

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Ethics Policy Compliance Review

January 2021

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EXECUTIVE SUMMARY



Overview

The Central Florida Expressway Authority (“CFX”) operates for the benefit of the public. As such, CFX strives to conduct business in accordance with the highest standard of ethics. The CFX Code of Ethics governs board members, committee members, employees, and consultants in the performance of their duties and obligations to CFX and serves as the standard for official conduct.

As part of a three-year audit cycle outlined in the 2021 Internal Audit Plan, Internal Audit has completed a review of CFX’s compliance with the Code of Ethics. Internal Audit last reviewed the compliance with the Code of Ethics in January 2018.

After the January 2018 review, the Code of Ethics was modified in April 2018 to prohibit consultants from holding conflicting employment or contractual relationships.



Objectives, Scope, and Approach

The objectives of this audit were to (1) review CFX’s ethics compliance process and related monitoring controls for design and operating effectiveness, and (2) assess CFX board and committee member, employee, and consultant compliance with the Code of Ethics.

The Ethics Policy Compliance Review was performed using the following approach:

1. Conducted interviews with CFX management regarding policy, applicable Florida Statutes, procedures, key personnel, and compliance reporting;
2. Reviewed the Code of Ethics and the following Florida Statutes to identify compliance requirements:
 - a. Chapter 112, Part III
 - b. Chapter 348.753
 - c. Section 104.31;

EXECUTIVE SUMMARY



Objectives, Scope, and Approach

3. Evaluated CFX's processes for monitoring compliance with the Code of Ethics and related internal controls for design effectiveness. Processes evaluated included the following areas:
 - a. Communication and Awareness
 - b. Training and Reinforcement
 - c. Change Management
 - d. Conflicts of Interest and Financial Disclosure Monitoring
 - e. Violation Monitoring
 - f. Penalties and Enforcement;
4. Performed operating effectiveness testing for identified key internal controls for the period February 1, 2018 through July 31, 2020;
5. Reviewed CFX board and committee member, employee, and consultant compliance with the Code of Ethics for the period February 1, 2018 through July 31, 2020; and
6. Identified opportunities and developed recommendations for improving the Authority's ethics compliance management process and internal controls.

EXECUTIVE SUMMARY



Summary of Procedures Performed and Results

Internal Audit evaluated CFX's ethics compliance management processes, internal controls, and the related design and operating effectiveness of the controls based on the requirements of the Code of Ethics and the applicable Florida Statutes. Based on audit results, one opportunity was identified that, if implemented, will strengthen CFX's overall ethics compliance management and internal control environment. The table below provides an overview of the areas reviewed and the opportunity identified.

Area	Procedures Performed	# of Controls Tested	Observation #
Communication and Awareness	<ul style="list-style-type: none"> ✓ Reviewed ownership and responsibility for oversight of the CFX Code of Ethics – No Audit Findings ✓ Evaluated the effectiveness of communication to internal and external parties regarding ethics requirements – No Audit Findings ✓ Evaluated controls to obtain internal and external party acknowledgement of the CFX Code of Ethics – No Audit Findings 	7	-
Training and Reinforcement	<ul style="list-style-type: none"> ✓ Evaluated Board, Committee, employee and consultant compliance with training – No Audit Findings ✓ Evaluated controls to encourage employee communication with management regarding ethical matters and ethical compliance – Observation #1 	3	1
Change Management	<ul style="list-style-type: none"> ✓ Evaluated controls to review and update the CFX Code of Ethics – No Audit Findings ✓ Evaluated the process to communicate Code updates and changes – No Audit Findings 	2	-
Potential Conflict and Financial Disclosure Monitoring	<ul style="list-style-type: none"> ✓ Evaluated Board, Committee, employee, and consultant compliance with conflict of interest and financial disclosure requirements – No Audit Findings ✓ Evaluated Board and Committee member compliance with voting conflict forms and requirements – No Audit Findings 	4	-
Violation Monitoring	<ul style="list-style-type: none"> ✓ Reviewed the process for reporting and monitoring ethics concerns and alleged violations – No Audit Findings ✓ Evaluated controls to encourage and facilitate employee communication of violations – No Audit Findings 		
Penalties and Enforcement	<ul style="list-style-type: none"> ✓ Evaluated penalty and enforcement procedures for noncompliance – No Audit Findings 	3	-

DETAILED OBSERVATIONS

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Observation 1 – Ethics Hotline Number in Employee Handbook

Risk Rating: **Low**



Observation

Employees are encouraged to express concerns about their work environment to their supervisor. To further promote a safe, secure and successful professional environment at the Central Florida Expressway Authority, a “Make a Difference” hotline is available to CFX employees and vendors to anonymously report suspected unethical, illegal, or unsafe acts without fear of retaliation. The number for the hotline is listed in the Employee Handbook available to all CFX employees.

Based on review of the Employee Handbook and hotline testing, the first reference to the "Make a Difference" hotline phone number in the Employee Handbook was identified as an invalid number (page 7, “800-226-6043”). Two additional references to the hotline within the Employee Handbook represented the accurate phone number for employees to reach the hotline (pages 11 and 14, “888-226-6043”). An invalid whistleblower hotline listed in Employee Handbook may cause confusion and may result in failure to report suspected unethical, illegal or unsafe acts without fear of retaliation.

Recommendation

Annually, CFX should review and update the Employee Handbook to ensure all information is consistent and accurate, including accuracy of the hotline phone number in all locations referenced.

Management Response

Management concurs.

Management Action Plan

Management will coordinate with Human Resources to make necessary updates to the Employee Handbook to correct the identified reference to the "Make a Difference" hotline phone number. Management will also review other sources of the phone number for accuracy.

Action Plan Owner / Due Date

Woody Rodriguez, General Counsel / Complete

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