

**MINUTES
CENTRAL FLORIDA EXPRESSWAY AUTHORITY
AUDIT COMMITTEE MEETING
November 21, 2014**

Committee Members Present:

Ray Elwell, City of Orlando Representative
Eric Gassman, Orange County Representative
Kaye Dover, Osceola County Representative
Bruce McMenemy, Seminole County Representative

Committee Member Absent:

Barbara Lehman, Lake County Representative

Also Present:

Joe Passiatore, General Counsel
Angela Carlross, Recording Secretary/Administrative Coordinator
Lisa Lombard, Interim Chief Financial Officer
Laura Kelley, Deputy Executive Director of Finance & Administration
Linda Brehmer Lanosa, Deputy General Counsel
Michelle Maikisch, Director of Public Affairs and Communications
Phil Fretwell, Protiviti
Jeff Tecau, Protiviti
David Taylor, Protiviti
Joel Knopp, Moore Stephens Lovelace
Dan O'Keefe, Moore Stephens Lovelace

CALL TO ORDER

The meeting was called to order at 9:00 a.m. by Eric Gassman, who is Chair of the Audit Committee, per the charter.

Linda Brehmer Lanosa, Deputy General Counsel, gave the committee an introduction to Sunshine Law and the CFX Ethics Policy.

INTRODUCTIONS

Those in attendance at the meeting introduced themselves.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

Mr. Elwell and Mr. Gassman were on the previous Audit Committee and were able to attest to the accuracy of the minutes.

A motion was made by Mr. Elwell and seconded by Mr. Gassman to approve the August 21, 2014 Audit Committee minutes as presented. The motion carried unanimously; Ms. Lehman was not present.

AUDIT OF FY 2014 FINANCIAL STATEMENTS

Dan O'Keefe and Joel Knopp of Moore Stephens Lovelace presented the Audited Financial Statements for Fiscal Year 2014 as part of their required communications. They submitted the financial statements to the Government Finance Officers Association for the Achievement for Excellence in Financial Reporting.

A motion was made by Ms. Dover and seconded by Mr. McMenemy to accept the Fiscal Year 2014 Financial Statements as presented. The motion carried unanimously; Ms. Lehman was not present.

MANAGEMENT'S REPORTS ON RISK ASSESSMENT AND INTERNAL CONTROL MATTERS

Staff presented regarding risk assessment and internal control matters. Laura Kelley, Deputy Executive Director of Administration and Finance, presented on the System for Assessing and Monitoring Significant Risks. Lisa Lumbard, Interim Chief Financial Officer, presented on the Effectiveness of Internal Controls. Ms. Lanosa presented regarding the System for Maintaining Compliance with Laws and Regulations, System for Monitoring Compliance with Code of Ethics, and the Effectiveness of the Hotline Reporting System. There have been no calls to the hotline this year.

INTERNAL AUDIT BACKGROUND AND STATUS OF FY 2015 INTERNAL AUDIT PLAN

Phil Fretwell of Protiviti introduced the background information of Internal Audit for the new members of the Audit Committee and reviewed the Internal Audit Plan for Fiscal Year 2015 (attached). The FY 2015 Internal Audit Plan will have to be revisited throughout the year as some time was built in for certain audits that need time to develop, such as All Aboard Florida. It was also mentioned that Linda Brehmer Lanosa would be the General Counsel for the Audit Committee going forward.

CONTRACTS AUDIT REPORT

Jeff Tecau of Protiviti presented the Contracts Audit report. This audit report is the first audit since 2009 that is free of audit findings. The report is attached.

A motion was made by Mr. Elwell and seconded by Mr. McMenemy to accept the Contracts Audit Report as presented. The motion carried unanimously; Ms. Lehman was not present.

PCI REPORT ON COMPLIANCE

David Taylor of Protiviti presented the 2014 Payment Card Industry (PCI) Report for acceptance.

The PCI Assessment with Report on Compliance is a restricted report for security reasons. The report was provided and subsequently collected by the Internal Auditor at the meeting.

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It was noted that they are currently in the process of a PCI Gap Assessment due to an update in PCI standards in 2015.

A motion was made by Ms. Dover and seconded by Mr. Elwell to accept the PCI Assessment with Report on Compliance. The motion carried unanimously.

PRIOR AUDIT RECOMMENDATIONS FOLLOW-UP AUDIT

Laura Kelley reviewed the Prior Audit Recommendations Follow-Up. There are no new Past Due items; however, Ms. Kelley covered the Past Due items for the benefit of the new Committee members. This item does not go to the Board unless there are items that the Committee feels needs Board attention.

A motion was made by Mr. McMenemy and seconded by Mr. Elwell to accept the Prior Audit Recommendations Follow-Up. The motion carried unanimously.

AUDIT COMMITTEE CHARTER

Protiviti provided the Charter and a matrix of responsibilities that the Audit Committee must complete each year. Much of this matrix was covered at this meeting. Protiviti asked the Committee to review and accept the new Audit Committee Charter.

A motion was made by Ms. Dover and seconded by Mr. Elwell to accept the Audit Committee Charter as presented. The motion carried unanimously.

ADJOURNMENT

The meeting adjourned at 10:14 a.m.

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