



New Orleans Regional Transit Authority
Office of Internal Audit and Compliance

INTRODUCTION

The Office of Internal Audit and Compliance (OIAC) is dedicated to assisting the New Orleans Regional Authority (RTA) meet its mission to provide safe, dependable, efficient transit services to the residents of and visitors to the greater New Orleans region.

The OIAC is an independent and objective assurance and consulting office that is guided by a philosophy of adding value to improve RTA. Bringing a systematic and disciplined approach, the OIAC conducts investigations and audits to promote the efficiency and effectiveness of RTA programs and operations.

The OIAC keeps the Executive Leadership Team fully informed about issues affecting RTA operations and the opportunities for improvement.

MISSION

Management of each RTA Department has the responsibility to ensure that (i) standard operating procedures are established and regularly updated to detect errors and fraud, (ii) internal controls are developed to ensure compliance with applicable laws and regulations, and (iii) organizational structure and policies/procedures within each Department establish a culture of operational efficiency.

The OIAC has been established to furnish impartial, independent, analyses, appraisals, recommendations, and comments on Departmental achievement of the above goals.

PROFESSIONALISM

Professionalism and commitment to excellence are facilitated by operating within a framework of professional practice. The OIAC will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of Internal Audit's performance.

AUTHORITY

The OIAC, with strict accountability for confidentiality and safeguarding records and information is authorized full, free, and unrestricted access to all records, physical properties, and personnel pertinent to carrying out any engagement at RTA. All employees are requested to assist the OIAC in fulfilling its roles and responsibilities.

BOARD ACCESS TO INTERNAL AUDIT

The RTA's Finance Committee will be the access point for all requests for internal audits. Individual Commissioners desiring specific audit projects should coordinate requests through this committee for review, approval, and scheduling.

INTERNAL AUDITOR ACCESS TO THE BOARD

The Director of OIAC will meet with the Finance Committee no less than once per quarter. In addition, the RTA Board of Commissioners and/or the Finance Committee may request that the OIAC be available as an informational resource at regular Board or Finance Committee meetings. The Director of OIAC will have direct access to the Board and/or the Finance Committee on non-ethics issues or concerns. The intent of this provision is to emphasize the independence of the OIAC and provide direct access to the Board should serious matters arise which are beyond the course of normal operations.

INDEPENDENCE AND OBJECTIVITY

The OIAC will remain free from interference, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

The OIAC will have no direct responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment for activities audited.

The OIAC will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

RESPONSIBILITY

The scope of OIAC encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of RTA's governance, risk management, policies and procedures, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve RTA's stated goals and objectives.

This includes:

- Evaluating risk exposure relating to achievement of RTA's strategic objectives
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization
- Evaluating the means of safeguarding assets, and, as appropriate, verifying the existence of such assets
- Evaluating the effectiveness and efficiency with which resources are employed
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned
- Monitoring and evaluating governance processes
- Monitoring and evaluating the effectiveness of risk management processes
- Performing consulting and advisory services related to governance, risk management, and control, as appropriate for RTA
- Reporting periodically on the OIAC's purpose, authority, responsibility, and performance relative to its plan (summarized below)
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters
- Evaluating specific operations at the request of the Board of Commissioners, Chief Executive Officer, or Chief Financial Officer
- Investigate allegations of fraud
- Giving due consideration to the scope of work of all external auditors and other regulatory agencies, as appropriate

ANNUAL INTERNAL AUDIT PLAN

At least annually, the Director of Internal Audit and Compliance will submit to the Executive Leadership Team, for review, an Internal Audit Plan.

The Internal Audit Plan will include the following core elements:

- Summary of Departmental Audits conducted in the prior fiscal year
- Summary of Departmental Audits planned for the next fiscal year
- Summary of Standard Operating Procedures currently in-place across RTA
- Work schedule, budget, and resource requirements for the next fiscal year

REPORTING AND MONITORING

The OIAC ensures that the results of audits and other services are properly communicated to the appropriate management or operating personnel in the form of written reports, consultation, advice, or any other means. The Director of Internal Audit and Compliance will authorize the issuance of all internal audit reports.

Written reports will include, or will be followed by, management comments itemizing specific actions taken or planned to resolve the reported finding and to ensure that operational objectives are achieved.

Departmental management's response should include a timetable for anticipated completion of action to be taken and an explanation for any recommended corrective action that will not be implemented. The OIAC will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The OIAC will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of OIAC's conformance with the Definition of Auditing Internal and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement