

LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

SECRETARY'S POLICY AND PROCEDURE MEMORANDUM (PPM) NO. 65

SUBJECT: DOTD Audit Review Committee (ARC)

EFFECTIVE DATE: December 1, 2010

INSTRUCTIONS: This memorandum supersedes all other memoranda and manuals.

1. PURPOSE

The DOTD Audit Review Committee (ARC) was established to provide oversight and accountability for all Department audit and investigative findings, and to advise the Secretary on policy matters.

2. SCOPE

The ARC reviews and makes recommendations to the Secretary through the Chairperson, who is designated by the Secretary, on the outcome of Department audits and investigations. The Committee members shall ensure the audit and investigative recommendations are being addressed appropriately. The Committee is not responsible for approving responses and/or rebuttals to audit or investigative findings.

3. COMMITTEE

A. Composition. The Committee shall consist of the following members:

- (1) Undersecretary
- (2) Deputy Secretary
- (3) Deputy Undersecretary
- (4) One member from each of the offices listed below. Member shall be the Office Head or Deputy Office Head, with at least one of the four being an Assistant Secretary/Chief Engineer. Members shall be selected by the respective Office Head.
 - (a) Engineering
 - (b) Operations
 - (c) Multimodal Commerce
 - (d) Planning
- (5) Financial Services Section Head

SECRETARY'S POLICY AND PROCEDURE MEMORANDUM (PPM) NO. 65

SUBJECT: DOTD Audit Review Committee (ARC)

Page 2

- (6) General Counsel (Committee Administrator)

NOTE: Additional attendees may consist of the Internal Auditor, Audit and Quality Control Section Head, Quality and Continuous Improvement Program (QCIP) Director, and the Compliance Internal Investigator as required. Whenever a committee member is unable to attend a meeting, the appointed member shall select a proxy at a management level or above within their own program.

- B. Responsibilities. ARC members shall be responsible for letting the Committee know which outside audits or investigations are underway in their office and for reporting to the Committee on the status of their office's responses to audit or investigative recommendations. ARC members have an obligation to prepare for and actively participate in committee meetings. This includes ensuring any required updates or status updates for audit or investigative issues in their respective areas are prepared and presented either by themselves or the responsible party. In addition, ARC members shall be responsible for reviewing audit related documents below:

- (1) Outside Audits. Includes final reports from all audits performed on DOTD by external agencies
- (2) Internal Audits. Includes all final reports from the following audits:
 - (a) Audits conducted by DOTD's Internal Audit Section and/or Audit & Quality Control
 - (b) Audits conducted by the Internal Audit Section by special request (i.e., not included on the Internal Auditor's Annual Plan)
- (3) Audit Director's entrance and exit conferences
- (4) Internal Audit Section's Annual Audit Plan
- (5) Internal Investigator Plan
- (6) Audit and Quality Control Charter
- (7) Internal Audit Charter
- (8) Internal Investigator Charter

SECRETARY'S POLICY AND PROCEDURE MEMORANDUM (PPM) NO. 65

SUBJECT: DOTD Audit Review Committee (ARC)

Page 3

- (9) Annual Report, prepared by the Undersecretary or Chair, on Audit Review Committee's performance – This report to the Secretary will contain the following:
 - (a) Summary of annual activities
 - (b) Summary of progress in addressing corrective actions on findings and recommendations from internal audit reports, as well as from external audits (LLA, FHWA, etc.)
 - (c) An overall assessment of the Department's risk, control and compliance framework, including details of any significant emerging risks, or legislative changes impacting the governing of the Department
 - (d) Details of the meetings, including the number of meetings held and relevant information discussed

4. MEETINGS

The ARC shall meet, at a minimum, on a quarterly basis. Additional meetings may be scheduled at the discretion of the Committee Chairperson. An agenda for each meeting will be prepared by the General Counsel. The Committee may also invite additional staff to present information pertaining to individual agenda items.

5. DEADLINES

Final Audit and Investigative reports (including responses) issued 60 days prior to a regularly scheduled ARC meeting should be reviewed by the Committee during that meeting.

6. DOCUMENTATION

- A. The General Counsel shall capture the meeting minutes and forward to the ARC Chairperson and other ARC members. The General Counsel will maintain a file of all ARC documentation (including, but not limited to, minutes, recommendations, etc.) for a period of three years.
- B. Additional details about the purpose and practices of the ARC are outlined in DOTD's Audit Review Committee Charter. The General Counsel shall be responsible for maintaining the ARC Charter.

7. EMPLOYEE RESPONSIBILITIES

- A. Audit and Investigative Compliance. All employees shall be responsible for cooperating in a timely and accurate manner when contacted by any auditor or investigator. In addition, if an employee who is contacted by an auditor or

SECRETARY'S POLICY AND PROCEDURE MEMORANDUM (PPM) NO. 65

SUBJECT: DOTD Audit Review Committee (ARC)

Page 4

investigator cannot provide the information being requested, he/she is responsible for directing the auditor or investigator to an employee who can assist with the request. If the employee does not know who can accommodate the auditor's or investigator's request, the employee should refer the auditor or investigator to his/her direct supervisor.

B. Audit Reporting

- (1) When an employee is contacted by an outside auditor (an external agency performing an audit or investigation on DOTD) or investigator, he/she shall be responsible for reporting that information, along with any information provided to the auditor, to his/her supervisor. Supervisors shall be responsible for communicating this information up the chain-of-command to the Section Head/District Administrator level. Section Heads/District Administrators shall be responsible for reporting the information to the designated point of contact for the specific audit or investigation to which the information pertains. All Section Heads/District Administrators shall also notify the DOTD Audit Director when contacted for an audit or compliance review, and in addition, upon completion of the audit or compliance review.
- (2) All Section Heads/District Administrators shall be responsible for informing ARC members about any outside audits or investigations that will be performed in their Section/District.



Eric Kalivoda
Secretary