Central Florida Expressway Authority

Prior Audit Recommendations Follow-Up
August 31, 2016

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Executive Summary

As part of the Fiscal Year 2016 Internal Audit plan, Internal Audit (IA) performed a review of open audit recommendations from prior audit reports to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:

- 2010 Contracts Audit
- 2013 Toll Revenue Audit
- 2014 Maintenance & Safety Plan Audit
- 2015 Intelligent Transportation Security (ITS) Systems Security Review
- 2015 Back Office Customer Call Center Review
- 2015 COSO Framework Governance Review
- 2015 Ethics Policy Compliance Review
- 2016 Contracts Audit
- 2016 Bond Financing Review
- 2016 ROW Legal Counsel Procurement & Invoice Audit
- 2016 Toll Revenue Audit

Internal Audit last reviewed the status of open audit recommendations in January 2016. Results were reported to the Audit Committee at that time.

This review was completed as of August 2016, and consisted of meetings with management to determine the status of open audit recommendations and performing testing of management's response and status. In addition, only those recommendations that remained open at the time of the last review have been included in this report. If a recommendation was completed as of January 15, 2016, no further work was performed and the recommendation was not included for review in this report.

Internal Audit did not include or follow-up on the recommendation and management action plan from the 2015 Sensitive Data Review. The management action plan was to move the sensitive data identified to an appropriate location or to delete the data. Confirmation that sensitive data was moved or deleted would require an additional project and re-scan of selected systems with a data loss prevention (DLP) tool.

Testing performed included inquiry with the employees responsible for completing the recommendations and obtaining documentation evidence to confirm management's reported status and explanation. In instances where the evidence obtained did not agree with management's status, discussions with management were held and the differences were resolved.

There were no instances where management and Internal Audit did not come to an agreement on the status of a recommendation.

Recommendations Summary

Audit	Open as of January 15, 2016	New Recommendations	Completed as of August 31, 2016	In Progress as of August 31, 2016*	Past Due
2010 Contracts Audit	1	0	0	1	**1**
2013 Toll Revenue Audit	1	0	0	1	**1**
2014 Maintenance & Safety Plan	1	0	0	1	**1**
2015 Intelligent Transportation Security (ITS) Systems Security Review	9	0	7	2	**1**
2015 Back Office Customer Call Center Review	4	0	4	0	**0**
2015 COSO Framework Governance Review	2	0	2	0	**0**
2015 Ethics Policy Compliance Review	4	0	4	0	**0**
2016 Contracts Audit	2	0	1	1	**1**
2016 Bond Financing Review	1	0	1	0	**0**
2016 ROW Legal Counsel Procurement & Invoice Audit	0	2	1	1	**1**
2016 Toll Revenue Audit	0	6	5	1	**0**
Total	**25**	**8**	**25**	**8**	**6**

*8 recommendations are classified as "In Progress." 6 of these recommendations are considered "Past Due."

Summary of Past Due Management Action Plans

#	Audit	Management Action Plan	Responsible Party	Summary of Status as of August 31, 2016	Due Date
1	2010 Contracts Audit	Toll Operations will require passwords to be used for approvals in any new toll collection software procured by the Authority or its existing software if it is retained and that the password be changed on a regular basis by the system.	Mahmood Haq, Manager of IT; David Wynne, Director of Toll Operations	Turnover in the IT department has delayed the implementation of this action plan. In addition, the change to a password based approval key would be a fairly significant change to the existing system and the system is being reviewed for replacement. Currently, the IT department plans to implement the recommendation by the revised due date unless a business decision to delay is made by management.	Original: 12/31/13 Revised: 12/31/15 Revised: 3/31/16 Revised: 9/30/16 Revised: 12/31/16
2	2013 Toll Revenue Audit	The Authority currently has automating certain aspects of the Attendant's Shift Record log as a function in the planned Toll System Replacement project that is currently ongoing at this time. The Authority would expect to have the new system in place and operating by July 1, 2015.	David Wynne, Director of Toll Operations	Per discussion with David Wynne, Director of Toll Operations, this recommendation will be implemented as a function in the planned Toll System Replacement (TSR) project. The Request for Proposal (RFP) has been awarded and the new system is currently in development.	Original: 7/1/15 Revised: 4/30/16 Revised: 1/31/17 Revised: 4/30/17
3	2014 Maintenance & Safety Plan	The Authority will develop written procedures to document the pertinent aspects of the Authority's maintenance and inspection operations in regards to bridges, overhead structures, and roadways.	Claude Miller, Director of Maintenance	Staffing changes within the department have delayed the completion of the action plan. The procedures document will be finalized on or before the revised due date.	Original: 12/31/14 Revised: 12/31/15 Revised: 10/1/16

Summary of Past Due Management Action Plans

#	Audit	Management Action Plan	Responsible Party	Summary of Status as of August 31, 2016	Due Date
4	2015 Intelligent Transportation Security (ITS) Systems Security Review	**This document is exempt from public records disclosure pursuant to F.S. 282.318. It shall not be copied or distributed in any manner. It may not be inspected or reviewed by any persons other than those authorized by CFX to receive it.**			Original: 6/30/15 Revised: 12/31/15 Revised: 6/30/16 Revised: 3/31/17
5	2016 Contracts Audit	Contract Specialists within the maintenance department will implement the use of a "Subcontractor Status Report" as part of monthly checklist of contract requirement monitoring and require the vendor to provide the listing of subcontractors along with their monthly invoice. Additionally, the Contract Specialist will compare the listing provided against the subcontractor approval forms submitted to confirm compliance. The Contract Specialist will also maintain a spreadsheet of subcontractor use and seek Board approval if the amounts approach $25,000.	Claude Miller, Director of Maintenance	The Asset Maintenance/Routine Inspection Monthly Subcontractor Status Report was created and sent out to prime contractors. The Authority is currently working with the prime contractors to receive the completed reports on a recurring basis. In addition, the Authority has requested the listing of subcontractors and related approval forms be submitted by the prime contractor, but has not received all forms as of this update. Therefore, additional time is required to complete the action plan. Once these items are completed, the tracking spreadsheet will be finalized and the recommended monitoring process will be implemented.	Original: 2/1/2016 Revised: 4/1/16 Revised: 12/31/16
6	2016 ROW Legal Counsel Procurement & Invoice Audit	Initially, each Right of Way outside counsel or responsible party within the Authority will confirm the amount paid in the cumulative payments columns of the monthly TIFIA reports to ensure accuracy of the current spreadsheet. If there is a discrepancy identified, the responsible party will research and correct the discrepancy in the TIFIA reports. Going forward, each firm or responsible party will prepare a separate monthly TIFIA report summarizing the activity in the parcels assigned to that firm. The Accounting Department will audit the spreadsheets for accuracy using source documentation, which will be made available to the party responsible for performing the review of the spreadsheets.	Linda Lanosa, Deputy General Counsel Michael Carlisle, Manager of Accounting and Finance	Each firm/responsible party has begun certifying that the monthly TIFIA report contains accurate information and acknowledges that the information will be relied upon for the Authority's reporting requirements. The Finance Department has audited historical data and continues to audit the relocation costs, CFX parcels, and the Lowndes parcels and related expert costs monthly. However, the Authority is relying on the signed certifications for Shutts & Bowen and Winderweedle parcels and those monthly reports have not been subject to review by the Finance Department as of the date of this update. Due to staffing changes, the audit process is being transitioned to Michael Carlisle, Manager of Accounting and Finance, starting in October. The action plan is only considered partially complete as the Shutts & Bowen and Winderweedle monthly reports have not been subject to audit by the Finance Department and more time is necessary to complete the action plan.	Original: 8/1/16 Revised: 1/31/17

Appendix A

Recommendations Detail

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
7. Account Adjustment Approval Limits in TRIMS: Section IV B in the scope of services section of the ACS contract indicates that personal E-PASS account adjustments over $200 and commercial E-PASS account adjustments in excess of $500 must be approved by an ACS manager in TRIMS. Currently, TRIMS is not configured to prevent the approval of adjustments to personal E-PASS accounts in excess of $200 by CSC Supervisors. Internal Audit obtained all adjustments processed in TRIMS between August 1, 2009 and September 30, 2010 and noted that 93 of 140 adjustments to private accounts between $200 and $500 were approved in TRIMS by CSC Supervisors instead of a manager, as required.

As a mitigating control, ACS indicated that all adjustments are reviewed by the Financial Analyst and Accounting Assistant, with the exception of voids, which should only be approved by CSC Managers in TRIMS. However, Internal Audit noted that 482 of 587 void adjustments were approved in TRIMS by CSC Supervisors.

Furthermore, a CSC Manager or CSC Supervisor enters their PIN in TRIMS to approve adjustments; however, PINs are never changed which may result in the sharing of PINs between employees.

Data analytics were performed related to the approval of adjustments in excess of $200 to personal E-PASS accounts and $500 to commercial E-PASS accounts and no adjustments were identified for additional follow-up; however, the strengthening of the controls related to the review and approval of adjustments in TRIMS may reduce the risk of fraud. | The Authority should utilize CSC Manager and CSC Supervisor passwords, rather than PINs, to approve adjustment transactions in TRIMS (passwords are required to be changed on a regular basis by the system). | The Authority concurs that moving to a password based approval is in its best interest. However, the change to a password based approval key would be a fairly significant change to the existing system. The current system is currently being reviewed for replacement as part of the Toll System Replacement (TSR) project. Making these changes now may be waste of valuable IT resources if the current system were to be disposed of in the near term. Based on the outcome of the TSR project the Authority would make this change as a part of a newly procured system or would be developed and implemented in the existing system once it was determined that we would be retaining the existing system. | Toll Operations will require passwords to be used for approvals in any new toll collection software procured by the Authority or its existing software if it is retained and that the password be changed on a regular basis by the system. | Mahmood Haq, Manager of IT; David Wynne, Director of Toll Operations | In Progress (Past Due) | Per discussion with Mahmood Haq, Manager of IT, and David Wynne, Director of Toll Operations, turnover in the IT department has delayed the implementation of this action plan. In addition, the change to a password based approval key would be a fairly significant change to the existing system and the system is being reviewed for replacement. The Authority has discussed making this change as part of a new back-office system, rather than making changes in the current system that will be replaced. This decision could delay the action plan further by 2 - 3 years. Currently, the IT department plans to implement the recommendation by the revised due date unless a business decision to delay is made by management. | Original: 12/31/13

Revised: 12/31/15

Revised: 3/31/16

Revised: 9/30/16

Revised: 12/31/16 | Concur |

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
6. Potential Revenue Leakage: The potential extrapolated discrepancies in the toll collections audit highlighted above total approximately $1,000 for the six month period ended December 2012. A root cause of this appears to be the manual nature of the Attendant's Shift Record used as a reconciling item during toll collections audits, for which third party contractor auditors are required to make assumptions as to what is being communicated by the TSA. Additionally, during the review of the toll collections audit, Internal Audit found that system purges and reverse run through transactions, system functions used to reset the toll lane if the lane server is out of sync generates an expected revenue amount. Also the description on the Unusual Occurrence report for these transactions have the same overclass description as small vehicle transactions that do not engage the toll lane treadles. The third party contractor uses the Unusual Occurrence report to reduce the expected revenue for the system purges and reverse run through transactions, while maintaining the expected revenue related to the smaller vehicles that do not engage the treadles. Internal Audit performed a review of the overclass transactions (excluding purges, re-syncs, and reverse run throughs) and found that the third party contractor reversed the expected revenue inappropriately in 4 out of 25 transactions tested, an error rate of 13%. The potential extrapolated variance when applied to all overclass transactions for the six month period ended December 31, 2012 is estimated to be approximately $700.	6. b) The Authority should also consider automating certain aspects of the Attendant's Shift Record log by integrating the unusual occurrence, violations, and insufficient fund transactions within the MLT system. This would reduce the subjectivity of the FTS auditor's interpretation of the manual ASR log.	Concur	The Authority currently has this recommendation as a function in the planned Toll System Replacement project that is currently ongoing at this time. The Authority would expect to have the new system in place and operating by July 1, 2015.	David Wynne, Director of Toll Operations	In Progress (Past Due)	Per discussion with David Wynne, Director of Toll Operations, this recommendation will be implemented as a function in the planned Toll System Replacement (TSR) project. The Request for Proposal (RFP) has been awarded and the new system is currently in development. Internal Audit obtained the System Requirements advertised as part of the RFP and determined specification 1.5.1.7.2.2 states the system should have drop down menu codes for unusual occurrences. Internal Audit determined the TSR project was awarded to TransCore, LP on 5/14/15 as evidenced by Board minutes. Per David Wynne, Director of Toll Operations, the work is in progress with Transcore and the first go-live date is scheduled for April 2017 in the Coral Hills plaza group based on the current status of the project.	Original: 7/1/15 Revised: 4/30/16 Revised: 1/31/17 Revised: 4/30/17	Concur

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
1. Written Maintenance and Safety Procedures: The Authority's Maintenance and Safety activities follow the State of Florida and Federal guidelines and the Master Bond Resolution Covenants from a policy perspective. However, in regards to the method of accomplishing the applicable standards, there are no written procedures documenting the Authority's maintenance and inspection program. Written procedures are an integral component of the infrastructure surrounding each critical business process. Procedures help govern, in writing, the actions necessary to fulfill the organization's policy for operations. Procedures provide guidance in the pursuit of achieving the objectives of the process, help reduce misunderstanding, and increase distribution of pertinent information to those involved in the process.	The Authority should develop written "desktop" procedures that clearly document key aspects of the Authority's maintenance and inspection program, including: Internal procedures for managing and maintaining the Authority's roadways and bridges, Asset tracking, Role of third party maintenance & inspections agreements (scheduling of inspections, repairs, and replacements; outputs of preventative maintenance), Maintenance contract performance monitoring, Work order, maintenance request, and deficiency response deadlines, Incidence and Emergency Response process, and the GEC Annual Inspection process.	Concur	The Authority will develop written procedures to document the pertinent aspects of the Authority's maintenance and inspection operations in regards to bridges, overhead structures, and roadways.	Claude Miller, Director of Maintenance	In Progress (Past Due)	Per discussion with Claude Miller, Director of Maintenance, staffing changes within the department have delayed the completion of the action plan. The procedures document will be finalized on or before the revised due date. Internal Audit obtained and reviewed the current draft of the procedures manual and noted the draft is currently undergoing review by the Director of Maintenance.	Original: 12/31/14 Revised: 12/31/15 Revised: 10/1/16	Concur

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
This document is exempt from public records disclosure pursuant to F.S. 282.318. It shall not be copied or distributed in any manner. It may not be inspected or reviewed by any persons other than those authorized by CFX to receive it.				Corey Quinn, Chief of Technology/Operations	In Progress	This document is exempt from public records disclosure pursuant to F.S. 282.318. It shall not be copied or distributed in any manner. It may not be inspected or reviewed by any persons other than those authorized by CFX to receive it.		Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	In Progress (Past Due)			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
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				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
Each inbound call to the call center routes the customer to the Intelligent Voice Response ("IVR") system from which the customer selects service options from a prompt. The customer is then routed to the Vector Steps, which provides additional messaging and routes the call to an available call center agent.

Within the IVR and Vector steps the following inconsistencies and duplicative information are delivered to the customer, which if corrected, could improve the overall customer call experience:

1.The call prompts utilize a mix of different male and female voices leading to an abrupt and inconsistent customer experience.

2.The inter-prompt and queue treatment consists of a mixed use of silence, ringing, messaging, and music while the customer is on-hold and as the customer transitions from one vector step to another.

3.E-PASS main menu has redundant options to "return to main menu" and "repeat options". The menu also allows callers to opt out to a customer service representative using option "0" which may lead to prolonged call handling times.

4.Hours of operation and locations are given to callers even though the center is open. This information would normally only be presented after-hours.

5.The center does not leverage Estimated Wait Time ("EWT") prompting to inform callers of wait times and potentially redirect callers to online servicing. | There are opportunities to improve the prompts and messaging delivered to customers contacting the Authority by improving prompt and call treatment consistency and attempting to direct more callers to online servicing. The Authority should consider the points above and conduct a thorough evaluation of vector programming and IVR prompting during the implementation of the centralized back office contact center IVR platform to ensure consistent treatment and the use of EWT to inform callers of high wait times and reinforce the use of online or other servicing options. | Concur | The Authority is in the process of procuring and implementing a new IVR system for E-PASS which will include back-up hardware, and the improvement recommendations will be taken to into account at that time. In addition, the Authority will provide the recommendations to the centralized back office contact center vendor for consideration during the development of any IVR technology, if the Authority were to agree to move forward with the centralized back office contact center. | Mahmood Haq, Manager of IT | Completed | Per discussion with David Wynne, Director of Toll Operations, the new IVR system has been implemented. The improvement recommendations were considered throughout the process and documented management justifications for items that were not implemented. Internal Audit placed calls to the IVR system several times to determine if thewere implemented to improve the overall customer call experience. Internal Audit noted the following through calls placed and discussions with management:

1.The call prompts now utilize only the female voices which leading to a more consistent customer experience.

2.The inter-prompt and queue treatment now consists of messaging with music while the customer is on hold. Per discussion with David Wynne, Director of Toll Operations, a conscious effort was made to provide a more consistent experience and professional flow. Voice talent that was previously done by multiple people was primarily consolidated into one professional voice talent through GM Voices. Also, the timing of transitions was addressed as some transitions previously had periods of long silence.

3.Management has removed the redundant options to "return to main menu" and "repeat options". However, if the customer does not respond to the prompts, the system automatically repeats the options. The menu still allows callers to opt out to a customer service representative using option "0." Per discussion with David Wynne, Director of Toll Operations, the Authority did not want to trap the customer in the IVR with no available option to reach an agent. Management felt this decision more closely aligned with the desired customer experience.

4.Hours of operation is still provided automatically when the call is routed to the call center agents, even though the center is open. The mail menu also directs callers to the hours of operation and locations by choosing certain menu options. Per discussion with David Wynne, Director of Toll Operations, management felt that it would be beneficial if the customer is made aware of the hours automatically if they choose to discontinue the call for any reason. If the Authority does not provide the hours of operation at the beginning of the call it may require the customers to call back again to obtain the hours. Management did not feel this was customer friendly and the amount of time required to provide the hours is minimal in the process.

5.The IVR now leverages Estimated Wait Time ("EWT") prompting to inform callers of wait times and potentially redirect callers to online servicing.

Based on the items verified and management responses above, Internal Audit considers the action plan closed. | 6/30/16 | Concur |
| Aligning call quality attributes to a standardized call flow process enables an organization to assess, measure and address specific behaviors that are aligned to call handling performance objectives, such as call handle time and use of ACW. The standard segments of a call flow include Greeting, Caller Identification, Caller Validation, Service identification, Service Delivery and Wrap up.

The Authority's call center quality assurance program is aligned to measure quality in a generalized manner and is not aligned to a standardized call flow. The current call center quality assurance forms are made up of 29 Yes or No questions and 5 additional questions that are measured on a gradient of 1-3. The form does not include "automatic fail" questions/responses that would indicate the need for immediate re-training.

As a leading quality assurance practice, all questions should be measured on a gradient whenever feasible. Aligning the quality form to a standardized call flow enables the use of gradients more easily because it allows the behaviors measured to be compared against a specific business process and related goals. | To improve the quality assurance process, the Authority should identify a standardized call flow for the types of calls handled by the call center and identify the specific behaviors and skills that should be measured within each segment of the call. This process would enhance the quality assurance process to allow for specific guidance to CSR's and align quality criteria to measurable business goals and objectives (e.g. reduction of call handle time). | Concur | The Authority will work with the third party call center vendor to revise the current quality assurance process to align with the call quality attributes to measure business objectives. | David Wynne, Director of Toll Operations | Completed | Internal Audit obtained the Operations Procedure for Call Monitoring from David Wynne, Director of Toll Operations, and noted the procedure was effective 2/29/2016, and was approved by Allie Braswell Jr., EGIS Program Manager. Internal Audit noted the Authority's call center quality assurance program is aligned to a standardized call flow and the Yes or No questions have been revised to incorporate a gradient scale of f 1-5. | Original: 7/1/15

Revised: 11/30/15

Revised: 3/31/16 | Concur |
| While the messaging delivered to callers in both the IVR and Vector messaging reminds callers that unpaid toll notices can be paid online, the Authorities web presence could be improved to make the process of making payments online more intuitive. Links to unpaid toll payment options are not plainly visible and require additional navigation that we believe is deterring customers from utilizing the online service and instead placing calls into the center.

In addition, throughout the course of the 400 call observations, there were only a handful of calls (fewer than 5) where the agent reminded the caller that purchasing a transponder or replenishing their account would allow them to avoid toll violations in the future.

Also, the Authority's corporate phone number is often called when a customer is trying to contact the call center. These calls are received by the Authority's receptionist and transferred to the call center. | The Authority should consider launching an E-PASS product and services website, independent of the corporate website, that would focus on the customer experience and E-PASS activity. An E-PASS focused website would allow customers to navigate the site with ease and would help to deflect customer service activities, such as making unpaid toll notice payment and account replenishments, to the website.

Also, call center agent training should also be considered to reinforce the importance of reminding customers to replenish their accounts and/or purchase a transponder in cases where an in-state customer is contacting the authority about a toll violation or citation. These improvements can deflect calls and reduce volume of calls received by the call center.

The Authority should also consider adding prompts to the treatment provided on the main number to route callers to the call center in order to limit the number of call center calls received by the receptionist. | Concur | 1.The Director of Toll Operation and IT will schedule a meeting with the CFX Communication Department to discuss the recommendations to the website and evaluate which recommendation can be implemented.

2.The call center scripts will be updated to include a reminder to customers to replenish and/or purchase a transponder at the end of each call.

3.The Authority will consider adding prompts to the treatment provided on the main number to route callers to the call center in order to limit the number of call center calls received by the receptionist. | 1. David Wynne, Director of Toll Operations, and Joann Chizlett, Director of IT

2. David Wynne, Director of Toll Operations

3. Joann Chizlett, Director of IT | Completed | 1. Complete - Per discussion with David Wynne, Director of Toll Operations, and Joann Chizlett, Director of IT, additional hyperlinks were added to the Authority's website to improve ease of access to the E-PASS website. Internal Audit reviewed the updated website and noted links and pictures were added to direct users to the E-PASS website for UTN payment.

2. Complete - IA obtained the Operations Procedure for Call Handling from David Wynne, Director of Toll Operations, and noted a reminder to replenish for EPASS customers and a reminder to purchase a transponder for non-customers was added to the call scripts. The procedure was effective 2/29/2016 and was approved by Allie Braswell Jr., EGIS Program Manager.

3. Complete - Per discussion with David Wynne, Director of Toll Operations, and Joann Chizlett, Director of IT, the prompts have been added to the Authority's main number to route callers to the call center. Internal Audit performed a test call and noted three options were provided to the caller (UTN/UTC, E-PASS account, other calls). The prompts added will route calls regarding UTN/UTC and E-PASS accounts to the call center rather than directly to the receptionist. | 1. 8/1/15

2. Original: 6/1/15 Revised: 11/30/15 Revised: 3/31/16

3. 8/1/15 | Concur |

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
The majority of calls handled by the Authority are payment related, including payment of Unpaid Pay Notices and Citations and account replenishment. During these calls, agents spend an average of 68 seconds identifying the caller and accessing their account. This represents approximately one-third of the total talk time of the call. A combination of call automation (attempting to identify the caller via the phone number that they are calling from) and agent training to obtain the information required to identify the customer and access their account as efficiently as possible could significantly reduce the handle time of calls.	The Authority should conduct further analysis to determine the percentage of inbound calling line ID's that can be linked to one or more existing accounts in the Authority's servicing applications. If this percentage is greater than 40-50%, this would indicate a substantial opportunity to automate inbound calls and thereby reduce overall handle times. In addition, the Authority should consider developing and conducting agent training to enable agents to take control of inbound calls and identify the information needed to access the caller's notifications, citations, and/or the caller's account as efficiently as possible.	Concur	1.Further analysis will be conducted to determine the percentage of inbound calls associated with active customer accounts. Based on results of the analysis, The Authority will determine if it is feasible to incorporate call automation based on strategic direction as it relates to the deployment and CFX involvement in centralized back office contact center. 2.The third party call center vendor will provide refresher training on "Call Control" and incorporate "Call Control" techniques into new agent training.	1. David Wynne, Director of Toll Operations, and Mahmood Haq, Manager of IT 2. David Wynne, Director of Toll Operations	Completed	1. Complete - Per discussion with David Wynne, Director of Toll Operations, and Rafael Millan, Programmer Supervisor/Database Administrator, IT has completed the analysis of inbound calls to customer accounts. A list of phone numbers from actual calls to the Service Center was obtained by IT and loaded into the customer database. IT ran an SQL query to match the phone numbers in the list against the phone numbers registered for active EPASS accounts at the time of the query. There were 67,808 calls in the listing and 19,169 were linked to customer accounts (28%). As a result of this analysis, the IT department will not pursue call automation at this time, but may consider adding the feature in the future. 2. IA obtained the Operations Procedure for Call Handling from David Wynne, Director of Toll Operations, and noted two call scripts are currently in use, one for E-PASS and another for Non-Customers. The operation procedures are following a 7-section general call flow from Branded Greeting to Branded Closing. The purpose of the procedure is to improve the efficiency and effectiveness of the call handling process, and to standardize the call service. The procedure was effective 2/29/2016, and approved by Allie Braswell Jr., EGIS Program Manager.	1. Original: 7/1/15 Revised: 11/30/15 2. Original: 8/1/15 Revised: 11/30/15 Revised: 3/31/16	Concur

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
The Authority's department managers identify staff training needs and approve the training. Although staff training budgets are included in the Human Resource (HR) budget, the Human Resource department does not monitor the training needs of the organization. Leading practice is for Human Resources to perform periodic assessments of the training needs across the organization to promote development, competency, and continuing education. Additionally, a formalized training request process is not in place to document the business reason for each training expenditure and to ensure the appropriate approvals are obtained.	To incorporate leading practice, the Authority should perform an annual training needs assessment during the performance evaluation process to identify development opportunities throughout the organization. The Authority should also develop an HR Training Request Form to document the business reason for each training, cost, attendees, and Human Resources approval. The addition of the form will formalize the oversight process for training requests and help ensure training expenditures align with business needs, goals, and budgetary restrictions.	Concur	The Authority added discussions regarding training needs to the annual performance evaluation process. Performance evaluation forms were updated to request input on training needs from the employee and management. The Authority will develop an HR Training Request Form as recommended and implement a review process to ensure training expenditures are approved and meet business objectives.	Michelle Maikisch, Chief of Staff	Completed	Internal Audit obtained and reviewed the Performance Evaluation Form and related process documentation and determined a question was added to the form regarding areas where additional training may be needed. This component of the recommendation has been marked complete. IA also obtained the Training Request Form Michelle Maikisch, Chief of Staff, and noted the Training Request Form contains two levels of approvals (Supervisor/Manager and Director) to ensure the expenditure is reviewed and meets the business objectives.	Original: 12/31/15 Revised: 3/31/16	Concur
Written procedures are an integral component of the infrastructure surrounding each critical business process. Procedures help govern, in writing, the actions necessary to fulfill the organization's policy for operations. The IT and HR departments have not updated desktop procedural documents with the appropriate level of detail to provide guidance in the pursuit of achieving the objectives of the process, help reduce misunderstanding, and increase distribution of pertinent information to those involved in the process.	The Authority should identify and update the desktop procedures for key processes within the IT and HR departments to include the appropriate level of detail. The Desktop Procedures should allow anyone generally competent for the position to perform the job duties.	Concur	The Authority will identify and update the desktop procedures for key processes within the IT and HR departments to include the appropriate level of detail.	Michelle Maikisch, Chief of Staff Mahmood Haq, Manager of IT	Completed	Internal Audit obtained the Human Resource Department Desktop Procedures which were updated in July 2016 from Michelle Maikisch, Chief of Staff, and noted the Desktop Procedures include Setup, Maintenance and Security of HR Records; Processes/Recruiting and Hiring; Training; Benefits Administration; Performance Evaluation; Performance, Reward and Recognition; Employee Terminations; and HR Forms. Internal Audit noted the procedures have appropriate level of detail to provide guidance in the pursuit of achieving the objectives of the process. Internal Audit obtained the updated desktop procedures for the benefits file upload from Mahmood Haq, Manager of IT, and noted the procedures included appropriate level of detail to ensure the key process can be completed by anyone generally competent for the position.	Original: 2/28/16 Revised: HR - 4/30/16 IT - 8/31/16	Concur

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
Florida Statute Section 348.753(8) states that the Authority's board members, employees, and consultants who hold positions that may influence Authority decision should refrain from engaging in any relationship that may adversely affect their judgment in carrying out Authority business. To prevent such conflicts of interest and facilitate a monitoring process, Florida Statutes and the Authority's Code of Ethics require that board members, employees, and consultants disclose potential conflicts of interest annually. To comply with the conflict of interest statute requirement, the Authority developed a conflict of interest disclosure form to be disseminated to all board members, employees, and consultants annually. The Authority's department managers identify the consultants that provide professional services within their department and distribute the disclosure form to applicable consultants. The legal department distributes the disclosure form to Board members and employees. All completed disclosure forms are submitted to the Authority's Executive Assistant, who tracks responses in an Excel document. Supplemental information necessary to complete the form, such as listings of Orange County and City of Orlando registered lobbyists and corridor maps with ownership listings, is included in the distribution of the disclosure form. The review of the conflict of interest disclosure process identified the following areas for improvement: 1. Although the conflict of interest disclosure form and excerpts of the Florida Statutes are sent to the Authority's consultants, the Authority has not provided consultants with formal instruction on how to complete the form. For example, the Authority has not provided guidance on how consultants should respond to questions that are geared towards an individual and not the company, such as the disclosure of relatives. 2. The process to distribute and monitor receipt of the disclosure forms is manual and decentralized. Due to the number of consultants that may be required to complete and submit the disclosure form, automating and centralizing this process to one department would increase efficiency and allow management to quickly identify board members, employees, and consultants who have not complied with the requirement. 3. The Authority has established the disclosure requirements based on Florida Statutes; however, the Authority has not established a process to enforce the requirements and to hold vendors accountable for completing and returning the disclosure form.	1. To improve the disclosure process and set clear expectations, the Authority should define and document instructions for completing the conflict of interest disclosure form, including the expectation that one form should be completed for the firm/company, guidance on answering questions geared toward an individual, and the objective of the Florida Statute requirement. 2. The Authority should consider automating the distribution and monitoring processes for the disclosure form through development of a Conflict of Interest Reporting portal on the company's website. The website can host the disclosure form, instructions, deadline, and supplemental information (corridor maps, ownership listings, etc.); allow users to upload the completed disclosure form; and facilitate tracking and retention of responses received. The Authority should consider centralizing the disclosure process by selecting one department to manage distribution and tracking of the disclosure forms. Based on the current structure of the Authority and the process in place, the Procurement Department would be well-equipped to distribute the notification to consultants to complete the disclosure form and track and retain responses. 3. The Authority should define and document consequences for consultants that do not return the completed conflict of interest disclosure form, including the penalties that may be imposed by the Authority. The Authority should consider withholding vendor payments if the consultant is not responsive to the Authority's request to complete the form, which is similar to the enforcement process in other areas of the organization.	Concur	1. The Authority will define and document instructions for completing the conflict of interest disclosure form as recommended. 2. The Authority will develop a Conflict of Interest Reporting portal to automate the distribution and monitoring process for conflict of interest disclosure forms. The Authority will centralize the process to manage distribution and tracking of the disclosure forms to the Procurement Department. 3. The Authority will define and document consequences for consultants that are not responsive to the Authority's request to complete the disclosure form.	1. Joe Passiatore, General Counsel 2. Linda Lanosa, Deputy General Counsel; Mahmood Haq, Manager of IT; Aneth Williams, Director of Procurement 3. Joe Passiatore, General Counsel	Completed	Per discussion with Joe Passiatore, General Counsel, and Michelle Maikisch, Chief of Staff, recommendations are in process and are currently on track for completion by the scheduled due date. CFX has a contractor (Evolve) designing and hosting the new CFX website. The recommendation was communicated to Michelle Maikisch, Chief of Staff, so that the contractor can include a page to host the ethics information on the new website. 1. Per discussion with Linda Lanosa, Deputy General Counsel, the instructions for the conflict of interest disclosure form were defined and documented. Internal Audit obtained and reviewed the Potential Conflict Disclosure Form Instructions. 2. Per discussion with Linda Lanosa, Deputy General Counsel, a Sharepoint site was developed to monitor and track the conflict of interest disclosure forms. Employees can access the Sharepoint site to view training modules, applicable Florida statutes, instructions, and other materials relating to the conflict of interest. Internal Audit reviewed the Sharepoint site with Linda Lanosa. Staff personnel assigned to each committe and the Board is responsible for sending out the conflict of interest disclosure form via e-mail to the committee. The Procurement Department is responsible for sending out and tracking vendor responses to the conflict of interest disclosure form. Recipients return the disclosure form via e-mail or FTP. Sharepoint sites are being used to centralize forms received and track employee, Board/Committee member, and vendor responses and users can easily sort on the Sharepoint site to identify conflicts disclosed. Internal Audit determined that only four employees had not yet completed the form per the Sharepoint tracking site as of this update. In addition, the Authority has received approximately 50% of the vendor disclosure forms per the Sharepoint site. The Legal Department and Procurement Department will be putting a plan in place to follow-up on the outstanding forms and determine how penalties should be communicated and enforced for vendors that have not complied. 3. Per discussion with Linda Lanosa, Deputy General Counsel, the consequences for consultants that are not responsive to the Authority's request to complete the disclosure form were defined and documented within Section 6 of the Potential Conflict Disclosure Form Instructions.	5/1/16	Concur
Florida Statute Section 348.753(8)(b) states that the Authority's board members, employees, and consultants must disclose whether a relative is a registered lobbyist, and if so, disclose the names of the lobbyist and the lobbyist's clients. The Authority has defined the term "registered lobbyist" within the Code of Ethics as any person who shall engage in lobbying for compensation for (1) an entity other than his or her employer; or (2) for any entity including his or her employer if a principal function of his or her position is lobbying or governmental relations; and (3) is registered with any local jurisdiction represented on the Authority's Board. The City of Orlando and Orange County have established a process for lobbyist registration; however, Lake County, Osceola County, and Seminole County do not require lobbyist registration. Therefore, lobbyists in Lake, Osceola and Seminole County may not meet the definition of "registered lobbyists" as established by the Authority. Based on these circumstances, there is a potential for nondisclosure of relationships with a lobbyist in Lake, Osceola, or Seminole.	The Authority's management and Board should review the previous discussions regarding the definition of "registered lobbyists" and determine if the current definition should be revised to better address the objectives of the Florida Statute.	Concur	The Authority will review previous Board discussions and discuss further, as needed, to determine if the registered lobbyist definition should be revised.	Joe Passiatore, General Counsel	Completed	Per discussion with Joe Passiatore, General Counsel, the recommendation was discussed further with the Board during the 9/10/2015 Board Meeting and further research is currently being conducted based on the Board's recommendation. Internal Audit obtained and reviewed the draft minutes from the 9/10/2015 Board meeting and noted the Board proposed setting up lobbyist registration at CFX rather than relying on Orange County and the City of Orlando registrations, as the groups that lobby CFX may differ. General Counsel was asked to research the proposal further and return to the Board with a recommendation in April 2016. Internal Audit obtained and reviewed the April 2016 Board meeting minutes and noted that the final decision was to rely on the Orange County and the City or Orlando registrations and the definition will remain the same.	5/1/16	Concur
The Authority's employees and vendors must acknowledge that they have reviewed, understand, and will/have complied with the Authority's Code of Ethics. Employees sign a Certificate of Completion annually to acknowledge completion of the annual ethics training and compliance with the Authority's Code of Ethics. At the inception of a contract, vendors must sign the Acknowledgement of Standard of Conduct and Code of Ethics form to acknowledge their review of the Code of Ethics and adherence to the requirements of the policy. However, Board members do not certify their understanding or compliance with the Code of Ethics, which is inconsistent with the process in place for employees and vendors. Additionally, the Authority has not developed a process to notify vendors of modifications to the Code of Ethics, subsequent to the inception of their contract.	Board Members should sign an annual ethics certification to acknowledge their understanding and adherence to the Code of Ethics. This will exhibit the Authority's focus on the tone at the top. Additionally, the Authority should consider notifying vendors when the Code of Ethics has been modified to ensure vendors are aware of any new compliance requirements. Vendors should reaffirm their understanding and compliance with the newly adopted Code of Ethics by signing a new Acknowledgement of Standard of Conduct and Code of Ethics.	Concur	The Authority will require Board members to certify their understanding and compliance with the Code of Ethics annually. Going forward, the Authority will notify vendors when the Code of Ethics is modified and require that each vendor sign a new Acknowledgement of Standard of Conduct and Code of Ethics.	Darleen Mazillo, Executive Assistant, and Aneth Williams, Director of Procurement	Completed	Per discussion with Darleen Mazillo, Executive Assistant, the annual Board certification of understanding and compliance with the Code of Ethics has been added to the Board Checklists developed based on the 2015 COSO Governance Review recommendations. The checklists will help facilitate the annual certification from the Board members during 2016. As the process has been implemented, the action plan was marked as complete by Internal Audit. Per discussion with Aneth Williams, Director of Procurement, the Authority has added the vendor notification process to the Procurement Department Procedures document to be followed when the Code of Ethics is modified. Internal Audit obtained a copy of the revised Procurement Procedures as evidence. A change has not been made to the Code of Ethics since the audit report was issued; therefore, the process could not be tested. However, Internal Audit considered the action plan closed as this has been incorporated into a procedure document.	5/1/16	Concur
The Authority's Ethics Policy follows the State of Florida Code of Ethics. However, there are no written procedures documenting the Authority's ethics compliance monitoring process. Written procedures are an integral component of the infrastructure surrounding each critical business process. Procedures help govern, in writing, the actions necessary to fulfill the organization's policy for operations. Procedures provide guidance in the pursuit of achieving the objectives of the process, help reduce misunderstanding, and increase distribution of pertinent information to those involved in the process.	The Authority should consider developing written "desktop" procedures that clearly define and document key aspects of the Authority's ethics activities, including: - Conflict of interest disclosure process - Training and ongoing education - Compliance review process - Penalties for violations	Concur	The Authority will develop written procedures to document the Authority's ethics activities and compliance monitoring processes.	Joe Passiatore, General Counsel	Completed	Per discussion with Linda Lanosa, Deputy General Counsel, the written procedures to document the Authority's ethics activities and compliance monitoring processes were developed. Internal Audit obatined and reviewed the written procedures.	5/1/16	Concur

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
The Authority has policies and procedures to authorize the use of subcontractors by vendors. Subcontractors may be approved through (1) inclusion in the vendor proposal and bid or (2) the completion of an "Authorization to Subcontract" form. The "Authorization to Subcontract" form can be approved by the Procurement Director for amounts up to $25,000 and requires Board Approval for any amount in excess of $25,000. The Jorgensen contract states that all subcontractors intended to be utilized by Jorgensen must be approved by the Authority in advance. Jorgensen utilized twenty-six subcontractors since the inception of the contract. Of those twenty-six subcontractors, five were disclosed in the original proposal and contract approved by the Board. Jorgensen did not complete the "Authorization to Subcontract" request for the remaining twenty-one subcontractors. In addition, eight of the twenty-one subcontractors were paid amounts in excess of $25,000, which required Board approval.	The Authority should utilize a vendor billing compliance checklist (similar to one employed for construction and engineering contracts) to allow for monitoring of the use of subcontractors. A listing of authorized subcontractors should be included in the checklist and the checklist should be used to track the approval of new. The contractor should also be required to submit a detail of the use of subcontractors with each vendor invoice.	Concur	Contract Specialists within the maintenance department will implement the use of a "Subcontractor Status Report" as part of monthly checklist of contract requirement monitoring and require the vendor to provide the listing of subcontractors along with their monthly invoice. Additionally, the Contract Specialist will compare the listing provided against the subcontractor approval forms submitted to confirm compliance. The Contract Specialist will also maintain a spreadsheet of subcontractor use and seek Board approval if the amounts approach $25,000.	Claude Miller, Director of Maintenance	In Progress (Past Due)	Per discussion with Claude Miller, Director of Maintenance, and Carrie Baker, Contract Support Specialist, the Asset Maintenance/Routine Inspection Monthly Subcontractor Status Report was created and sent out to prime contractors. The Authority is currently working with the prime contractors to receive the completed reports on a recurring basis. In addition, the Authority has requested the listing of subcontractors and related approval forms be submitted by the prime contractor, but has not received all forms as of this update. Therefore, additional time is required to complete the action plan. Once these items are completed, the tracking spreadsheet will be finalized and the recommended monitoring process will be implemented.	Original: 2/1/2016 Revised: 4/1/16 Revised: 12/31/16	Concur
The Jorgensen Contract Services Contract states that the Contractor (Jorgensen) is required to acquire a surety bond for the annual value of the contract. This is calculated by taking the total contract value and dividing it by five (the contract term). In the event of a Supplemental Agreement, the surety bond must be updated to reflect the new contract value. The Jorgensen contract had an initially contract value of $16,989,528, which results in an annual bond requirement of $3,397,905.60. During the initial two years of the contract term (2011 and 2012), the surety bonds were provided to the Authority in the amount of $3,327,333.88 resulting in an underinsured exposure of $70,571.72 each year. The error was corrected by the contractor for 2013 and subsequent years; however the error was not identified by the Authority as part of its normal process.	The Authority should establish a procedure requiring Contract Management to prepare a checklist identifying key contract terms related to each contract. The contract manager should perform a detailed review of contract compliance at least annually and should reference the checklist to ensure vendors are in compliance with contract terms and conditions prior to releasing the last vendor payment of the year.	The Authority concurs and notes that less than six contracts within the Authority are subject to this type of bond. Most contracts require a bond at the commencement of the project.	The Contract Specialists within the maintenance department will verify the amount of the surety bond complies with the contract requirements as part of the contract compliance checklist. In addition, the procurement department will prepare a secondary review of the compliance with the surety bond requirement.	Claude Miller, Director of Maintenance Aneth Williams, Director of Procurement	Completed	Per discussion with Claude Miller, Director of Maintenance, the review of surety bond compliance has been added to the Director's contract compliance checklist. Internal Audit obtained a copy of the updated checklist and noted that a step is included to verify the surety bond amount is in compliance. Per discussion with Aneth Williams, Director of Procurement, the surety bond check was performed upon expiration of the JCS surety bond. Internal Audit obtained the surety bond continuation and determined the amount was reviewed for compliance with the contract. In addition, this step will be added to the desktop procedures in the Procurement Department to ensure this is performed on an ongoing basis.	Upon expiration of surety bond	Concur

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status

The CFX Debt Policy, section XI, states that at least twice each year, the Board shall receive a report on the status of its debt. The report shall at a minimum include:
  - Amount and percentage of total debt by categories:
    - Natural fixed
    - Synthetic fixed
    - Natural variable
    - Synthetic variable
  - Current mark-to-market value of all interest rate exchange agreements
  - Historical rate performance for all variable rate bonds
  - Any changes in ratings for credit enhancers and swap counterparty
 	
The most recent debt status report was completed on July 22, 2013. The report is not being prepared twice per year as required in the Debt Policy.
	CFX's Finance Department should comply with its Debt Policy and prepare and present the semi-annual debt reports to the Board.	Concur	CFX will look into if the policy should be changed now that CFX's variable rate debt accounts for less than 19% of the portfolio. A report will be given to the Board at the next financial workshop.	Lisa Lumbard, CFO	Completed	Per discussion with Lisa Lumbard, CFO, the Authority's Debt Policy has remained the same and a semi-annual debt report is required and was submitted to the Board. Internal Audit obtained the Semi-Annual Debt Report from the Central Florida Expressway Authority website. Internal Audit noted the Semi-Annual Debt Report was dated March 25, 2016 and signed by Lisa Lumbard, CFO. The Report includes 3 reports: Current mark-to-mark value of interest rate exchange agreements; Rating for credit enhancers and counterparties; Amount and percentage of total debt by categories. The Memorandum was addressed to CFX Board Members, and the report is available to public.	4/1/16	Concur

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
Based on Transportation Infrastructure Finance and Innovation Act (TIFIA) loan requirements, the Authority submits a monthly report of project costs to the Federal government and will be required to report final costs for the project in order to obtain the TIFIA loan funding. During the audit, we reviewed various sources of Right of Way data, including the Right of Way Committee minutes, Excel tracking files from outside legal counsel, and the monthly TIFIA reports, and identified multiple instances of inaccurate or inconsistent data between sources. Specifically, the TIFIA reports contained formula errors, data that was incorrectly rolled forward from month-to-month, in addition to classification issues for closed parcels that were listed as open. Of most concern were inaccuracies identified in the TIFIA reports that are designed to track project costs for later funding from the Federal government. There are multiple parties involved in creating and reviewing the TIFIA reports, including Legal Counsel and Finance personnel, which all input or review parts of the report. It is critical that the data in the TIFIA reports be kept complete and accurate for monitoring and reporting purposes. There is an opportunity to improve the quality and reliability of the data gathered for presentation in the TIFIA reports.	The Authority should formalize its quality assurance/quality control process by assigning a process owner(s) responsible for compiling TIFIA data, reconciling TIFIA data to source documents, and verifying the completeness and accuracy of the information included in the monthly TIFIA reports. Additionally, there is an opportunity to centralize Right of Way activity into one spreadsheet or database in order to minimize (or eliminate) the maintenance and monitoring of multiple sources of information.	Concur	Initially, each Right of Way outside counsel or responsible party within the Authority will confirm the amount paid in the cumulative payments columns of the monthly TIFIA reports to ensure accuracy of the current spreadsheet. If there is a discrepancy identified, the responsible party will research and correct the discrepancy in the TIFIA reports. Going forward, each firm or responsible party will prepare a separate monthly TIFIA report summarizing the activity in the parcels assigned to that firm. The Accounting Department will audit the spreadsheets for accuracy using source documentation, which will be made available to the party responsible for performing the review of the spreadsheets.	Linda Lanosa, Deputy General Counsel Michael Carlisle, Manager of Accounting and Finance	In Progress (Past Due)	Per discussion with Linda Lanosa, Deputy General Counsel, each firm/responsible party creates their own separate monthly TIFIA report summarizing the activity in the parcels assigned to them. Each firm/responsible party certifies that the monthly TIFIA report contains accurate information and acknowledges that the information will be relied upon for the Authority's reporting requirements. Internal Audit obtained examples of the signed acknowledgment form for each responsible party.

Per discussion with Scott Bear, CH2M Hill Consultant, he receives the monthly reports from the external counsel and other responsible parties and he compiles the reports for review by the Authority. Once comments or changes are incorporated, the report is provided to Glenn Pressimone, Director of Engineering. Glenn reviews and approves before the compiled report is submitted to the TIFIA contact.

Per discussion with Aneth Williams, Director of Procurement, the Finance Department has audited historical data and continues to audit the relocation costs, CFX parcels, and the Lowndes parcels and related expert costs monthly. Internal Audit obtained emails from Aneth Williams evidencing her review of the relocation costs, CFX parcels, and Lowndes parcels. Internal Audit also determined through inspection of Aneth's review package that the costs included in the monthly report were agreed to supporting documentation. The Authority is relying on the signed certifications for Shutts & Bowen and Winderweedle parcels and those monthly reports have not been subject to review by the Finance Department as of the date of this update. Due to staffing changes, the audit process is being transitioned to Michael Carlisle, Manager of Accounting and Finance, starting in October. The action plan is only considered partially complete as the Shutts & Bowen and Winderweedle monthly reports have not been subject to audit by the Finance Department and more time is necessary to complete the action plan. | Original: 8/1/16 Revised: 1/31/17 | Concur |
| The Authority's General Counsel reviews invoices for fees billed by external Right of Way legal counsel for accuracy and compliance with contractual terms. Per the terms of the contracts, external legal counsel will not be reimbursed for expenses such as telecopy, local telephone, data processing, courier or other services that would be deemed to be part of the firm's overhead expenses. However, the firm will notify General Counsel of any large copy and print jobs in order for a determination to be made as to how the copying will be handled and expensed.

Internal Audit testing identified that one external Right of Way counsel billed the Authority for $1,440 in copy and printing charges without prior authorization by General Counsel. General Counsel reviewed and approved the invoices for payment; however, there was no evidence that the charges were approved prior to being invoiced.

In addition, supporting documentation is required to be provided by external legal counsel for direct costs incurred, such as court reporters and deposition transcripts. Internal Audit testing identified that one external Right of Way counsel billed the Authority for $1,135 in court reporters and courier costs. However, invoice support was not provided for these costs and the legal invoice was approved for payment. | The Legal Department should review the invoices for appropriateness and to (1) ensure that direct costs billed conform to authorized costs detailed in the contract, (2) supporting documentation is provided for direct costs, and (3) each expert invoice is reviewed and approved by external legal counsel. The Finance Department personnel should conduct a secondary review of invoices for supporting documentation and attorney approval while reviewing invoices for rates and personnel assigned. | Concur | Legal Department will perform a review of invoices to (1) ensure that direct costs billed conform to authorized costs detailed in the contract and (2) supporting documentation is provided for direct costs.

In addition, the Finance Department will perform a secondary review of the invoices to include the direct costs, supporting documentation, and approval of the expert invoices. | Joe Passiatore, General Counsel Carrie Baker, Manager of Contract Compliance | Completed | Per discussion with Carrie Baker, new Manager of Contract Compliance, the Finance Department performs the initial review of ROW counsel invoices. Invoice review includes review of direct costs for appropriate supporting documentation.

Per discussion with Joe Passiatore, General Counsel, the Legal Department review for unauthorized costs is ongoing and items are disallowed or not paid if pre-approval or supporting documentation is not provided. In addition, CFX will no longer reimburse for internal copying costs and has deducted copying charges from the last ROW legal counsel invoice. | Original: 8/1/16 | Concur |

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Monthly, the Authority's Accounting & Finance department performs adjusting journal entries as part of the month-end reconciliation process to true-up the general ledger balance for total revenue earned. As part of the audit, Internal Audit identified that the December 2015 AVI revenue for the Airport Plaza was understated by $136,083 due to an error performing the month-end reconciliation and journal entries. The December 2015 AVI revenue reconciliation was reviewed by appropriate personnel; however, the error was not detected during the review process. The error appeared to result from a recent change in assigned responsibilities within the Accounting & Finance department.	There is an opportunity for the Authority to improve its documentation over the revenue reconciliation process. By creating a procedural document, Authority personnel will have a set of instructions to reference when performing the reconciliation of toll revenue, and a document to leverage when roles or responsibilities change within the accounting department. The procedural document should include detailed steps for performing and reviewing the monthly revenue reconciliation. As a leading practice, the review procedures should be performed at a level of precision to include recalculation of the month-end journal entry for mathematical accuracy and a review of the final AVI revenue balance per Eden for agreement to the TRIMS Plaza Revenue Summary report.	Concur	Accounting and Finance Department will create a desktop procedure document with detailed steps for the performer and reviewer of the month-end journal entries and reconciliations related to toll revenue.	Michael Carlisle, Manager of Accounting and Finance	Completed	Per discussion with Michael Carlisle, Manager of Accounting and Finance, the AVI Revenue Recognition Procedures document was created. Internal Audit obtained the AVI Revenue Recognition Procedures from the Manager of Accounting and Finance and determined through inspection that there are step-by-step instructions for the performance and review of the monthly toll revenue reconciliation.	9/30/16	Concur
Per the contract between the Authority and URS, the third party Toll Operations Contractor, URS is responsible for loss of revenue if lanes are not staffed according to the CFX approved staffing schedule. During the audit, Internal Audit identified two instances where the Authority was not reimbursed for loss of revenue when the lane was not staffed appropriately. In both instances, the lane was placed in Special Events mode due to an employee medical emergency or illness to allow traffic to pass through the cash toll lane. The Special Events mode was appropriately recorded on the Special Events report and appropriately provided to the Authority; however, the Authority's Accounting and Finance department did not file the request for reimbursement from URS. The total amount due to the Authority was approximately $136 for the two Special Events identified by Internal Audit. Although not a significant amount, opportunities exist to improve the process and procedures to prevent a more significant issue in the future.	A review of the Special Events Report should be included on the calendar/checklist of month-end procedures to ensure all Special Events are captured for billing to appropriate parties, including URS.	Concur	Accounting and Finance Department will add the review of the Special Events Report to the month-end calendar as recommended.	Michael Carlisle, Manager of Accounting and Finance	Completed	Per discussion with Michael Carlisle, Manager of Accounting and Finance, the Special Events Report was included on the calendar of the month-end procedures to ensure all of the Special Events are captured for billing to appropriate parties. Internal Audit obtained the 2016 August calendar of the month-end procedures from the Manager of Accounting and Finance, and determined through inspection that the Special Events Report was added to prompt the review process.	6/30/16	Concur
In accordance with the Central Florida Expressway Authority's Toll Operations Standard Operating Procedures (SOP), URS performs a review of the Plaza Activity Monitor at least every two hours to review the TRIMS system and to mitigate potential revenue loss due to equipment failure. This review is documented by the Toll Service Supervisor/Manager using a Lane Monitor Checklist. For one day tested, in six (6) of the 15 plazas reviewed, there were one or more instances where the review of the Plaza Activity Monitor was not documented within the two hour limit. Per the contract between the Authority and URS, the third party Toll Operations Contractor, URS is responsible for loss of revenue if equipment failure is not reported to the System Hardware Maintenance Contractor within 2 hours. Therefore, the impact to the Authority if the procedure is not followed would be minimal as URS would reimburse the Authority for actual lost revenue determined by the system or an estimate of lost revenue based on historical data.	We recommend that the Authority and third party contractor consider eliminating the Lane Monitor Checklist as this is a non-essential report. The Lane Monitor Checklist is an internal document and functions primarily as a summary of the Plaza Activity Monitor detail. Instead, the contractor should consider a revision to their process such that the Toll Service Manager or Supervisor signs directly on the Plaza Activity Monitor sheets, which are date and time-stamped source documents and will suffice as evidence of plaza review. By eliminating the completion of a summary sheet, the Toll Service Managers or Supervisors can complete the documentation of this task more efficiently in addition to having more time to focus on other responsibilities.	Concur	URS has implemented the recommendation as of March 4, 2016.	Dan Goff, Project Director	Completed	Per discussion with Dan Goff, Project Director, Toll Service Managers/Supervisors sign directly on the Plaza Activity Monitor sheets as per the recommendation. Internal Audit obtained a Plaza Activity Monitor Sheet and verified.	Completed	Concur
In accordance with the Central Florida Expressway Authority's Toll Operations Standard Operating Procedures (SOP), Toll Service Managers (TSMs) monitor new hire performance via a 30-day Toll Attendant Performance Assessment (TAPA). A 60-day follow-up TAPA will be completed as needed. Of the 20 selected Toll Service Attendants (TSAs) hired during the period July 1, 2015 through December 31, 2015, the following issues were identified: -Fourteen (14) of the 30-day TAPAs were not completed within 30 days of the employees' hire date and were completed greater than two weeks late. -Two (2) of the 30-day TAPAs could not be located. If new hire performance evaluation and feedback is not being performed timely for TSAs and TSAs are not appropriately processing the various types of toll transactions, the potential likelihood of error and lost toll revenue that may not be caught timely is increased.	The URS Assistant Project Director recently created an Excel spreadsheet to track and monitor the status of TAPA due dates and required follow-up. We recommend that the Excel spreadsheet be provided to the appropriate TSM bi-monthly via email and that upcoming TAPA due dates be discussed during the bi-monthly Plaza Managers' meeting.		On February 1, 2016 URS created an Excel spreadsheet to track the due date and the completion date for TAPAs. The spreadsheet will be shared with the Plaza Managers on the 15th and 30th of each month. In addition, the information will be reviewed at the bi-monthly Plaza Managers' meeting. Action Plan has been fully implemented as of March 1, 2016.	Dan Goff, Project Director	Completed	Per discussion with Dan Goff, Project Director, Plaza Managers are notified of the requirements for completion of TAPAS. The Assistant Project Director maintains a tracking log and notifies Managers of any TAPAs that are past due, requests explanations, and follows-up to completion. Internal Audit obtained the tracking log from the Project Director and determined through inspection that the spreadsheet tracks and monitors the status of TAPA due dates and required follow-ups. In-lieu of sending the tracking log on specific dates, the log is reviewed weekly by the Assistant Project Director. In addition, Plaza Managers are reminded in Plaza Managers meetings to check the status for all new hires.	Completed	Concur

Toll Revenue Audit
March 2016 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
All check, cash, money order transactions received via mail are processed in the back office mailroom or counting room located at the Authority's headquarters. To allow monitoring of the processing and handling of payments, the mailroom and the counting room are under video camera surveillance. Based on inquiry of EGIS management and Authority IT personnel, camera surveillance is not being actively monitored by either party and the camera footage is not digitally stored and available for retrieval. The IT department indicated that the camera storage system became obsolete when the Authority upgraded to the Windows 7 operating system due to compatibility issues. Management was aware of the obsolete camera system and made a business decision to not upgrade the system at the time.	We recommend that the Authority purchase new surveillance equipment that is compatible with its current operating system and allows for 30 days storage of surveillance data, at minimum, for retrieval as needed. We recommend that footage be recorded in digital format and maintained for a period of at least two weeks to one month based on leading practices. Additionally, the Authority should consider assigning the responsibility of periodic monitoring of the security cameras to EGIS to be performed at least weekly in order to improve monitoring of the mailroom and counting room where checks, cash, and money orders get processed.	Concur	The Authority will procure and deploy the needed equipment and EGIS will perform monitoring of the cameras at least weekly. The procurement of the system will be included in an upcoming camera installation project	Fred Nieves, Manager of E-PASS & Plaza Operations	In Progress	Per discussion with Fred Nieves, Manager of E-PASS & Plaza Operations, and Mahmood Haq, Manager of IT, procurement of cameras for use throughout the Authority's facilities to enhance security is being planned by the IT department. The cameras for the call center mail room and counting room will be included in this procurement. The work is currently scheduled to take place in Q1 of 2017, so the due date was revised to accomodate the current project plan.	Original: 12/31/16 Revised: 3/31/17	Concur
EGIS employees that work in the E-PASS Call Center and Violation Enforcement Section (VES) group are issued a unique badge and passcode for accessing the building and work area. Upon termination, it is the responsibility of the department manager to collect the terminated employee's badge and notify the IT Help Desk via an online ticket system that the employee's access rights should be terminated immediately. During testing, Internal Audit identified two (2) terminated employees with active badges and building access.	We recommend that an employee termination checklist be developed and distributed to all department managers. Department managers should complete the checklist, which should include procedures around collecting an employee's badge and notifying the Authority's IT department of the termination within a defined period of time (e.g. 3 days). The department manager should sign and date the checklist to indicate all termination procedures were completed. Additionally, the department manager should send the completed employee termination checklist to the EGIS HR Generalist or designee to sign and date the checklist as evidence of review.	Concur	EGIS will implement the recommendation once an HR Generalist is identified and hired.	Allie Braswell, Program Manager	Completed	Per discussion with Allie Braswell, Program Manager, the employee termination checklist was developed and distributed to all department managers. Internal Audit obtained a sample of a completed terminated employee checklist from the Program Manager and determined through inspection that there is a checklist item to ensure the termination form was sent to CFX IT for processing. Internal Audit further determined through inspection of the terminated employee checklist that the manager and the program manager approved by signing and dating the checklist.	12/31/16	Concur