



Missouri Highways and Transportation Commission Policies

Category: AUDITS
Subcategory: Audits and Investigations Division Audit Charter

AUDITS AND INVESTIGATIONS DIVISION - AUDIT CHARTER

Accountability and Authority

It is the expectation of the Missouri Highways and Transportation Commission that all actions of the Commission and functions of the Missouri Department of Transportation will be conducted with the highest degree of integrity and transparency. Toward that end, the Audits and Investigations Director, who reports to the Director of the Missouri Department of Transportation, may, as circumstances dictate, report directly to the Missouri Highways and Transportation Commission. At the sole discretion of the Audits and Investigations Director, such reporting may be through the Commission's Audit Committee, specific member or members of the Commission, or all members of the Commission.

The Audits and Investigations Division will not be organizationally located within the staff or line management functions of the department.

Audits and Investigations Division has continuing access to all records, letters, notes, memoranda, and other data (except attorney-client privileged materials in Chief Counsel's Office files) produced by any office or individual that relates in any way to the operations of the Missouri Department of Transportation. Accordingly, the Missouri Highways and Transportation Commission and the Director of the Missouri Department of Transportation hereby direct all employees of the department to provide all requested information to Audits and Investigations Division, and indeed to volunteer information of which Audits and Investigations Division may be unaware.

Scope of Work

The audit functions of Audits and Investigations Division shall include, but not be limited to, the following:

- a. Audits and Investigations Division shall conduct internal audits and reviews of the Missouri Department of Transportation's operations. The audits and reviews will provide the department and the Missouri Highways and Transportation Commission with objective appraisals concerning department programs and functions and make recommendations for necessary improvements.

Audits will be performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, and may include financial audits, attestation engagements and performance audits, as defined therein.

Additional guidance for the performance of these functions will be Audits and Investigations Division's Audit Policy and Procedures Manual, as well as regulations issued by applicable federal agencies.

- b. Audits and Investigations Division shall conduct audits and reviews of actual cost contracts or grants awarded to third party entities, as deemed necessary to ensure the terms of the contract or grant have been met; the cost billed for providing the contract item or grant purpose was incurred and eligible; and to determine compliance with established MoDOT policies, plans, and procedures, as well as federal and state laws and regulations.

Primary guidance for the performance of these functions will be Government Auditing Standards, issued by the Comptroller General of the United States; 2 Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"; regulations and procedures of the Missouri Department of Transportation and the applicable federal agencies; the Federal Acquisition Regulations; and the Revised Statutes of Missouri.

- c. Audits and Investigations Division shall conduct audits and reviews of Missouri motor carriers, as deemed necessary to verify International Fuel Tax Agreement (IFTA) tax returns and International Registration Plan (IRP) applications.

Primary guidance for the performance of these functions will be the International Fuel Tax Agreement Audit Manual and the International Registration Plan Audit Manual

- d. In addition to these functions, Audits and Investigations Division shall perform special reviews as requested by the department Director, the Deputy Director/Chief Engineer, the Chief Financial Officer, other department officials, or the Audit Committee of the Missouri Highways and Transportation Commission.

Audits and Investigations Division shall coordinate with other audit and review groups that are concerned with the operation of the department; or the operation of the various contractors, consultants, and subrecipients of the department. Audits and Investigations Division audits and reviews shall be executed in such a manner as to minimize duplication of effort.

Independence

Audits and Investigations Division is an integral part of the department's system of internal control. As such, Audits and Investigations Division's functions are so fundamentally important that they are designated as ongoing and continuing, and are to be free from all organizational, internal, and external impairments that might interfere with or otherwise influence, restrict, or modify the scope or character of audits or reviews, or the selection of audit or review procedures.

Audits and Investigations Division shall not become involved in the management of the department or in the implementation of corrective action taken as a result of audit or review

recommendations. In all cases, Audits and Investigations Division will remain independent, to ensure impartial and unbiased opinions, conclusions, and judgments.

Effective Date: June 5, 2019

Supersedes Policy Dated: November 7, 2013

Last Reaffirmed:

Date of Origin: February 13, 1977

Related Commission Actions: February 13, 1997; April 9, 1999; June 2, 2004; August 9, 2006; November 7, 2013 – Comprehensive Policy Review; June 5, 2019 – Comprehensive Policy Review.