15%	Moderate
<b>Area 5 - Salary &amp; Benefits - Employees &amp; Retirees</b> <i>Key Functions Include:</i> Employee Compensation Health Insurance and Other Benefits Time & Attendance	Moderate	Low/Moderate	Low	➡	7%	Low

**2023 Audit Plan  
Audit Categories and Counts  
New York State Thruway Authority**

Audit Area	Category Description	Audit Category Number	2023 Number of Audits
<b>Area 1 - Revenues &amp; Reimbursements</b>			
	E-ZPass:		
	Reserved for Special Projects - Revenues and Reimbursements	1 1A	As needed
	Monthly Collections Customer Payments Vendor To Vendor Reconciliation	1 1B	4
	NYS Bridge Authority Quarterly Chargeback Billings	1 1C	4
	Credit Card Quarterly Chargeback Billings	1 1D	4
	Annual State Police E-ZPass tag billing	1 1E	1
	VDOT Annual IAG Fees Billing	1 1F	1
	Collections Vendor Revenue Remittance & Reporting	1 1G	12
	Niagara Frontier Bridge Commission Tag Packages	1 1H	1
	Peace Bridge Quarterly Chargeback Billings	1 1I	4
	Thousand Island Bridge Authority Quarterly Chargeback Billings	1 1J	4
	Quarterly Rejected Transactions Review	1 1K	4
	Negative Account Balance Review	1 1L	12
			<b>51</b>
	Tolls By Mail:		
	Monthly TBM Revenue Entries	1 2A	12
	Monthly Review of Wire Transfers	1 2B	12
	Quarterly Review of TBM Accounts Receivable	1 2C	4
	Violations Revenue and Fees Recovery	1 2D	12
	Gantry Image Quality	1 2E	12
	Toll System Transaction Audits Comparison Gantry to Vendor	1 2F	12
	Video Classification Audits N1 and Random Audit	1 2G	24
	Rejected Video Transaction Audits - Images, DMV	1 2H	24
	RESERVED	1 2I	As needed
	Audit of Discount Plans	1 2J	6
	Special Projects - Integrate BOTs	1 2K	1
	Monthly Conduent Status Audit	1 2L	12
	Special Projects - Toll Rate Changes, Non-Rev, etc.	1 2M	6
			<b>137</b>
	Concession Revenue:		
	Service Station Rentals	1 3A	2
	Service Station - Other	1 3B	As needed
	Restaurant Rentals	1 3C	1
	Restaurant - Review of New Restaurant Construction	1 3D	1
			<b>4</b>
	Federal Disaster Assistance, Claims & Grants		
	FEMA/FHWA Thruway	1 4A	6
	FEMA/FHWA Canal (closeouts of previous awards)	1 4B	2
	Grants - Miscellaneous	1 4C	As needed
			<b>8</b>
<b>Total - Area 1</b>			<b>200</b>

Audit Area	Category Description	Audit Category Number	2023 Number of Audits
<b>Area 2 - Financial Reporting &amp; Regulatory Compliance</b>			
Financial Statement Review:			
	Annual Audit Plan For Thruway Board	2 1A	1
	E-ZPass and Tolls By Mail Expenses & Budget Review	2 1B	1
	Review of Audited Financial Statements, Notes & External Auditor's Reports	2 1C	1
	Pre-Audit of Monthly Financial Statements	2 1D	12
	Assist Accounting Year End Estimated Liability for Environmental Claims	2 1E	1
	Assist Accounting Year End Contract Liability set-ups - Operating	2 1F	1
	Assist Accounting Year End Vacation Liability	2 1G	1
	Assist Accounting Year End Contract Liability set-ups - Capital	2 1H	1
			<b>19</b>
Regulatory Reporting:			
	RESERVED for Other Regulatory Reporting	2 2A	As needed
	Annual Public Authority Data Request (PARIS)/Board	2 2B	1
	State Comptroller's Audit Report Review	2 2C	As needed
			<b>1</b>
Confirmations & Reconciliations			
	Investments & Collateral	2 3B	1
	Accounts Receivable	2 3C	1
			<b>2</b>
<b>Total - Area 2</b>			<b>22</b>
<b>Area 3 - Billings &amp; Contract Compliance</b>			
Consultants:			
	Audit of Monthly Billings - Toll Collection Related	3 1A	28
	Engineering - D Contract Estimates - Office Audits	3 1B	125
	Engineering - D Contract Estimates - Field Audits	3 1C	2
	Pre-Award Audits Engineering - D Contracts	3 1D	10
	Contractor's Claims	3 1E	As needed
	Processing Contract Payments (est. 600) Pre-Payment Audit	3 1F	1
	Lease & Office Rental Billings (L Contracts)	3 1G	4
	Misc Service Billings - C Contracts Drug Testing, Training, Safety, Benefits	3 1H	15
	Legal & Finance Professional Billings - C Contracts	3 1I	15
	Real Estate Appraisal billings - C Contracts	3 1J	4
	Utilities & Municipal Agreements	3 1K	5
	Railroads / Force Agreements	3 1L	2
			<b>211</b>
Governmental Agencies:			
	Department of Law	3 2A	As needed
	Office of the State Comptroller Billing	3 2B	As needed
	Department of Civil Service Administration	3 2C	2
	NYS Retirement System Billing	3 2D	1
	State Police Troop T Payroll (Quarterly)	3 2E	4
	State Police Troop T Non-Personal Service costs	3 2F	1
	Department of Labor Unemployment Insurance	3 2G	1

Audit Area	Category Description	Audit Category Number	2023 Number of Audits		
	Concessions: Concessionaire Agreements - Repair & Replacement, Cap Imp. Concessionaire Agreements - Gas Pricing Review Fuel Service Facilities - Remediations Ongoing  Other: Assistance to Other Units - Review of RFPs, Draft Contracts and Evaluation Committees	3 3A 3 3B 3 3C  3 4A	9		
			2		
			2		
			12		
			2		
			18		
			238		
			Total - Area 3		
			Area 4 - Asset Control		
	Equipment: FIELD AUDITS Motorized Equipment Office/Computer Equipment Shop Equipment Communications Equipment Inventory Toll Equipment Tool Complements & Controls Scrapping or Surplus Assets  Inventory: Fuel Inventory Reconciliation Reconcile Inventories - Division Stores (4 Divisions & Sign Shop) Section Stores Inventory Verification HQ Supplies Inventory Verification  Cash, Checks, Credit cards and Accounts Receiveable: Procurement Card Audits Account Receivable Confirmations Account Receiveable Reconciliation Cash Funds (petty cash) Check Signing reconcilliation	4 1A 4 1B 4 1C 4 1D 4 1E 4 1F 4 1G  4 2A 4 2B 4 2C 4 2D  4 3A 4 3B 4 3C 4 3D 4 3E	8		
			8		
			5		
			1		
			As needed		
			5		
			1		
			28		
			1		
			5		
			7		
			As needed		
			13		
			4		
			1		
			1		
			4		
			12		
			22		
			Total - Area 4		
Area 5 - Salary & Benefits - Employees & Retirees					
	Employee Compensation (Payroll & Negotiated Benefits) Salary Raises/Step Advances Retroactive Salary or Contractual Payments (Call-out Incentive) Vacation Buyback Health Insurance Opt-out Semi-Annual Incentive & Bonus for Non-use Sick Leave Payoff & Comparison of Payroll to Roster Commuter Use of TWY Provided Vehicles	5 1A 5 1B 5 1C 5 1D 5 1E 5 1F 5 1G	2		
			2		
			1		
			1		
			4		
			1		
			1		
			1		

Audit Area	Category Description	Audit Category Number	2023 Number of Audits
			12
	Health Insurance & Other Fringe Benefits:		
	Pre-Implementation Audit of Health Insurance Rates	5 2A	1
	Reconciliation of TWY Health Insurance Enrollees	5 2B	1
	Unemployment Billings Review	5 2C	As needed
	Survivor's Benefit	5 2D	4
			6
	Time & Attendance: Field Audits		
	Head Counts	5 3A	0
	Nighttime Audits of Winter Maint.	5 3B	0
	Verification of Seasonal Employees	5 3C	0
	Verification of Timekeeper Records	5 3D	8
			8
	<b>Total - Area 5</b>		<b>26</b>
<b>TOTAL ALL CATEGORIES</b>			<b>549</b>

## **Audit Area 1- Revenues and Reimbursements**

### **Overview and Risk Identification**

Authority revenue is closely monitored and reviewed by the Bureau of Fiscal and Toll Audit. The main source of revenue for the Thruway Authority are the tolls collected for the use of the Thruway system. Other sources of income include revenues from concessionaires, E-ZPass and Tolls by Mail fees, fiber optic user fees, rentals, interest earnings, special hauling permits, and other sundry revenues. Federal aid and emergency disaster relief reimbursements along with Federal and State grants are billed and tracked. Many of the controls to account for toll revenues and reimbursements are audited daily by Fiscal and Toll Audit staff.

Risks are based on the likelihood that the following situations may occur: E-ZPass and Tolls by Mail toll transactions are missing, unidentifiable, not billed or misreported; inaccurate toll fares are charged; payments are not reported, collected and deposited properly, or fraudulent activities have occurred. Other possible risks to revenue collection are that concessionaire payments are under reported, inaccurately calculated or that Interest and Sundry revenues are misreported. Risks relating to reimbursements include failure to invoice for reimbursements of reciprocal agency tolling expenses, failure to apply for, document and properly submit all disaster related reimbursements, failure to bill and track other reimbursements including environmental claims, and missed grant and other aid opportunities. These failures could result in the loss of revenues or reimbursements that could impact Authority finances, bond rating, reputation, and draw increased regulatory scrutiny and oversight.

### **Key Functions and Fiscal and Toll Audit Activities**

#### **E-ZPass Toll Operations**

E-ZPass accounts for approximately 94% (\$717.4 million in 2021) of Authority toll revenue (\$760.3 million). The Thruway Authority along with the Metropolitan Transportation Authority (MTA) and Port Authority of New York and New Jersey (PANYNJ), have contracts with Conduent State and Local Solutions, Inc. to furnish, install, operate the Account Management and Customer Service aspects of an Electronic Toll Collection System, E-ZPass. Toll transactions and violations are sent to Conduent, who then posts the transactions to the customer's account and reports the revenues and other fees collected to the Authority's Finance Office for Passenger, Business and Commercial Prepaid accounts. Commercial Postpaid accounts are managed and billed through the Authority's Commercial Charge Account Program. The internal controls of Conduent are reviewed, audited, and subsequently reported on annually by an independent auditor, and the results have been provided to the Authority in a SOC 1 report under the Standards for Attestation Engagements (SSAE) #16 report.

In addition, Fiscal Audit maintains dedicated staff to manage the financial aspects of the contract: monitor toll revenue reported by Conduent, including transactions with 33 reciprocal agencies in 19 states and Canada processed through the E-ZPass system. Staff reviews financial transactions on customer and violator accounts; reviews collections on delinquent accounts by an outside collection company; and reviews monthly summaries of deposits for prepaid tolls and violations to bank statements. Staff prepares quarterly invoices for credit card equity reimbursements with all reciprocal agencies and prepares invoices for quarterly reimbursement of E-ZPass operating costs for the New York State Bridge Authority (NYSBA), Peace Bridge and others, paid to Conduent by the Authority in the first instance. Fiscal Audit staff also represent the Authority at weekly and monthly project status, change control and other meetings with Conduent and at the IAG Reciprocity Committee and Finance Committee and various sub-committee meetings. These meetings are the venue to raise concerns and request programming and reporting enhancements to receive better data.

### **Cashless Tolling / All Electronic Tolling – Tolls By Mail Program**

Conduent State and Local Solutions, Inc. operates the account management, billing and payment aspects of the cashless Tolls by Mail program for video toll transactions. Electronic toll transactions and license plate video images are sent to Conduent, who then use the plate numbers to obtain the patron's current mailing address through the DMV of their state or to bill on previously established accounts. Conduent mails out Toll Bills and escalated Violation Notices and tracks their status, processes and deposits all payments, and provides transaction and revenue reports to the Authority's Fiscal Audit and Finance offices. Unpaid Bills and Notices that have not been paid within 120 days of initial transaction are placed for collection with NYSTA's collection agent. Tolls by Mail and Violation Fees totaled \$44.2 million for 2021.

The Office of Fiscal Audit has dedicated staff who audit the Tolls by Mail financial operations of the contract; monitor toll revenue collected and reported by Conduent, including each level of bill payment; review financial transactions on customer and violator accounts; review collections from the outside collection agency; oversee weekly receipts for Tolls by Mail; and monitor customer receivables. Fiscal Audit and Finance staff are in contact with Conduent and the other reciprocal agencies through meetings and constant communications about data and the process and procedures of E-ZPass and the Tolls by Mail program.



## **Concession Lease Payments**

Concessionaire lease payments from two fuel service and three food service operators at the 27 service areas located across New York, totaled \$5.7M in rental revenue in 2021, down from \$6.8M in 2020. In July 2021 the Authority along with Empire State Thruway Partners launched a \$450 million service area redevelopment and redesign project for food service operations. The contract with Empire has a 33-year term with two phases of construction. Phase 1 includes reconstruction of 16 service areas that commenced in July 2021, and Phase 2 includes renovations of 11 service areas scheduled for 2023. This project is overseen by the Office of Travelers' Services. The Bureau of Fiscal Audit will provide support and guidance relative to the documentation for Capital Improvement costs, future Rehabilitation and Reinvestment Reserve and rental reports.

Controls for verifying rental revenue received from the current operators are strong, as restaurant sales and fuel deliveries are reviewed and variances investigated on a monthly and year to date basis. Fiscal Audit conducts post audits of rent payments and other contract provisions for all the operators on an annual basis, including compliance to minimum annual guaranteed rent. Fiscal Audit also works with our independent auditors to ensure that in accordance with the contract, the concessionaires maintain good internal controls of their records and operations. Procedures will be modified as needed to retain strong controls under the new agreements.

## **Federal Assistance - Disaster Claims and Mitigation Grants**

Federal disaster assistance claims originate from weather related events (Snow, Ice, Wind, Flooding, etc or other State Emergency). There are two different sources for disaster assistance: FEMA and FHWA. The program used depends on the specifics of the eligible damage or the State/Federal declaration. Once a State and/or Federal disaster event is identified, Division Personnel are notified and specific work orders are set up to accumulate costs, which are then submitted to Fiscal Audit. The FEMA project manager coordinates cost submissions, correspondences and meetings to identify, clarify and resolve all eligibility and program issues with FEMA, FHWA and New York State Office of Emergency Management (NYSOEM). Both Thruway and the Canal claims (pre-2017) are billed and tracked to final disposition and receipt of funds. Currently the Authority has approximately \$1.8 million in federal reimbursements obligated for prior claims based on approved project work sheets. As these projects are completed and costs are calculated, final billings will be submitted for reimbursement. New FEMA-identified disasters that may be eligible for Federal reimbursement include the 2020-22 Covid-19 Pandemic, 2021-22 Kentucky Tornadoes (NYSIMT) and 2022 New Mexico Wildfires (NYSIMT). Mitigation grants are competitive programs available through FEMA. The FEMA project manager in Fiscal Audit assists in initial applications, securing time extensions on open Thruway and Canal (pre-2017) mitigation grants; monitors progress on the approved projects and prepares quarterly reports and billings of eligible costs for reimbursement. The Authority is currently in the process of applying for FEMA's FY2022 Building Critical Infrastructure and Communities (BRIC) and Flood Mitigation

Assistance (FMA) programs, as well as Hazard Mitigation Assistance available under DR-4480 (Covid-19) and DR-4615 (Hurricane Ida).

FEMA reimbursements and grants have been a large percentage of the federal funds received in recent years. Costs paid to date for the repair work caused by the Lee/Irene events will be closed out and claim reimbursements submitted. With the transfer of the Canal Corporation to NYPA, the Authority will submit the claims and provide a credit of any portion that NYPA has reimbursed after April 1, 2016.

### **Overall Risk Assessment of Revenues and Reimbursements**

The Authority has written procedures on documenting the cashless tolling revenue that is reported to be collectible. Established controls track the set-up of receivables and reimbursements, monitor the status of amounts billed and received, and for tolls that are determined to be uncollectable, calculate an allowance for doubtful accounts. In 2018, we adopted a write-off procedure for the allowance of doubtful accounts relative to uncollectible tolls over two years old. Based on the uncertainty surrounding collections of revenue billed rather than immediately received via cash toll collection and collection services provided 100% by vendors rather than Authority staff, the operating controls in place are moderate and the likelihood of failure is moderate. The potential impact of failure of controls to the Authority is high since tolls are the main source of revenue, so the overall risk assessment of toll revenue is high.

For Concessionaire Lease Payments and Federal Reimbursements, the operating controls are considered strong. The likelihood of failures is moderate, but activities are continuously monitored, so the likelihood of material failure is low. While the impact of material failures on the Authority's operations and finances would be high, the detection controls drive the overall risk assessment to moderate.

## **Audit Area 2 – Financial Reporting & Regulatory Compliance**

### **Overview and Risk Identification**

The NYS Thruway Authority, a legally and fiscally separate and distinct organization from the State of New York, is responsible for its own finances and budget, and produces a variety of financial statements and reports to provide both internal and external users with financial information regarding its operating results and financial condition. These statements and reports are required by various governmental agencies and legislation. Authority and State bond program managers, advisors and bond rating agencies require timely financial statements and reports before public offerings can be made. In order to ensure the reliable, accurate and timely compilation of these statements and reports, the Bureau of Fiscal and Toll Audit performs various periodic reviews and audits and assists in their production. Audit staff provide assistance in producing the Annual Report and required analysis of the Authority's financial reports prior to issuance.

Risks are based upon the likelihood of undetected errors or misstatements within these financial statements, notes to the financial statements and/or reports, and the possibility that such errors or misstatements would be of a material amount. Material is defined as having an impact on an informed financial statement reader. The impact of these errors could result in erroneous decision making in current and long-range planning and controlling of operations and achieving the organization's goals. Material impacts could include a decrease in bond ratings, which increases costs of borrowing, increased regulatory scrutiny, corrective costs and negative public/private perception.

### **Key Functions and Fiscal Audit Activities:**

#### **Financial Statement Review**

The Bureau of Fiscal and Toll Audit performs reviews and/or audits of various pages of the Financial Statements and reports on a monthly, semi-annual and annual basis, in accordance with detailed audit programs. The Authority's fiscal year is on a calendar year basis. The audit programs include tests of the accuracy and reasonableness of calculations made and amounts presented, when compared to actual source data, such as various expense, budget and revenue reports generated from the Authority's Thruway Financial Program (TFP) and other reporting systems. The following are reviewed:

- Monthly Financial Reports
- Estimated Future Claims and Environmental Liability, Contractual Liability and Accrued Expense Account Balances
- Allowances for Doubtful Accounts
- Annual Financial Statements and Notes

## **Regulatory and Financial Reporting**

Fiscal Audit provides comprehensive reviews and compilation of data contained in monthly and annual Financial Statements that are provided to New York State agencies and certified by our external auditors. Annual financial statements and reports are required to be submitted and information uploaded to the Office of the State Comptroller / Authority Budget Office's Public Authority Reporting Information System (PARIS). This information is made publicly available. As a result, potential risk associated with undetected errors and misstatements could also cause a negative impact to the Authority, the State and other businesses and organizations that rely on these reports. Fiscal Audit reviews the consistency of financial information derived from different sources within the Authority.

Fiscal Audit prepares the calculation of estimated liabilities for the annual year end reporting, per GASB, including the liability for Construction, Architectural and Engineering and Personal Service/Lease agreement contract agreements.

Fiscal Audit prepares the annual Procurement report for Architectural and Engineering and Personal Service contract and Lease agreements for submission into the PARIS statewide database and preparation of the report for the NYSTA Board of Directors.

Fiscal Audit participates in compiling data and providing responses to external audits and other inquiries, as well as provide support for reports used for bond issuance for Ratings Agencies, Federal Financial Assistance and others.

## **Overall Risk Assessment Financial Reporting & Regulatory Compliance**

Based on periodic audits and a review of the controls in place, the controls are evaluated as strong and the likelihood that material errors will go undetected in Authority financial statements and reports is low to moderate. If undetected errors are made, there could be significant implications to the overall organization. Overall risk assessment for this area is low.

## **Audit Area 3 – Billings and Contract Compliance**

### **Overview and Risk Identification**

The Bureau of Fiscal and Toll Audit performs reviews and audits of billings received and contract payments made by the Authority for a variety of services provided in accordance with contracts with business entities and agreements with various State agencies. In 2021, approximately 635 billings were reviewed with a value of about \$120.3 million paid to consultants, for personal service contracts and for lease agreements. Services provided by consultants consist of engineering services (design, construction inspection, and architectural), and personal services contracts include legal, economic, financial, real estate, human resources services, accounting services, and E-ZPass and Tolls By Mail administration. Other billings include various services provided by the New York State Departments of Civil Service, DOT, the Office of the State Comptroller, Attorney General, and others. The Authority also reimburses the Division of State Police for Troop T's costs of patrolling the Thruway.

Existing food concession contracts include building and equipment renewal and replacement provisions and the fuel vendor contracts have both equipment replacement and capital improvement requirements. Fuel contracts include provisions outlining the operators' and Authority's responsibility for environmental spill remediation and clean-up. In accordance with regulatory agreements and procedures, the Authority is reimbursing fuel vendors for ongoing remediation monitoring at several service area locations where past environmental contamination occurred.

In performing audits of these agreements, expenses and supporting documentation are reviewed and tests are conducted for reasonableness, mathematical accuracy, and conformity to contractual guidelines mandated by State and Federal regulations, as well as review and approval of the work by Authority engineers and other contract managers. As a result, billings and project costs are approved, adjusted, held or disapproved in accordance with contract provisions, and if costs were attributed to a previous operator, then they are billed in accordance with that agreement.

Risks include the likelihood that billings which include improper or inaccurate costs in accordance with contract guidelines get processed, paid and recorded in the Authority's financial records. Inaccurate and incorrect cost reporting can also impact current and future management decision making, regarding planning and cash flow needs. Contract non-compliance by concessionaires regarding capital improvements and replacement and renewal requirements can impact customer safety and satisfaction at our Travel Plazas. Any instance of a fuel spill or non-compliance with environmental regulations can lead to citations, claims and facility shut down with little or no service available to Authority patrons. Additional risk could arise by allowing for the payment of sub-standard work, or work performed by unqualified firms or unlicensed individuals, which could affect public safety and potential liabilities.

## **Key Functions and Fiscal Audit Activities**

### **Processing Contract Payments in Contract Management System**

Invoices for Engineering Consultant agreements as well as a wide variety of other Personal Service Contracts and Lease Payments are routed through Fiscal Audit for payment processing. Fiscal Audit ensures that the invoices have been approved by the Authority Project or Contract manager or appropriate Department head, is compliant with contract provisions captured in the Contract Management System (CMS), that funding is available and that insurance requirements are met before forwarding to Accounts Payable for payment.

### **Engineering Consultants**

The Bureau of Fiscal Audit performs pre-award evaluations for engineering agreements to ensure that agreements contain provisions for reimbursement that are in conformity with Authority and State Comptroller's guidelines.

The review includes direct salary rates, as well as expenses and indirect (Overhead or Multiplier) cost rates proposed, and approval of the firm's rates reported by a CPA firm or a NYSDOT approved overhead rate. Upon execution of an agreement, total contract amount, insurance requirements and work periods are set up and verified in the Contract Management System (CMS). Staff coordinates the establishment of Project Accounting with the Budget Office. Assignment budgets approved by Engineering are set-up in CMS and bills are processed against those budgets. Desk audits of the billings are performed on a continual basis, and audit adjustments are applied to future billings. Schedules documenting the reductions are provided to Authority program managers and consultants. Estimates are recorded and posted thru CMS. Field audits may be planned to visit consultants' accounting offices in order to verify the reliability and accuracy of the firm's records and invoices. Notable consultant agreements include those associated with ongoing oversight of the New NY Bridge Project.

### **Other Consultants and Contractors**

The Authority leases office space for Administrative operations in the Buffalo, Syracuse and New York Divisions. The Bureau of Fiscal and Toll audit reviews annual escalation billings for operating costs and real estate tax increases submitted to the Authority from the landlord prior to payment. Staff also audits other Personal Service agreements in a manner like the Engineering agreements as described above. Fiscal Audit provides additional oversight and auditing of billings for services provided by the E-ZPass and Tolls By Mail Administrator managed jointly by the Authority's Department of Operations with the Triborough Bridge and Tunnel Authority and the Port Authority of NY and NJ, and the Cashless Tolling System equipment vendor. These are very large and complex agreements. Other important contracts include those associated with provision of Fiber Optic maintenance and associated leasing of Authority-owned Fiber conduit.

## **State Agency Billings**

Audits are conducted of charges related to the cost of services provided by a variety of State agencies including the Office of the State Comptroller for pension contributions, and the Department of Civil Service for health insurance and employee benefits. Reconciliations and audits are performed as required.

## **Concessionaires**

There are currently two Fuel service providers and two Food providers operating 27 Service Areas under four different contracts on the Thruway. Each concessionaire is responsible for a Minimum Annual Guaranteed Rent, a minimum percentage of sales spent on Renewal & Replacement of equipment at their facilities and must meet certain pricing and reporting requirements. The fuel operators must also comply with specified environmental regulations and procedures. Fiscal Audit verifies the compliance of each contract through monthly tracking of sales, spot price checks, year-end audits of sales and rent payments, inventory tracking, and Renewal & Replacement spending and issues reports. Incidents of noncompliance are reported to the proper unit and to other involved program managers for discussion, action to take and proposed resolutions.

In 2020 the Authority Board approved a new 33 year agreement with Empire State Thruway Partners to rebuild 23 and renovate 4 of the 27 food concession locations over a three year period. Construction, funded by Empire, began in July 2021 and several service areas are currently closed for restaurant services.

## **Overall Risk Assessment of Billings and Contract Compliance**

Based on continuous audits of many contractual invoices, and the procedures that are in place to prevent inaccurate payments and non-compliance, controls are evaluated as being strong. The likelihood of some improper payments or non-compliance is moderate, and inaccurate payments could be material, resulting in a magnitude of impact on the Authority that is assessed as moderate to high. Overall risk assessment for this area is moderate.

## **Audit Area 4 – Asset Control**

### **Overview and Risk Identification**

The Thruway Authority has invested \$306.6 million in Equipment, Tools and Inventory, and therefore, it is important to monitor the controls to safeguard these assets. These assets are primarily controlled by the Office of Equipment and Inventory Management. This Office works closely with Division and Section staff to manage the location, usage, security and maintenance of these assets. These field supervisors are responsible and accountable for securing and maintaining these assets for their intended purposes.

Risks are based on the likelihood of Authority assets being lost, stolen, damaged or not used for Authority purposes. These failures could lead to increased replacement and repair costs, and potentially impact the completion of operational tasks if equipment is not available or not working.

### **Key Functions and Fiscal Audit Activities**

#### **Equipment**

The Authority has purchased and maintains equipment with a cost of nearly \$277.8 million that is recorded in Property Records/Fixed Asset System. The approximate equipment costs by type are as follows:

- Motorized - \$184.5 million – 66.4%
- State Police/Administrative Vehicles - \$6.4 million – 2.3%
- Shop/Office/Computer/Communications Eq. - \$17.3 million – 6.2%
- Software Projects and Patents (intangible asset) - \$38.1 million – 13.7%
- E-ZPass Tags - \$31.5 million – 11.4%

Section Staff, Division Staff, and HQ Managers are responsible for the assets assigned to their work unit or specific employees. The Bureau of Equipment and Inventory Management routinely inspects and maintains motorized and shop equipment. Fiscal Audit conducts field audits to verify the equipment assigned, review security of the assets, ensures that records are up to date and investigates variances and disposals. Audit reports document the audits and may include recommendations to ensure procedures are followed, and paperwork is processed to update the Fixed Assets System.

E-ZPass tags are purchased and depreciated over their life and reflect all Authority issued tags and inventory. The current toll administrator contract does not bill for systems equipment purchased, as pricing is based on service units. Some programming costs for development and changes as requested by the Authority may be capitalized as assets. This is typically for changes to tolling rates, discount plans, toll by mail accounts and web site changes.



## **Tools**

Thruway Tools (Tool Complements) assigned to employees have a cost of approximately \$6.2 million. There are 348 complements; \$3.38 million of the \$6.2 million are included in 32 of the complements. Tool Complement inventories are conducted annually by the Tool Complement Holder and are kept on file in Headquarters. An inventory is also done upon transfer of the complement from one employee to another, as well as on a sample basis by Fiscal Audit.

## **Inventory**

Inventory (including fuel, salt, auto parts, safety items, signs, toll equipment parts, etc) has a value of \$22.6 million. Salt inventory accounts for over 39% (\$8.9 million) of the total. Inventory is verified and updated annually by the respective Divisions, and adjustments are reported back to Headquarters, as well as reviewed and monitored by Fiscal Audit. Field audits are also conducted to verify the quantity of a sample of items on hand, which are compared to Accounting records, to review that proper procedures are followed, updates and changes are made on a timely basis and to ensure security controls are in place.

## **Checks, Purchasing Cards and Accounts Receivable**

Various procedural controls are in place to ensure reliable, accurate and timely reporting of financial results. Some of the controls periodically reviewed and tested by Fiscal Audit are indicated below.

- the proper recording of transactions
- Procurement Card (P-Card) guidelines, including purchasing requirements
- supervisory review and authorization of various transactions and accounting entries
- Maintenance of supporting documentation
- Performance of reconciliations
- Identification of, and restricted access to, assets, including check stock, and controls over check printing and disbursement files
- Establishment of appropriate policies and procedures

## **Overall Risk Assessment of Asset Control**

System-wide controls in place to reduce or prevent the occurrence of lost, stolen, damaged or inappropriate use of Authority assets are moderate. Some tracking of asset movement has been converted from form-based to automated workflows. Field audits address physical verification of assets, but were severely limited in 2021 due to Covid-19. P-Cards also have not been audited recently with 389 cards issued to employees system-wide. While the likelihood of some inventory loss is moderate, the likelihood of

material errors is low to moderate, and the Overall Risk Assessment for this area is moderate.

## **Audit Area 5 – Salary and Benefits – Employees and Retirees**

### **Overview and Risk Identification**

The Thruway Authority compensates their employees in accordance with the two negotiated labor agreements (Teamsters and CSEA) and Management Confidential guidelines and may receive memos from the Compensation Committee. Compensation and benefits are administered through the Office of Human Resource Management in the Department of Administrative Services, and through the Payroll Unit in the Office of Accounting & Disbursements in the Department of Finance & Accounts. In 2021, employee compensation totaled approximately \$116.7 million.

Risks are based on the likelihood that inaccurate salary payments are made, fringe benefits are administered incorrectly or inaccurately paid, co-payments for health insurance coverage are incorrect, and employees' time, attendance & labor gets misreported. These failures could lead to lost dollars (overpayments not recovered), labor costs to correct errors, and inaccurate payroll, attendance and maintenance cost records.

### **Key Functions and Fiscal Audit Activities**

#### **Employee Compensation**

The Bureau of Fiscal & Toll Audit conducts many different audits to verify and ensure the accuracy of the Authority's employee compensation throughout the year. Fiscal Audit performs pre-implementation reviews of salary raises and step advances, as well as assists in the calculation and verification of retroactive salary payments when necessary. Payments in accordance with negotiated labor agreements for vacation buy back, health insurance opt-outs, non-use of sick leave incentives, and snow and ice availability payments are also audited prior to payment, whether annually or bi-annually. Additionally, each year, randomly selected work units are chosen for Field Audits, in which various reviews and verifications are made to ensure employees are working appropriately or charge leave accruals, salaries are accurate, timecards, work orders and attendance records are completed and authorized. Overall payroll controls are also reviewed to ensure that all employees are paid appropriately.

#### **Health Insurance and Other Fringe Benefits**

Fiscal Audit performs annual pre-implementation audits of the new health insurance rates to verify that the Human Resource Management System (HRMS) is updated with correct rates and Authority employees' contributions are accurate. Health

insurance for active employees is administered through the Office of Human Resources (HR), while health insurance for retirees is administered through the NYS Dept of Civil Service. The HR office is responsible for reviewing and approving the monthly billing for active employees. Periodically, Fiscal Audit performs a comparison of the active employees list versus the monthly bill to verify changes are made on a timely basis and reviews billings. Other billings and payments may be reviewed or audited on a post payment basis, and adjustments, if necessary, are done to correct errors.

### **Time and Attendance**

Fiscal Audit verifies the accuracy of employee rosters and attendance through verification of employees assigned to work in the field. Each employee on duty provides identification and a signature, which is then compared to payroll records on file in the Payroll Office.

The time & attendance and labor records for several randomly selected work units are reviewed every year through Field audits. Workers are required to use a time clock, key card or complete other records to report their work hours. A record of the labor by work type, and overtime, shift training or other hours are input into the Kronos Timekeeper system, and after supervisory approval, all work units electronically submit this information to the Payroll Office. Timekeeper interfaces with various maintenance reporting systems that are used by Management to accumulate project costs and maintain accurate accounting records. Supervisors and managers are held accountable for the accuracy of records, overtime payments and work accomplished.

### **Overall Risk Assessment Salary and Benefits – Employees and Retirees**

Based on periodic audits of this area, controls are in place to monitor and prevent system overpayments. The likelihood of failure of the controls and impact to overall operations is low to moderate. Overall risk assessment for this area is low.

**Bureau of Fiscal and Toll Audit**  
**2022 Preliminary Report Accomplishments**

Summarized below are highlights of the audit activities during 2022.

**Revenues and Reimbursements**

Toll Audit continued review and evaluation to refine the procedures for Cashless Toll Collection (All-Electronic Tolling -AET) both with Conduent and with in-house staff, to reconcile and report revenues accurately from Video Tolling. New reports and methods of calculating, reporting and auditing revenue at all AET locations continue to be updated and improved. Additional staff hours have been allocated to tolling audit functions including the Accounts Receivable and Allowance for Doubtful Accounts revenue reconciliation processes that are required to accurately report traffic and revenue.

**FEMA & FHWA Reimbursements**

As the result of years of accumulating, tracking and properly segregating disaster costs, over \$5.0 million in federal funding was collected on FEMA & FHWA projects during 2022 to date. The majority of payments received relate to Lee/Irene claims on the Canal system that required the contracts to have final payments issued and then be closed out. Primarily the Thruway Authority had paid for the work, but portions of the claim were paid by Power Authority since April 2016, so a reconciliation is done to then transfer reimbursement for their portion of the claim. Reimbursements are still in process for approximately \$1.8 million. Coordination with Engineering is necessary to close out the projects so final settlements for these claims can be achieved. Recently, new FEMA identified disasters that may be eligible for reimbursement include: 2020-22 Covid-19 Pandemic, 2021-22 Kentucky Tornadoes (NYSIMT) and 2022 New Mexico Wildfires (NYSIMT).

**Service Area Reconstruction**

The 27 service area restaurant buildings are being redeveloped as part of a \$450 million investment plan with Empire State Thruway Partners. Empire will rebuild 23 of the 27 service area restaurant buildings and perform significant renovations to the remaining four. The initial construction work will occur in two phases. Phase 1 commenced on July 29, 2021 when Empire assumed control of 16 service areas. Phase 2 will begin in January 2023 when Empire assumes control of the remaining 11 service areas that will continue to be operated by McDonald's Corporation until then. Fiscal audit has continued to review concessions rentals, renewal and replacement expenditures and environmental remediation projects for the currently operating food and fuel service operators.

## **Financial Reporting & Regulatory Compliance**

Fiscal and Toll Audit continue to assist with review and preparation of financial reports. The objective of these reviews is to detect and correct errors in our financial statements prior to being issued monthly and for year-end independent auditor's review. The Authority has received unqualified opinions regarding our financial statements and the latest management letter reports no outstanding items. Additionally, the annual Public Authorities Data Request continues to be submitted to the NYS Division of Budget (DOB) in compliance with their requirements.

## **Billings and Contract Compliance**

Through September 2022, audit staff has reviewed and processed approximately 531 billings totaling nearly \$90.5 million for consultants and other contracts. In addition, staff performed audits of 570 billings in accordance with the contracts that resulted in approximately \$590,000 of reductions or adjustments for amounts billed that were not in accordance with the contract or missing supporting documentation.

## **E-ZPass and Tolls by Mail – Toll Administrator Agreements**

Fiscal Audit continued assistance with current back-office vendor management and the implementation phase of three new agreements for the next generation of Electronic Toll Collection and Cashless, Open Road Tolling. Services currently provided under a single contract are being split into three separate long-term contracts for provision of Systems and License Plate and Owner Identification Services, E-ZPass Tag Distribution, and Customer Contact Center. Fiscal Audit staff has continued to audit and track the billings related to the maintenance of the AET equipment installed on the gantries and toll collection software.

## **Asset Control**

Fiscal Audit resumed the performance of system-wide audits of motorized and shop equipment to meet the goal of auditing all locations within a three-year rolling time frame. These audits were impacted in 2020 and 2021 due to travel restrictions caused by the COVID-19 pandemic. They are performed by auditors visiting Authority maintenance sites and physically verifying the equipment. Audits of other inventory items and tool complements are also performed during these visits. These audits assist in maintaining accurate fixed asset listings.

## **Salary and Benefits – Employees and Retirees**

Fiscal Audit completed regular and continuing audits for bonus sick and sick leave incentive payments, health insurance rates, retirement contributions, health insurance billings, snow & ice availability payments and other negotiated benefits prior to payment.

## **Bureau of Fiscal and Toll Audit** **2019-2021 Accomplishments**

A summary of the audit reports issued, control functions performed and staff allocation for the audit staff of the Bureau of Fiscal and Toll Audit for 2019-2021 is summarized below by audit area. Enclosed are tables for each year listing the audits performed by audit area and key function.

### **Revenues and Reimbursements**

Over the three-year period an average of 69 reports were issued per year accounting for 40% of staff time. Verification of financial transactions reported to the Authority from our E-ZPass and Tolls By Mail vendor Conduent remains a high priority with emphasis on the conversion from cash collection audits to All-Electronic Tolling (AET). During the three-year period audit staff continued the transition including ending cash audits and individual toll collector audits, monitoring installation of necessary equipment for the cashless toll collection across the state, creating a new revenue accounting system, implementing changes to discount plans and supporting creation of a new controlled system toll structure. In 2019 the development process began for conversion of the much more complex, trip-length based ticketed tolling system. Final conversion was completed at all these remaining locations on November 14, 2020.

### **Financial Reporting & Regulatory Compliance**

Over the three-year period an average of 20 reports were issued per year accounting for 8% of staff time. The objective of these reports is to detect and correct errors in our financial statements prior to issuing and our independent auditor's review. Reporting requirements for long term liabilities for health insurance and pension costs have been incorporated into our financial reporting. The Authority continues to receive an unqualified opinion regarding our financial statements and the latest management letter reports no outstanding items. Additionally, the annual Public Authorities Data Request continues to be submitted to DOB in compliance with their requirements.

### **Billings and Contract Compliance**

Over the three-year period an average of 210 reports were issued per year accounting for 31% of staff time. Over the three-year period staff reviewed billings of over \$376 million from consultants and conducted contract compliance activities in order to process payments and make audit reductions for amounts billed that were not in accordance with the contract or missing supporting documentation. Staff allocation is driven by volume/dollars of billings processed. All newly awarded Architectural and Engineering agreements are subject to a pre-award evaluation. This evaluation by audit staff ensures that proposed salary, overhead and profit rates are in accordance with Authority guidelines; over the three-year period approximately 41 agreements totaling approximately \$82 million were evaluated.

Staff within the E-ZPass and AET financial management unit continue to contribute to oversight associated with conversion from cash tolling to all-electronic tolling. These very large Personal Service type agreements provide back-office payment and toll transaction processing, in-lane transaction generation and collections revenue payment processing.

### **Asset Control**

Over the three-year period an average of 46 reports were issued per year accounting for 10% of staff time. Equipment audits performed during the three-year period were as follows:

Motorized equipment is assigned to twenty-five Section Maintenance locations within the 4 Divisions. During the three-year period field audits were performed at a limited number of Thruway locations. Due to the COVID-19 pandemic no field audits were performed in 2020 and only three motorized audits were completed in 2021.

Shop equipment is assigned in a similar way as motorized equipment. Audits were performed at some locations over the past several years, after previous recommendations to strengthen controls. Field audits will be targeted to assets with high value, location reassignment, obsolescence or significant replacement and in areas where there has been supervisory staff turnover or system tracking procedure changes.

### **Salary and Benefits – Employees and Retirees**

Over the three-year period an average of 19 reports were issued per year accounting for 11% of staff time. The audits review and verify salary raises, sick leave benefit payments, health insurance rates, retiree health insurance billings and other benefits prior to implementation and payment. Over the three-year period, audit staff has conducted payroll/personnel timekeeper compliance audits at 18 of the 40 field maintenance reporting locations. New audits included payments of retention bonus payments to toll employees impacted by the conversion to cashless tolling.



**Audit Accomplishments**  
**Number of Audits Performed & Resource Allocation**  
2019 - 2021

	Area 1		Area 2		Area 3		Area 4		Area 5		Total	
	Revenue & Reimbursements		Financial Reporting & Regulatory Compliance		Billings & Contract Compliance		Asset Control		Salary & Benefits - Employees & Retiree's			
Year	Audits	Hours	Audits	Hours	Audits	Hours	Audits	Hours	Audits	Hours	Audits	Hours
2019	62	3,085	20	679	239	3,229	75	1,055	25	622	421	8,670
2020	56	2,902	15	437	205	2,391	18	588	11	614	305	6,931
2021	88	4,267	25	1,015	185	2,350	44	765	22	1,589	364	9,986
<b>Total</b>	<b>206</b>	<b>10,253</b>	<b>60</b>	<b>2,131</b>	<b>629</b>	<b>7,970</b>	<b>137</b>	<b>2,409</b>	<b>58</b>	<b>2,824</b>	<b>1,090</b>	<b>25,587</b>
<b>Average</b>	69	3,418	20	710	210	2,657	46	803	19	941	363	8,529
<b>Percentage of Total Resources</b>	40.07%		8.33%		31.15%		9.41%		11.04%		100.00%	

**2019 Audit Accomplishments**  
**Number of Audits Performed & Resource Allocation**  
**New York State Thruway Authority**

Audit Area	Category Description	Audit Category Number	Resource Allocation (Number of Audits)	2019 Actual Audits Performed	Resource Allocation (Hours)	
<b>Area 1 - Revenues &amp; Reimbursements</b>						
E-ZPass:						
	Observation of dedicated E-ZPass Lanes	1 1A	As needed			
	E-ZPass Revenue reconciliation	1 1B	1			
	NYS Bridge Authority & Peace Bridge Chargeback Billings	1 1C	4	8	121.00	
	Credit Card Chargeback Billings	1 1D	4	4	136.00	
	Annual State Police E-ZPass tag billing	1 1E	1	1	1.00	
	VDOT Amendment 9 Fees billing - July 2018- June 2019	1 1F		1	9.25	
	Violations Processing and Revenue Recovery	1 1G	1	2	64.00	
All Electronic Toll Collection (Tolls By Mail):						
	Monthly Revenue Entry, Wires and A/Rec adjustments	1 1H	12			
	Review/Observation of Plaza Data System	1 1I	As needed	2	0.00	
	Revenue Reconciliation	1 1J	12			
	Violations Processing and Revenue Recovery	1 1K	12			
	New location testing and implementation	1 1L	As needed			
	Other	1 1M			1,400.00	
			<b>47</b>	<b>18</b>	<b>1,731.25</b>	<b>19.97%</b>
Cash Toll Collection:						
	Review of Monthly Performance Report & Ledger - Controlled Sys.	1 2A	12	12	336.00	
	<b>Removed Bridges and Barriers due to AETC conversion</b>	1 2B	0			
	Review of Monthly Deposit Slip Errors	1 2C	12			
	Special Audit of Cash Variances - Controlled System	1 2D	12	11	276.00	
	<b>Removed Bridges and Barriers due to AETC conversion</b>	1 2E	0	3	64.00	
	Toll System Testing	1 2F	As needed			
	Observation of Collectors	1 2G	12	1	0.00	
	Special Toll Audits - Office	1 2H	As needed	4	24.00	
	Cash Counts	1 2I	6			
	Audit of Station Funds	1 2J	4			
	Accelerated Audits of New Toll Collectors	1 2L	4			
	Visits to the Banks/Counting Services	1 2N	1			
	Observation of Exit Traffic for Ticket Swapping	1 2Q	As needed			
	Review of Toll Collectors Audit Functions	1 2R	As needed			
			<b>63</b>	<b>31</b>	<b>700.00</b>	<b>8.07%</b>
Concession Revenue:						
	Service Station Rentals	1 3A	2	5	250.50	
	Service Station - Other	1 3B	2	1	38.00	
	Restaurant Rentals	1 3C	2	4	215.50	
	Restaurant - Other	1 3D	2			
			<b>8</b>	<b>10</b>	<b>504.00</b>	<b>5.81%</b>
Federal Disaster Assistance, Claims & Grants						
	FEMA/FHWA	1 4A	2	2	149.50	
	Thruway	1 4B	2			
	Canal (closeouts of previous awards)	1 4C	2	1	0.00	
	Grants	1 4E	1			
	Other - State Agencies					
			<b>7</b>	<b>3</b>	<b>149.50</b>	<b>1.72%</b>
Other: Miscellaneous Follow Up						
		1 4D	As needed			

Audit Area	Category Description	Audit Category Number	Resource Allocation (Number of Audits)	2019 Actual Audits Performed	Resource Allocation (Hours)	
<b>Total - Area 1</b>			<b>125</b>	<b>62</b>	<b>3,084.75</b>	<b>35.58%</b>
<b>Area 2 - Financial Reporting &amp; Regulatory Compliance</b>						
Financial Statement Review:						
Annual Report Information	2 1A	1				
Accrual Account Reconciliation	2 1B	2		3	38.75	
Review of Audited Financial Statements & External Auditor's Report	2 1C	1		1	151.50	
Pre-Audit of Monthly Financial Statements	2 1D	12		11	351.75	
Estimated Liability for Environmental Claims	2 1E	1		2	20.00	
Assistance to other units- Year end set-ups	2 1F	1		2	65.25	
		<b>18</b>		<b>19</b>	<b>627.25</b>	<b>7.24%</b>
Regulatory Reporting:						
State Comprehensive Annual Financial Report	2 2A	1				
Procurement Reports	2 2B	1		1	51.50	
Annual Public Authorities Data Request (PAAA)	2 2C	1				
State Comptroller's Audit Report Review	2 2D	1				
		<b>4</b>		<b>1</b>	<b>51.50</b>	<b>0.59%</b>
Confirmations						
Investments & Collateral	2 3B	1				
Accounts Receivable	2 3C	1				
		<b>2</b>		<b>0</b>	<b>-</b>	<b>0.00%</b>
<b>Total - Area 2</b>			<b>24</b>	<b>20</b>	<b>678.75</b>	<b>7.83%</b>
<b>Area 3 - Billings &amp; Contract Compliance</b>						
Consultants:						
Audit of Monthly Billings - E-ZPass and AET/TBM contract mgmt	3 1A	24		32	375.00	
Personal Service Contract Estimates - Office	3 1B	150		138	2,239.25	
Personal Service Contracts - Field	3 1C	5				
Pre-Award Audits	3 1D	25		5	48.50	
Prime Contracts - Field	3 1E	As needed				
Contractor's Claims	3 1E	As needed				
Environmental Agreements	3 1F	1		2	15.00	
Lease & Office Rental Billings	3 1G	4		4	51.50	
Other Billings	3 1H	20		3	22.25	
Drug Testing	3 1H	4				
Training	3 1H	6				
Safety	3 1H	6				
Legal Billings	3 1I	20		2	7.25	
Real Estate billings	3 1J	4				
Utilities	3 1K	5		1	13.50	
Canal agreements (until closeout)	3 1L	4				
		<b>278</b>		<b>187</b>	<b>2,772.25</b>	<b>31.98%</b>
Governmental Agencies:						
Department of Law	3 2A	4				
Office of the State Comptroller Billing	3 2B	1				
Department of Civil Service	3 2C	2		2	9.25	
Other State Agencies	3 2D	3		1	4.00	
State Police Troop T costs	3 2E	4		5	58.50	
		<b>14</b>		<b>8</b>	<b>71.75</b>	<b>0.83%</b>
Concessions:						
Concessionaire Agreements - Repair & Replacement, Cap Imp.	3 3A	3		3	142.50	
Concessionaire Agreements - Other	3 3B	3		2	4.25	

Audit Area		Category Description	Audit Category Number	Resource Allocation (Number of Audits)	2019 Actual Audits Performed	Resource Allocation (Hours)	
Other:	Fuel Service Facilities - Remediations	3 3C	2	3	67.50	4.44%	
	NNYB Cultural Contracts	3 4A	As needed	36	170.75		
			8	44	385.00		
Total - Area 3				300	239	3,229.00	37.25%
Area 4 - Asset Control							
Equipment:							
	Motorized Equipment	4 1A	8	9	170.50	8.11%	
	Office/Computer Equipment	4 1B	4	7	214.00		
	Shop Equipment	4 1C	5	6	51.50		
	Communications Equipment Inventory	4 1D	4				
	Toll Equipment	4 1E	4				
	Tool Complements & Controls	4 1F	5	35	267.50		
	Scrapping or Surplus Assets	4 1G	1				
			31	57	703.50		
Inventory:							
	Fuel Inventory Reconciliation	4 2A	1			1.66%	
	Reconcile Inventories - Division Stores (4 Divisions & Sign Shop)	4 2B	5	7	73.50		
	Section Inventory Verification	4 2C	7	5	70.00		
	Stores Inventory Verification	4 2D	4				
	HQ Supplies Inventory Verification	4 2E	1				
			18	12	143.50		
Cash, Checks, Credit cards and Accounts Receiveable:							
	Procurement Card Audits	4 3A	4			2.40%	
	Account Receivable Confirmations	4 3C	1				
	Account Receivable Reconciliation	4 3B	3				
	Cash Funds (petty cash and change funds)	2 4E	4				
	Check Signing reconciliation	4 3E	12	6	208.25		
	Check stock replacement & check register	2 4G	2				
			26	6	208.25		
Other: Miscellaneous Follow Up			As needed				
Total - Area 4				75	75	1,055.25	12.17%
Area 5 - Salary & Benefits - Employee & Retiree's							
Employee Compensation (Payroll & Negotiated Benefits)							
	Salary Raises/Step Advances	5 1A	2	1	75.00	5.75%	
	Retroactive Salary or Contractual Payments (Call-out Incentive)	5 1B	2	3	228.25		
	Vacation Buyback	5 1C	1				
	Health Insurance Buy-out	5 1D	1	1	30.00		
	Incentive & Bonus for Non-use Sick Leave	5 1E	2	2	90.00		
	Payoff & Comparison of Payroll to Roster	5 1F	9				
	Commuter Use of TWY Provided Vehicles	5 1G	1	1	75.00		
			18	8	498.25		
Health Insurance & Other Fringe Benefits:							
	Audit of Health Insurance Rates	5 2A	1	1	17.50	0.51%	
	Health Insurance Billings	5 2B	2				
	Retirement Billing	3 2D	1				
	Survivor's Benefit	5 2E	4	4	27.00		
			8	5	44.50		
Time & Attendance:							
	Head Counts	5 3A	4				

<b>Audit Area</b>	<b>Category Description</b>	<b>Audit Category Number</b>	<b>Resource Allocation (Number of Audits)</b>	<b>2019 Actual Audits Performed</b>	<b>Resource Allocation (Hours)</b>	
	Nighttime Audits of Winter Maint.	5 3B	4			
	Verification of Part-Time Toll Collectors	5 3C	1			
	Verification of Timekeeper Records	5 3D	4	12	79.00	
			<b>13</b>	<b>12</b>	<b>79.00</b>	<b>0.91%</b>
	Assistance to Other Units:		As needed			
	Reconciliation of TWY Health Insurance Enrollees - Active Employees		As needed			
	Other: Miscellaneous Follow Up					
	<b>Total - Area 5</b>		<b>39</b>	<b>25</b>	<b>621.75</b>	<b>7.17%</b>
<b>Area 6 - Other</b>						
	Request for Assistance to Other Depts	6 1A	As needed			
	Review and evaluate RFP's, RFQ's etc	6 1B	As needed			
	Other Projects*	6 1C	As needed			
	<b>Total - Area 6</b>		As needed			
	<b>TOTAL ALL CATEGORIES</b>		<b>563</b>	<b>421</b>	<b>8,669.50</b>	<b>100.00%</b>

\* Fiscal Audit also provides assistance to other units upon request, participating in the completion of RFP's/RFQ's, Budget Reports, Accounting Functions, & other Special Projects

**2020 Audit Accomplishments**  
**Number of Audits Performed & Resource Allocation**  
**New York State Thruway Authority**

<b>Audit Area</b>	<b>Category Description</b>	<b>Audit Category Number</b>	<b>Resource Allocation (Number of Audits)</b>	<b>2020 Actual Audits Performed</b>	<b>Resource Allocation (Hours)</b>	
<b>Area 1 - Revenues &amp; Reimbursements</b>						
E-ZPass:						
	Observation of dedicated E-ZPass Lanes	1 1A	As needed			
	E-ZPass Revenue reconciliation	1 1B	1			
	NYS Bridge Authority, Peace Bridge & TIBA Quarterly Chargeback Billings	1 1C	12	7	85.50	
	Credit Card Quarterly Chargeback Billings	1 1D	4	3	106.50	
	Annual State Police E-ZPass tag billing	1 1E	1	1	1.50	
	VDOT Annual IAG Fees Billing	1 1F	1	1	15.00	
	Violations Processing and Revenue Recovery from Collections	1 1G	1			
All Electronic Toll Collection (Tolls By Mail):						
	Monthly Revenue Entry, Wires and A/Rec adjustments	1 1H	12			
	Review/Observation of Plaza Data System	1 1I	As needed			
	Revenue Reconciliation	1 1J	12	1	12.00	
	Violations Processing and Revenue Recovery	1 1K	12			
	New location testing and implementation	1 1L	As needed			
	Other	1 1M			1,400.00	
			<b>56</b>	<b>13</b>	<b>1,620.50</b>	<b>23.38%</b>
Cash Toll Collection:						
	Review of Monthly Performance Report & Ledger - Controlled Sys.	1 2A	12	3	84.00	
	<b>Removed Bridges and Barriers due to AETC conversion</b>	1 2B	0			
	Review of Monthly Deposit Slip Errors	1 2C	12			
	Special Audit of Cash Variances - Controlled System	1 2D	12	35	972.00	
	<b>Removed Bridges and Barriers due to AETC conversion</b>	1 2E	0	1	0.00	
	Toll System Testing	1 2F	As needed			
	Observation of Collectors	1 2G	12			
	Special Toll Audits - Office	1 2H	As needed			
	Cash Counts	1 2I	6			
	Audit of Station Funds	1 2J	4			
	Accelerated Audits of New Toll Collectors	1 2L	4			
	Visits to the Banks/Counting Services	1 2N	1			
	Observation of Exit Traffic for Ticket Swapping	1 2Q	As needed			
	Review of Toll Collectors Audit Functions	1 2R	As needed			
			<b>63</b>	<b>39</b>	<b>1,056.00</b>	<b>15.24%</b>
Concession Revenue:						
	Service Station Rentals	1 3A	2	3	150.00	
	Service Station - Other	1 3B	2			
	Restaurant Rentals	1 3C	2	1	75.00	
	Restaurant - Other	1 3D	2			
			<b>8</b>	<b>4</b>	<b>225.00</b>	<b>3.25%</b>
Federal Disaster Assistance, Claims & Grants						
	FEMA/FHWA	Thruway	1 4A	2		
		Canal (closeouts of previous awards)	1 4B	2		
	Grants		1 4C	2		

Audit Area	Category Description	Audit Category Number	Resource Allocation (Number of Audits)	2020 Actual Audits Performed	Resource Allocation (Hours)	
	Other - State Agencies	1 4E	1			0.00%
			7	0	-	
	Other: Miscellaneous Follow Up	1 4D	As needed			
Total - Area 1			134	56	2,901.50	41.86%
<b>Area 2 - Financial Reporting &amp; Regulatory Compliance</b>						
Financial Statement Review:						
	Annual Report Information	2 1A	1			4.61%
	Accrual Account Reconciliation	2 1B	2	1	25.00	
	Review of Audited Financial Statements & External Auditor's Report	2 1C	1			
	Pre-Audit of Monthly Financial Statements	2 1D	12	11	207.50	
	Estimated Liability for Environmental Claims	2 1E	1			
	Assistance to other units- Year end set-ups	2 1F	1	2	86.75	
			18	14	319.25	
Regulatory Reporting:						
	State Comprehensive Annual Financial Report	2 2A	1			1.70%
	Procurement Reports	2 2B	1	1	117.75	
	Annual Public Authorities Data Request (PAAA)	2 2C	1			
	State Comptroller's Audit Report Review	2 2D	1			
			4	1	117.75	
Confirmations						
	Investments & Collateral	2 3B	1			0.00%
	Accounts Receivable	2 3C	1			
			2	0	-	
Total - Area 2			24	15	437.00	6.31%
<b>Area 3 - Billings &amp; Contract Compliance</b>						
Consultants:						
	Audit of Monthly Billings - E-Zpass & AET/TBM Ops & Lane Maint.	3 1A	28	35	561.75	
	Personal Service Contract Estimates - Office	3 1B	150	85	933.25	
	Personal Service Contracts - Field	3 1C	5			
	Pre-Award Audits	3 1D	25	9	95.00	
	Prime Contracts - Field	3 1E	As needed			
	Contractor's Claims	3 1E	As needed			
	Environmental Agreements	3 1F	1			
	Lease & Office Rental Billings	3 1G	4	4	70.50	
	Other Billings	3 1H	20	6	50.00	
	Drug Testing	3 1H	4			
	Training	3 1H	6			
	Safety	3 1H	6			
	Legal Billings	3 1I	20	5	67.00	
	Real Estate billings	3 1J	4	2	8.00	
	Utilities	3 1K	5	1	5.00	
	Canal agreements (until closeout)	3 1L	4	6	70.50	

Audit Area	Category Description	Audit Category Number	Resource Allocation (Number of Audits)	2020 Actual Audits Performed	Resource Allocation (Hours)	
			282	153	1,861.00	26.85%
	Governmental Agencies:					
	Department of Law	3 2A	4			
	Office of the State Comptroller Billing	3 2B	1			
	Department of Civil Service	3 2C	2	3	15.25	
	Other State Agencies	3 2D	3	1	8.00	
	State Police Troop T Payroll	3 2E		4	36.25	
	State Police Troop T NPS costs	3 2G	4	4	310.00	
			14	12	369.50	5.33%
	Concessions:					
	Concessionaire Agreements - Repair & Replacement, Cap Imp.	3 3A	3	1	17.00	
	Concessionaire Agreements - Other	3 3B	3			
	Fuel Service Facilities - Remediations	3 3C	2	14	81.00	
	Other: Miscellaneous Follow Up	3 4A		25	62.25	
			8	40	160.25	2.31%
	<b>Total - Area 3</b>		<b>304</b>	<b>205</b>	<b>2,390.75</b>	<b>34.49%</b>
<b>Area 4 - Asset Control</b>						
	Equipment:					
	Motorized Equipment	4 1A	8			
	Office/Computer Equipment	4 1B	4			
	Shop Equipment	4 1C	5			
	Communications Equipment Inventory	4 1D	4			
	Toll Equipment	4 1E	4			
	Tool Complements & Controls	4 1F	5			
	Scrapping or Surplus Assets	4 1G	1			
			31	0	-	0.00%
	Inventory:					
	Fuel Inventory Reconciliation	4 2A	1			
	Reconcile Inventories - Division Stores (4 Divisions & Sign Shop)	4 2B	5			
	Section Inventory Verification	4 2C	7			
	Stores Inventory Verification	4 2D	4			
	HQ Supplies Inventory Verification	4 2E	1			
			18	0	-	0.00%
	Cash, Checks, Credit cards and Accounts Receivable:					
	Procurement Card Audits	4 3A	4			
	Account Receivable Confirmations	4 3C	1			
	Account Receivable Reconciliation	4 3B	3			
	Cash Funds (petty cash and change funds)	2 4E	4			
	Check Signing reconciliation	4 3E	12	18	588.25	
	Check stock replacement & check register	2 4G	2			
			26	18	588.25	8.49%
	Other: Miscellaneous Follow Up		As needed			
	<b>Total - Area 4</b>		<b>75</b>	<b>18</b>	<b>588.25</b>	<b>8.49%</b>
<b>Area 5 - Salary &amp; Benefits - Employee &amp; Retiree's</b>						



Audit Area	Category Description	Audit Category Number	Resource Allocation (Number of Audits)	2020 Actual Audits Performed	Resource Allocation (Hours)	
	Employee Compensation (Payroll & Negotiated Benefits)					
	Salary Raises/Step Advances	5 1A	2	1	75.00	
	Retroactive Salary or Contractual Payments (Call-out Incentive)	5 1B	2	2	255.00	
	Vacation Buyback	5 1C	1			
	Health Insurance Buy-out	5 1D	1	1	30.00	
	Incentive & Bonus for Non-use Sick Leave	5 1E	2	4	124.50	
	Payoff & Comparison of Payroll to Roster	5 1F	9			
	Commuter Use of TWY Provided Vehicles	5 1G	1	1	90.00	
			<b>18</b>	<b>9</b>	<b>574.50</b>	<b>8.29%</b>
	Health Insurance & Other Fringe Benefits:					
	Audit of Health Insurance Rates	5 2A	1	1	37.50	
	Health Insurance Billings	5 2B	2			
	Retirement Billing	3 2D	1			
	Survivor's Benefit	5 2E	4	1	1.50	
			<b>8</b>	<b>2</b>	<b>39.00</b>	<b>0.56%</b>
	Time & Attendance:					
	Head Counts	5 3A	4			
	Nighttime Audits of Winter Maint.	5 3B	4			
	Verification of Part-Time Toll Collectors	5 3C	1			
	Verification of Timekeeper Records	5 3D	4			
			<b>13</b>	<b>0</b>	<b>-</b>	<b>0.00%</b>
	Assistance to Other Units:					
	Reconciliation of TWY Health Insurance Enrollees - Active Employees		As needed			
	Other: Miscellaneous Follow Up		As needed			
<b>Total - Area 5</b>			<b>39</b>	<b>11</b>	<b>613.50</b>	<b>8.85%</b>
<b>TOTAL ALL CATEGORIES</b>			<b>576</b>	<b>305</b>	<b>6,931.00</b>	<b>100.00%</b>

\* Fiscal Audit also provides assistance to other units upon request, participating in the completion of RFP's/RFQ's, Budget Reports, Accounting Functions, & other Special Projec

**2021 Audit Accomplishments**  
**Audit Categories and Counts**  
**New York State Thruway Authority**

<b>Audit Area</b>	<b>Category Description</b>	<b>Audit Category Number</b>	<b>Resource Allocation (Number of Audits)</b>	<b>2021 Actual Audits Performed</b>	<b>Resource Allocation (Hours)</b>	
<b>Area 1 - Revenues &amp; Reimbursements</b>						
E-ZPass:	Reserved for Projects - New Vendor Back Office Agreements	1 1A	2	1	265	
	Collections Revenue reconciliation -Vendor Reported Comparison	1 1B	1	1	35	
	NYS Bridge Authority Quarterly Chargeback Billings	1 1C	4	17	228.25	
	Credit Card Quarterly Chargeback Billings	1 1D	4	5	207	
	Annual State Police E-ZPass tag billing	1 1E	1	1	1.5	
	VDOT Annual IAG Fees Billing	1 1F	1	1	25	
	Violations Processing and Revenue Recovery from Collections	1 1G	1	1	35	
	Niagara Frontier Bridge Commission Tag Packages	1 1H	1			
	Peace Bridge Quarterly Chargeback Billings	1 1I	4	1	8.5	
	Thousand Island Bridge Authority Quarterly Chargeback Billings	1 1J	4	1	8.5	
	Rejected Transactions Review	1 1K	12	3	179	
	Negative Account Balance Review	1 1L	12			
			<b>47</b>	<b>32</b>	<b>992.75</b>	<b>9.94%</b>
	Tolls By Mail:					
	Monthly TBM Revenue Entries	1 2A	12	11	295.5	
	Monthly Review of Wire Transfers	1 2B	12	12	222.5	
	Monthly Review of Accounts Receivable	1 2C	12			
	Violations Revenue and Fees Recovery	1 2D	12			
	RESERVED	1 2E	As needed	4	355	
	Toll System Transaction Audits Comparison to Vendor	1 2F	12			
	Video Classification Audits	1 2G	24			
	Rejected Video Transaction Audits	1 2H	24	20	480	
	RESERVED	1 2I	As needed	1	63.25	
	Audit of Station Funds - Final Disposition	1 2J	1			
	Special Projects - Integrate BOTs to Reporting for VTM etc	1 2K	1			
	Special Projects - New Toll Rates (January 2022)	1 2L	1	1	180.5	
	Special Projects - New Resident Discount Plan	1 2M	1			
			<b>112</b>	<b>49</b>	<b>1596.75</b>	<b>15.99%</b>
	Concession Revenue:					
	Service Station Rentals	1 3A	2	1	123	
	Service Station - Other	1 3B	As needed			
	Restaurant Rentals	1 3C	3			
	Restaurant - Other	1 3D	As needed			
			<b>5</b>	<b>1</b>	<b>123</b>	<b>1.23%</b>
	Federal Disaster Assistance, Claims & Grants					
	FEMA/FHWA Thruway	1 4A	2	5	145.5	
	FEMA/FHWA Canal (closeouts of previous awards)	1 4B	2			
	Grants - Miscellaneous	1 4C	As needed			
			<b>4</b>	<b>5</b>	<b>145.5</b>	<b>1.46%</b>
	Other: Reserved for Special Projects - Revenues and Reimbursements	1 4D	As needed	1	1408.75	14.11%
<b>Total - Area 1</b>			<b>168</b>	<b>88</b>	<b>4266.75</b>	<b>42.73%</b>

Audit Area	Category Description	Audit Category Number	Resource Allocation (Number of Audits)	2021 Actual Audits Performed	Resource Allocation (Hours)	
<b>Area 2 - Financial Reporting &amp; Regulatory Compliance</b>						
Financial Statement Review:	Annual Audit Plan For Thruway Board	2 1A	1	1	70.5	9.36%
	E-ZPass and Tolls By Mail Expenses & Budget Review	2 1B	1	2	60	
	Review of Audited Financial Statements & External Auditor's Report	2 1C	1	1	138.75	
	Pre-Audit of Monthly Financial Statements	2 1D	12	15	393	
	Assist Accounting Year End Estimated Liability for Env Claims	2 1E	1	2	44	
	Assist Accounting Year End Contract Liability set-ups	2 1F	1	2	208.5	
	Assist Accounting Year End Vacation Liability	2 1G	1	1	20	
			<b>18</b>	<b>24</b>	<b>934.75</b>	
	Regulatory Reporting:					
	State Comprehensive Annual Financial Report (PARIS)	2 2A	1			
	Procurement Reports for Thruway Board	2 2B	1	1	79.75	
	State Comptroller's Audit Report Review	2 2C	As needed			
	RESERVED for Other Regulatory Reporting	2 2D	As needed			
			<b>2</b>	<b>1</b>	<b>79.75</b>	
	Confirmations & Reconciliations					
	Investments & Collateral	2 3B	1			
	Accounts Receivable	2 3C	1			
			<b>2</b>			
<b>Total - Area 2</b>			<b>22</b>	<b>25</b>	<b>1014.5</b>	<b>10.16%</b>
<b>Area 3 - Billings &amp; Contract Compliance</b>						
Consultants:	Audit of Monthly Billings - E-ZPass & AET/TBM Operations & Lane Maint	3 1A	28	19	399	18.23%
	Engineering - D Contract Estimates - Office Audits	3 1B	150	47	720.25	
	Engineering - D Contract Estimates - Field Audits	3 1C	2			
	Pre-Award Audits Engineering - D Contracts	3 1D	10	27	321.75	
	Contractor's Claims	3 1E	As needed			
	Processing Contract Payments (est. 600) Pre-Payment Audit	3 1F	As needed			
	Lease & Office Rental Billings (L Contracts)	3 1G	4	4	55	
	Misc Service Billings - C Contracts Drug Testing, Training, Safety, Benefits	3 1H	10	15	84.25	
	Legal & Finance Professional Billings - C Contracts	3 1I	15	18	125.75	
	Real Estate Appraisal billings - C Contracts	3 1J	4	1	6.75	
	Utilities & Municipal Agreements	3 1K	5	12	75.25	
	Railroads / Force Agreements	3 1L	2	7	32.5	
			<b>230</b>	<b>150</b>	<b>1820.5</b>	
	Governmental Agencies:					
	Department of Law	3 2A	As needed			
	Office of the State Comptroller Billing	3 2B	As needed			
	Department of Civil Service Administration	3 2C	2	2	12	
	NYS Retirement System Billing	3 2D	1	1	34	
	State Police Troop T Payroll (Quarterly)	3 2E	4	4	33	
	State Police Troop T Non-Personal Service costs	3 2F	1	1	90	
	Department of Labor Unemployment Insurance	3 2G	1	1	49.75	
			<b>9</b>	<b>9</b>	<b>218.75</b>	
Concessions:	Concessionaire Agreements - Repair & Replacement, Cap Imp.	3 3A	3	5	100.5	3.11%
	Concessionaire Agreements - Gas Pricing Review	3 3B	2			
	Fuel Service Facilities - Remediations Ongoing	3 3C	20	12	117	
Other:	Assistance to Other Units - Review of RFPs, Draft Contracts and Evaluation Co	3 4A	2	9	93.5	3.11%
			<b>27</b>	<b>26</b>	<b>311</b>	

Audit Area	Category Description	Audit Category Number	Resource Allocation (Number of Audits)	2021 Actual Audits Performed	Resource Allocation (Hours)	
<b>Total - Area 3</b>			<b>266</b>	<b>185</b>	<b>2350.25</b>	<b>23.54%</b>
<b>Area 4 - Asset Control</b>						
Equipment: FIELD AUDITS						
	Motorized Equipment	4 1A	8	4	63.5	
	Office/Computer Equipment	4 1B	4	2	70	
	Shop Equipment	4 1C	5	3	54.25	
	Communications Equipment Inventory	4 1D	1			
	Toll Equipment	4 1E	As needed			
	Tool Complements & Controls	4 1F	5	7	52.5	
	Scrapping or Surplus Assets	4 1G	1			
			<b>24</b>	<b>16</b>	<b>240.25</b>	<b>2.41%</b>
Inventory:						
	Fuel Inventory Reconciliation	4 2A	1			
	Reconcile Inventories - Division Stores (4 Divisions & Sign Shop)	4 2B	5	8	126	
	Section Stores Inventory Verification	4 2C	7	9	176	
	HQ Supplies Inventory Verification	4 2D	As needed			
			<b>13</b>	<b>17</b>	<b>302</b>	<b>3.02%</b>
Cash, Checks, Credit cards and Accounts Receivable:						
	Procurement Card Audits	4 3A	4			
	Account Receivable Confirmations	4 3B	1			
	Account Receivable Reconciliation	4 3C	3			
	Cash Funds (petty cash and change funds)	4 3D	4			
	Check Signing reconciliation	4 3E	12	11	222.75	
	Check stock replacement & check register	4 3F	2			
			<b>26</b>	<b>11</b>	<b>222.75</b>	<b>2.23%</b>
<b>Total - Area 4</b>			<b>63</b>	<b>44</b>	<b>765</b>	<b>7.66%</b>
<b>Area 5 - Salary &amp; Benefits - Employees &amp; Retirees</b>						
Employee Compensation (Payroll & Negotiated Benefits)						
	Salary Raises/Step Advances	5 1A	2	3	872.25	
	Retroactive Salary or Contractual Payments (Call-out Incentive)	5 1B	2	3	314.5	
	Vacation Buyback	5 1C	1			
	Health Insurance Opt-out	5 1D	1	1	41.25	
	Semi-Annual Incentive & Bonus for Non-use Sick Leave	5 1E	4	4	138.5	
	Payoff & Comparison of Payroll to Roster	5 1F	1			
	Commuter Use of TWY Provided Vehicles	5 1G	1	1	100	
			<b>12</b>	<b>12</b>	<b>1466.5</b>	<b>14.69%</b>
Health Insurance & Other Fringe Benefits:						
	Pre-Implementation Audit of Health Insurance Rates	5 2A	1	1	37.5	
	Reconciliation of TWY Health Insurance Enrollees	5 2B	1			
	Unemployment Billings Review	5 2C	As needed			
	Survivor's Benefit	5 2D	4	3	15	
			<b>6</b>	<b>4</b>	<b>52.5</b>	<b>0.53%</b>
Time & Attendance: Field Audits						
	Head Counts	5 3A	1			
	Nighttime Audits of Winter Maint.	5 3B	1			
	Verification of Seasonal Employees	5 3C	1			
	Verification of Timekeeper Records	5 3D	4	6	70.25	
			<b>7</b>	<b>6</b>	<b>70.25</b>	<b>0.70%</b>

Audit Area	Category Description	Audit Category Number	Resource Allocation (Number of Audits)	2021 Actual Audits Performed	Resource Allocation (Hours)	
	Total - Area 5		25	22	1589.25	15.92%
	TOTAL ALL CATEGORIES		544	364	9985.75	100.00%

\* Fiscal Audit also provides assistance to other units upon request, participating in the completion of RFP's/RFQ's, Budget Reports, Accounting Functions, & other Special Projects.

TO: The Audit Committee

DATE: December 5, 2022

FROM: Mary Boehm  
Director of Audit & Management Services

SUBJECT: 2023 Internal Audit Plan/Projects

The Director of Audit & Management Services formally submits for review and acceptance the 2023 Internal Audit Plan/Projects (Attachment A).

RECOMMENDATION:

It is recommended that the Audit Committee approve and accept the plans.



## 2023 INTERNAL AUDIT PLAN & PROJECTS

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The Department of Audit and Management Services' (A&MS) Internal Audit and Projects Plan (Plan) is grounded upon the current mission and overall vision of the Thruway Authority (Authority). This is accomplished by a partnering effort with A&MS and other program areas throughout the Authority. The emphasis will be on providing value-added services which address areas of risk and concern identified during the audit planning process by Executive Management and/or A&MS in order to enhance internal decision making, reduce control weaknesses and improve the effectiveness and efficiency of program area administration and operations.

### I. Audits:

#### **Remote Work Program:**

**Objective:** Review controls, policies, and procedures for compliance with processes, record keeping requirements.

**Subject:** Various Departments.

**Focus:** Compliance with policy and procedures.

#### **Professional Licensing & Certifications for Authority Employees**

**Objective:** Review controls, policies and procedures for compliance and record keeping requirements.

**Subject:** Various Departments.

**Focus:** Compliance with policy and procedures.

#### **Payroll:**

**Objective:** To ensure compliance with policy and procedures and the adequacy of internal controls.

**Subject:** Administrative Services / Finance & Accounts.

**Focus:** Compliance with policy and procedures.



### **Vehicle Use Policy:**

**Objective:** Review controls for compliance with policies and procedures for use of these assets.

**Subject:** Equipment Management.

**Focus:** Compliance with policy and procedures.

## **II. Internal Controls:**

Department staff will continue to:

- Offer support and training to Authority Departments and program areas concerning the alignment of internal controls with identified risks to ensure control adequacy.
- Engage in internal control based in-house consulting and review activities.
- Manage and facilitate certification responses from all Authority Departments, Divisions and program areas to timely coordinate completion of the annual Internal Control Certification.

## **III. Management Services:**

Department staff will continue to provide in-house consulting and oversight, either through team participation or individually, related to various management and executive initiatives and requests, internal control program objectives, risks and action plans including, but not limited to:

- Process Improvement
- Vendor Responsibility
- Liaison assisting in completion of the Authority's certifications for:
  - Internal Control Annual Assessment
  - PARIS (Public Authorities Reporting Information System).
  - COTPP (Controls Over the Payment Process).
  - SFS (State Financial System).