

Executive Summary

Prior Audit
Recommendations Summary

2005 Orange County Audit

2007 Orange County Audit



Prior Audit Recommendations Summary and Follow-Up on the 2005, 2007 Orange County Audits

February 2012

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Executive Summary

Twice a year, Internal Audit performs a follow-up review on the status of all OPEN action plans from prior year audits. A semi-annual report on the status of open action plans is prepared and presented to management and the audit committee. Internal Audit first began this process in June 2009 and continues to monitor and report on the Authority's reported status and implementation of action plans to address prior audit recommendations. Once an action plan from a prior audit is deemed completed by Authority management and independently verified by Internal Audit, it is removed from the list.

The summary table depicted on the following page presents the progress the Authority has made on the status of all recommendations issued and tracked from prior Internal Audit reports. Recommendations from prior reports have been subjectively classified by Internal Audit into different descriptive categories deemed to best reflect the nature of the recommendation.

Additionally, during February 2012, the interim Executive Director and the Audit Committee requested a high-level Internal Audit review of the ongoing status of progress made by the Authority against recommendations and action plans issued in the 2005 and 2007 Orange County Audits. Many of the Authority's action plans in response to the 2005 and 2007 Orange County Audit recommendations were implemented during 2008, 2009, and 2010, and had not been revisited at that time by an independent third party since the point in time that Authority management deemed the action plans to be in place and effective and Internal Audit verified such.

In response to the request of the interim Executive Director and Audit Committee, Internal Audit worked with Authority management during February 2012 and requested an updated management explanation as to the current status of each action plan implemented to address the recommendations issued in the 2005 and 2007 Orange County Audits. Internal Audit subsequently performed independent verification and limited testing of management's response. The limited testing performed by Internal Audit included inquiry with the responsible employees and a review of supporting documentation or other evidence to confirm management's explanation and reported status. 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 Protiviti did not come to an agreement on the status of a recommendation.

Prior Audit Recommendations Summary

#	Audit	Procurement	Governance & Ethics	Finance & Accounting	Operations	Human Resources	Compensation & Benefits	ROW	Total Recommendations	Complete	Mgmt Does Not Concur or Partially Concur	In Process
1	2005 Orange County Audit	14	0	3	0	2	5	1	25	24	1	0
2	2007 Orange County Audit	50	8	15	0	5	2	1	81	78	3	0
3	2008 Building Audit	0	2	0	2	0	0	0	4	4	0	0
4	2009 Vehicle Issues Audit	8	0	0	0	0	0	0	8	8	0	0
5	2009 Toll Revenue Audit	0	1	2	24	0	0	0	27	27	0	0
6	2009 External Auditor Management Letter Comments	1	0	0	1	0	0	0	2	2	0	0
7	2009 Governance Audit	0	13	0	0	0	0	0	13	13	0	0
8	2009 Citizen's Advisory Committee Recommendations	0	4	4	14	1	1	0	24	21	0	3
9	2010 Ethics Audit	1	6	0	0	6	0	0	13	12	0	1
10	2010 Purchase Spend Audit	5	0	1	0	0	0	0	6	6	0	0
11	2010 Change Management Review	0	0	0	5	0	0	0	5	5	0	0
12	2010 Contracts Audit	0	0	0	9	0	0	0	9	7	0	2
13	2010 TransCore Audit	0	0	0	3	0	0	0	3	3	0	0
14	2011 Vendor Audit	2	0	0	0	0	0	0	2	2	0	0
15	2011 Accounting System Access and SOD Review	0	0	2	1	1	0	0	4	4	0	0
16	2011 Limited Procurement Compliance Audit	3	0	0	0	0	0	0	3	3	0	0
17	2011 Fraud Risk Assessment	7	0	0	0	0	0	0	7	6	0	1
18	2011 Human Resources Process Review	0	0	0	0	9	0	0	9	3	0	6
19	2011 IT Strategic Alignment Benchmark	0	0	0	2	0	0	0	2	1	0	1
	Total	91	34	27	61	24	8	2	247	229	4	14

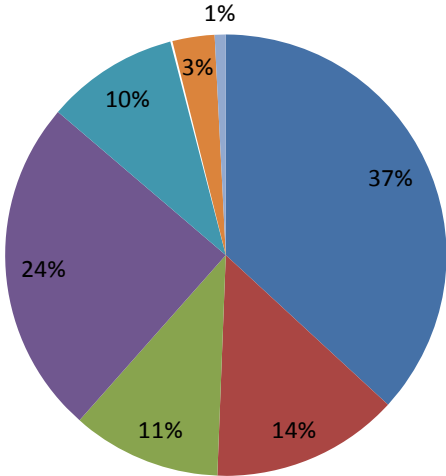
The above chart depicts the status of recommendations from prior audit reports as of January 2012, as followed-up on by Internal Audit between the period of June 2009 and January 2012.

Recommendations from prior reports have been subjectively classified by Internal Audit into different descriptive categories deemed to best reflect the nature of the recommendation.

Prior Audit Recommendations Summary

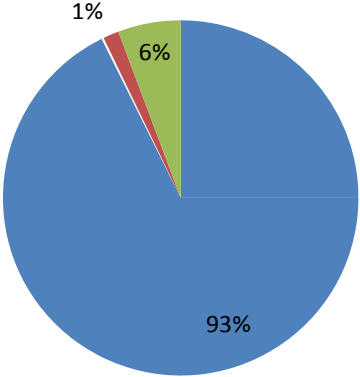
Prior Recommendation Breakout

- Procurement
- Finance & Accounting
- Human Resources
- ROW
- Governance & Ethics
- Operations
- Compensation & Benefits



Prior Recommendation Status

- Complete
- Management Does Not Concur or Partially Concurs
- In Process



OOCEA
2005 Orange County Comptrollers Audit

Orange County Audit Recommendation	Management Response	Status	Original Management Verification / Explanation	2012 Management Verification / Explanation	IA Conclusion
<p>1. We recommend the Authority should ensure its policies address:</p> <p>A) The delegation of specific powers to the Executive Director regarding the establishment and implementation of compensation plans, as well as the Authority's approval of such plans. Also, the Authority should retroactively ratify all previous compensation plan actions executed by the Executive Director.</p> <p>B) Federally mandated Family and Medical Leave Act benefits.</p> <p>C) Write-off of bad debts related to E-PASS transactions.</p> <p>D) Enhanced procurement polices to include at a minimum the use of purchasing cards (p-cards), and purchase limits requiring the use of publicly advertised request for proposals and/or sealed bids.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p>	<p>A) A resolution was adopted by the Board on March 25, 2005 to clarify the Executive Director's powers.</p> <p>B) FMLA language has been incorporated into the Employee Manual.</p> <p>C) The Authority followed a consistent practice of writing off negative E-PASS accounts after one year of inactivity. (Some bad debt accounts that have promising collection activity are retained beyond one year.)</p> <p>D) The Centralized Procurement Policy addresses the use and limitations of P-Cards and addresses the requirements for requests for proposals.</p>	<p>A) A resolution was adopted by the Board on March 25, 2005 to clarify the Executive Director's powers.</p> <p>B) FMLA language has been incorporated into the Employee Manual.</p> <p>C) The Authority followed a consistent practice of writing off negative E-PASS accounts after one year of inactivity. (Some bad debt accounts that have promising collection activity are retained beyond one year.)</p> <p>D) Procurement Policy-Section IX, Procedures – Section XVIII.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p>
<p>2. We Recommend the Authority increases physical security of all blank check stock and unclaimed checks by securing the forms within locked storage containers maintained in limited access areas.</p>	<p>Concur</p>	<p>Done</p>	<p>The Authority holds blank check stock in a locked, limited access area and audits the stock on a quarterly basis.</p>	<p>The Authority holds blank check stock in a locked, limited access area and audits the stock on a quarterly basis.</p>	<p>Concur</p>
<p>3. We recommend the physical inventories of transponders be conducted or witnessed by employees that are not responsible for the custody of the inventory or for the revenue system.</p>	<p>Concur</p>	<p>Done</p>	<p>The transponder inventory is currently conducted by staff not involved in recording E-PASS revenue.</p>	<p>The transponder inventory is currently conducted by staff not involved in recording E-PASS revenue.</p>	<p>Concur</p>
<p>4. We recommend the Authority reviews all personnel files for completeness and ensures appropriate documentation is maintained for each employee.</p>	<p>Concur</p>	<p>Done</p>	<p>The Human Resource Manager regularly reviews all personnel files for completeness.</p>	<p>This recommendation was revisited in the 2011 Human Resources Audit.</p>	<p>Concur</p>

5. We recommend the Authority revises procedures for enrolling employees into elected benefits through the use of payroll data entry directly from original and/or photocopied election forms, establishing data entry proofing procedures to ensure data input and/or transcribed accurately, and providing employees with a confirmation of benefits elected.	Concur	Done	The Human Resource Manager follows procedures for enrolling employees for elected benefits that ensures that data entry is accurate. Data proofing procedures are followed and employees are provided with a confirmation of the benefits elected.	The process is more automated now. Employees perform the data entry for elected benefits and print their own confirmations. HR and accounting check and verify benefit deductions for payroll.	Concur
6. We recommend the Authority performs the following: A) Initiates and completes a competitive procurement process to select deferred compensation plan providers; B) Enhance the administration of the plans by providing for periodic audits of the plans, as well as routinely monitoring the financial ratings of the plan and plan providers; and, C) Continues to review all compensation plans to ensure compliance with federal laws and rules of the Internal Revenue Service.	Concur	Done	A) The Authority utilizes State Contracts for efficiency. In the event a state contract is not used a competitive process will be followed. B) The State of Florida oversees and monitors these plans. C) The Human Resource Manager continues to review all compensation plans to ensure compliance with federal laws.	A) The Authority utilizes State Contracts for efficiency. In the event a state contract is not used a competitive process will be followed. B) The State of Florida oversees and monitors these plans. C) The latest compensation study and pay plan was completed by Cody and Associates, a compensation expert, in February, 2011.	Concur Concur Concur
7. We recommend the Authority executes contracts for temporary employment agencies. In addition, written confirmation of background checks should be obtained on personnel prior to their assignment to the Authority's positions.	Concur	Done	Temporary staffing contracts are utilized by the Authority when necessary. Background checks are conducted for all new employees by the Human Resource Manager.	OOCEA does not have temporary staff at this time.	Concur
8. We recommend the Authority's management implement enhanced competitive purchasing practices and, at a minimum, ensure compliance with the existing Purchasing/Lease Procedures. In Addition, management should ensure the timely completion and execution of purchase order forms and/or contracts.	Concur	Done	The current Centralized Procurement Policy addresses these issues.	The Centralized Procurement Policy in 2012 still addresses these issues.	Concur
9. We recommend the Authority enhance controls over the procurement card program by implementing the following: A) Segregate the incompatible duties of ordering and receiving cards between two or more individuals. In addition, monthly account statements should be mailed directly to the cardholders, for the cardholders' review and approval before submission for payment; B) Routinely examine and compare cardholders' credit limits and actual usage, and revise the limits as needed; and, C) Periodically compare bank records of card assignments and limits to the authorization forms completed by Authority staff.	Concur	Done	A) Duties were segregated and individual cardholder limits are routinely reviewed. The Procurement Department positions were redefined to ensure that the P-Card Administrator does not possess a P-Card. A change to ensure the P-card Administrator does not receive new P-Cards is in progress. B) The Procurement Department monitors the limits of P-Cards on an ongoing basis. C) Monitoring P-Card usage provides the data necessary to ensure that credit limits are appropriate and not excessive.	A) Duties were segregated and individual cardholder limits are routinely reviewed. The Procurement Department positions were redefined to ensure that the P-Card Administrator does not possess a P-Card. A change to ensure the P-card Administrator does not receive new P-Cards is in progress. B) The Procurement Department monitors the limits of P-Cards on an ongoing basis. C) Monitoring P-Card usage provides the data necessary to ensure that credit limits are appropriate and not excessive.	Concur Concur Concur
10. We recommend the Authority adequately review invoices for payment to contract terms. In addition, the Authority should review resources to ensure they are sufficient to provide enhanced monitoring of service provider contracts.	Concur	Done	The Procurement Department reviews invoices for contract compliance.	Aneth Williams, Contract Compliance performs this task and initials the invoices for contract compliance.	Concur

<p>11. We recommend the Authority:</p> <p>A) Competitively procure General Engineering Consulting Services by advertising a request for proposals for such services on a periodic basis;</p> <p>B) Modify Contract No. 72 for Construction Management Consulting services to include a clause specifying the authorized renewal terms;</p> <p>C) Include in future contracts for consulting services, a clause limiting the term of the contract to a specified number of years and specifying renewal options not to exceed a specific period; and,</p> <p>D) Amend the Procurement Policy to specify that all consultant contracts include a specific term of time and specific renewal options.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p>	<p>A) The GEC Contract was competitively bid in 2007.</p> <p>B) The current Construction Management Contract includes a clause specifying the authorized renewal terms in accordance with the Centralized Procurement Policy.</p> <p>C) The Procurement Policy adopted by the Board on April 26, 2007 contains the recommended provisions.</p> <p>D) The Procurement Policy adopted by the Board on April 26, 2007 contains the recommended provisions.</p>	<p>A) The GEC Contract bid was a one time event that this was related to. This is complete.</p> <p>B) The current Construction Management Contract includes a clause specifying the authorized renewal terms in accordance with the Centralized Procurement Policy.</p> <p>C) Policy Article VI. Procurement Processes, paragraphs D and E; Procedures Manual Article VII. Contract Terms and Renewals</p> <p>D) Policy Article VI. Procurement Processes, paragraphs D and E; Procedures Manual Article VII. Contract Terms and Renewals</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p>
<p>12. We recommend the Authority not include line items for contingencies in the price of future contracts. Instead, a suitable amount for contingencies could be included in the project budget and used as necessary. Also, the Authority's Board of Directors could delegate to staff the authority to access within acceptable monetary limits such reserves for contingencies without further board approval.</p>	<p>Do not concur</p>	<p>N/A</p>	<p>Because major construction contracts require change orders for things that cannot be estimated at the beginning of a project, the Authority allows prudent reserves for work orders to make the project more efficient.</p>	<p>Because major construction contracts require change orders for things that cannot be estimated at the beginning of a project, the Authority allows prudent reserves for work orders to make the project more efficient.</p>	<p>N/A</p>
<p>13. We recommend the Authority implements a formal procedure for utilizing the direct purchase method of procurement.</p>	<p>Concur</p>	<p>Done</p>	<p>The Authority implemented procedures for direct purchases on select projects in 2007.</p>	<p>Policy Article X, Owner Direct Purchase Option, Procedures Manual Article XI., Owner Direct Purchase Option.</p>	<p>Concur</p>
<p>14. We recommend the Authority establishes a formal value engineering program and encourages contractors to participate in the program by including an applicable clause in future contracts.</p>	<p>Concur</p>	<p>Done</p>	<p>The Authority utilizes value-engineering throughout the various phases of the plan/project production cycle, and therefore, a value engineering construction contract clause is not applicable for the value engineering program administered by the Authority.</p>	<p>The Authority utilizes value-engineering throughout the various phases of the plan/project production cycle, and therefore, a value engineering construction contract clause is not applicable for the value engineering program administered by the Authority.</p>	<p>Concur</p>
<p>15. We recommend the Authority follow the provisions of the Right-of-Way Procedures Manual and ensure that services of a qualified Review Appraiser are obtained and written reports received for all future acquisitions. Further, the Authority should revise the Right-of-Way Manual to provide procedures for use in those unusual circumstances where expediency requires variation from the established procedures.</p>	<p>Concur</p>	<p>Done</p>	<p>The Authority Right of Way Procedures Manual was updated and adopted by the Board on December, 2007.</p>	<p>The Authority Right of Way Procedures Manual was updated and adopted by the Board on December, 2007 and is still in place.</p>	<p>Concur</p>

OOCEA
2007 Orange County Comptrollers Audit

2007 Orange County Audit Recommendation	Management Response	Status	Original Management Verification / Explanation	2012 Management Verification / Explanation	IA Conclusion
1. We recommend the Authority ensures the following: A) Establishment of a strong centralized purchasing function as authorized by the Board; B) The new purchasing procedures are utilized to reduce purchasing related expenditures paid to outside consultants; and, C) Specific and actual purchasing authority is provided to the newly created Procurement Director position.	Concur Concur Concur	Done Done Done	The centralized Procurement Policy was approved by the Board on April 27, 2007. The Procurement Director position was filled to implement the policy.	A) Procurement Policy, Article I. Purpose and Definitions B) Procurement Policy, Article VII-Contract Amendments and Renewals C) Procurement Policy, Article V-Procurement Levels; Article VII-Contract Amendments and Renewals, paragraph A; Article XII-Exemptions from Competitive Procurement Processes, paragraphs N and O.	Concur Concur Concur
2. We recommend the Authority considers bringing the outsourced legal services in-house. Further all access to any outside legal counsel should be controlled through the in-house counsel.	Concur	Done	In-house General Counsel was hired on June 26, 2007. All legal contracts are managed through General Counsel.	General Counsel is still on staff. All legal services contracts are managed through the Legal Department (Winderweedle and Broad and Cassel).	Concur
3. We recommend the Authority considers structural changes and cost savings measures as addressed above to include a review of duties currently performed by the consultants and determine which items could be done more effectively, efficiently and economically by in-house staff.	Concur	Done	A staffing evaluation was performed by Rise Wall and presented to Board in February, 2008. The Board approved bringing 14 contract positions in-house. Thirteen contract positions have been in-sourced so far. The remaining positions are on hold for the time being due to budget constraints.	The following positions continue to be in-sourced: Assistant General Counsel, General Manager (IT), Senior Systems Analyst, Systems Analyst, Information Security Manager, Director of Engineering, Senior Roadway Inspector, Road Inspector, Facilities Maintenance Supervisor, Landscape Supervisor, FON Technician, Senior Project Manager (Construction) and Contract Support Specialist. See organizational chart for confirmation.	Concur
4. We recommend the Authority establishes an internal audit function reporting directly to the Board or audit committee. In addition, safeguards should be put in place to ensure the position is independent.	Concur	Done	An Internal Auditor was hired by the Board and served from December, 2007 to February, 2009. A professional consultant, Protiviti, Inc. continues to serve as the Internal Auditor since that time, reporting to the Audit Committee and ultimately to the Board.	Protiviti still serves as the Internal Auditor, reporting to the Audit Committee and the Board.	Concur
5. We recommend the Authority not assign the performance of any services to a firm that is also providing oversight responsibilities for those same services.	Concur	Done	The Authority does not allow this practice. A management position from the CMC was in-sourced 7/8/2008. The GEC contract, page A-6, prohibits this practice.	The Authority does not allow this practice. See GEC contract, page A-6.	Concur
6. We recommend the Authority Board clarifies the composition of the Authority Finance Committee.	Concur	Done	The Board approved as a consent agenda item on September 26, 2007.	One time event. See the Finance Committee Charter for specifics.	Concur
7. We recommend the Authority ensures the following: A) Written contracts, detailing all relevant events are entered into for all contractual relationships in accordance with newly written procurement procedures; B) Implementation of procedures that ensure the fair and unbiased selection of all consultants and contractors not only in fact, but in appearance; C) Issue all contracts through the newly created Procurement Director and ensure contracts do not contain duplicate scope of services; D) Follow procedures for analyzing and evaluating LOIs, responses to RFPs, technical proposals, oral presentations, price proposals and bids for contract awards; E) Adequate documentation of the selection and award process; F) Cancel and re-bid the contract for the MMC and the storage facilities; and, G) No open-ended contracts without expiration dates are awarded.	Concur Concur Concur Concur Concur Concur	Done Done Done Done Done Done	A) Section VI. Governing Rules of the Procurement Policy and Section IV. Procurement Methods of the Procurement Manual address this issue. B) Procurement Policy addresses this issue. C) Section IV. Responsibilities and Functions of the Procurement Policy address this issue. D) & E) These responsibilities reside with the Procurement Director. F) The MMC contract functions were brought in house and is no longer needed. The \$15,000 annual archives contract was re-bid. G) The centralized Procurement Policy prohibits open ended	A) Procurement Policy, Article IV-Governing Rules B) Procurement Policy, Article VI, Procurement Processes; Procedures Manual Article V Procurement Processes C) Procurement Policy, first paragraph, page 2 D & E) Procurement Policy Article VI Procurement Processes; Procedures Manual Article V Procurement Processes F) One time event. MMC functions are still provided by the Senior Roadway Inspector, Road Inspector, Landscape Supervisor and FON Technician. G) Procurement Policy Article IV, paragraphs D and E	Concur Concur Concur Concur Concur

<p>8. We recommend the Authority performs the following:</p> <p>A) Informs the Board of all relevant information related to approvals requested;</p> <p>B) Ensures that all supplemental agreements are presented to the Authority Board for approval; and,</p> <p>C) Expand the Authority agenda provided to the public to include more detailed and informative data.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p> <p>Done</p>	<p>A) A standard concise and comprehensive format has been adopted for consent agenda items. A team review process is in place for the Board package.</p> <p>B) Procurement Department ensures all supplements over \$25,000 are brought to the Board in accordance with policy.</p> <p>C) Agenda is published on the Authority's website.</p>	<p>A) This process is still followed for each Board meeting. Agenda Review meetings are scheduled each month.</p> <p>B) Procurement Policy Article VII, paragraph A (approved by the Board September 2009) supplements less than \$50,000 are shown in the monthly Statistical Report.</p> <p>C) Agenda is published on the Authority's website.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p>
<p>9. We recommend the Authority develops and implements a formal written policy for utilizing the direct purchase method of procurement. This policy should be presented to the Board for approval.</p>	<p>Concur</p>	<p>Done</p>	<p>The Authority has an Owner Direct Purchase (ODP) process and procedure. It is Legal Counsel's opinion that no additional policy is required. Liability issues have periodically become a challenge with the ODP process on Authority projects, so the the Owner Direct Purchase process is evolving as issues are identified, evaluated and mitigated.</p>	<p>Procurement Policy Article X, Owner Direct Purchase Option.</p>	<p>Concur</p>
<p>10. We recommend the Authority performs the following:</p> <p>A) Takes appropriate steps to amend the current highway maintenance contracts to include language that requires a reduction of monthly billings for maintenance work that is performed by construction contractors when highways are being improved; and,</p> <p>B) Considers re-bidding the maintenance service contracts.</p>	<p>Concur</p> <p>Concur</p>	<p>A)Recommendation was not applicable because contract was eliminated</p> <p>B) The MMC services brought in-house and contract eliminated</p>	<p>Future maintenance contracts will have a separate price per mile in construction zones. The Authority in-sourced one Roadway Inspector July 15, 2008 and has plans to in-source more contract maintenance positions in the future. The Authority phased out the MMC Contract in December, 2008. The 2002 MMC Budget was \$850,000; 2004 Budget \$500,000; 2008 Budget \$276,000.</p>	<p>The Authority no longer uses a MMC contract. All functions are in-sourced through the Senior Roadway Inspector, Road Inspector, Landscape Supervisor and FON Technician positions.</p>	<p>Concur</p> <p>Concur</p>
<p>11. We recommend the Authority ensures that contracts for CEI services for independent projects be competitively solicited.</p>	<p>Concur</p>	<p>Done</p>	<p>Section XI. Competitive Sealed Proposal Process of the Procurement Policy addresses this issue.</p>	<p>Procurement Policy, Article VI paragraph C; Procedures Manual Article V, paragraph C.</p>	<p>Concur</p>
<p>12. We recommend the Authority performs the following:</p> <p>A) Document the review of bids received where the lowest responsive bidder is more than 10 percent outside the final construction estimate for adequacy of the estimate and winning bid; and,</p> <p>B) Review the Section Engineer and GEC roles in providing final cost estimation to ensure the most cost effective method is used.</p>	<p>Concur</p> <p>Do Not Concur</p>	<p>Done</p> <p>N/A</p>	<p>A) Documented by Procurement Department and managing Department;</p> <p>B) The Authority believes that the current approach to cost estimation is the most cost effective method. All bids are evaluated to determine the lowest responsible bidder. The engineers' estimate targets the average bid, not the low bid, as charted by the auditors. The dollar amount of the bid is always evaluated relative to the engineers estimate and significant variances are investigated by Authority staff.</p>	<p>A) Procurement Procedures Manual Article V, paragraph A.7.a.</p> <p>B) Management considered the cost estimate method used and determined that it was the most cost effective approach.</p>	<p>Concur</p> <p>N/A</p>
<p>13. We recommend the Authority performs the following:</p> <p>A) Develops written criteria or guidelines for the evaluation of consultants and other contractors for renewal of contracts for the option years; and,</p> <p>B) Develops contracting procedures which will ensure that agreements for services that would be renewed for the option year with significantly increased labor rates are bid.</p>	<p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p>	<p>A) The Procurement Department is developing procedures for renewal review.</p> <p>B) The Procurement Department and the managing Department evaluate the terms of renewal to determine whether a contract should be continued or re-bid.</p>	<p>A) Procurement Policy Article VII, paragraph B; Procedures Manual Article VII, Contract Term & Renewals, paragraph C</p> <p>B) Procurement Procedures Manual, Article VII A.</p>	<p>Concur</p> <p>Concur</p>

14. We recommend the Authority ensures the following: A) Appropriate audit clauses are utilized; B) Truth in negotiation clauses are utilized in professional services contracts; C) Appropriate value engineering clauses are included in construction contracts; D) Appropriate early termination clauses are utilized in all contracts; E) Prices are computed on a per year basis for multiple year contracts or an average rate clause be utilized; and, F) Contractors and consultants use appropriate language that protects the interests of the Authority in their contacts with subcontractors.	Concur Concur Concur Concur Concur Concur	Done Done Done Done Done Done	A-E) Recommended contract clauses are included in new contracts and incorporated in the draft standard contracts currently being used. F) General Counsel and the Procurement Director are developed standard language for inclusion in contracts when applicable.	A-E) Recommended contract clauses are included in new contracts and incorporated in the draft standard contracts currently being used. F) General Counsel and the Procurement Director are developed standard language for inclusion in contracts when applicable.	Concur Concur Concur Concur Concur Concur
15. We recommend the Authority review additional GEC projects and periods to determine if any additional billing errors occurred.	Concur	Done	As part of its routine review of selected invoices, the Authority reviewed a sample of payroll records from the GEC and did not find any instances where employees were not correctly compensated for hours worked.	Contract Compliance Manager, Aneth Williams checks invoices for errors. Check sample GEC invoices for her initials.	Concur
16. We recommend the Authority establishes an adequate mechanism to ensure consultant and contractor compliance with contract provisions. In addition, adequate documentation should be retained to show such compliance as well as the performance of annual and other required contract reviews.	Concur	Done	The Invoice Processing Procedure, Sections II and III address these recommendations. The contract manager is responsible for compliance with contract provisions.	The Invoice Processing Procedure, Sections II and III address these recommendations.	Concur
17. We recommend the Authority establishes adequate contracting procedures to ensure the following: A) Contract amounts are accurately stated as justified by supporting schedules; B) Allowances for direct expenses are adequately detailed and reasonable based on tasks to be performed; and, C) Contract language clearly delineates the disposition of Authority provided assets at contract termination.	Concur Concur Concur	Done Done Done	A-C) These responsibilities are carried out by Procurement Department staff.	A-C) These responsibilities are carried out by the Project Manager and the disposition of Authority provided assets are addressed in the scope of services or specifications for the project.	Concur Concur Concur
18. We recommend the Authority develops procedures to ensure the following: A) Goods purchased by consultants/contractors and charged to the Authority are approved in writing prior to purchase. Further, ensure reimbursement requests for such items are adequately supported with a description of the items acquired and actual costs; and, B) Contract close-out procedures include ensuring all available credits are realized.	Concur Concur	Done Done	A) These responsibilities are carried out by Procurement Department staff. B) The Independent Assurance Manual Final Estimates Checklist requires an explanation of all overruns and underruns during the closeout process to ensure all credits due the Authority are received.	A) These responsibilities are carried out by the Project Manager and are in the scope of services or specifications for the project. B) Procedures Manual, Article X, Contract Closeout.	Concur Concur
19. We recommend the Authority ensures following: A) Purchase orders are approved by authorized personnel; B) Purchase orders are issued and approved before goods/services are ordered; C) A standard purchase requisition form or the requisition function in the computerized purchasing module is utilized; and, D) Prices extended to the Authority by vendors under contract with the State do not exceed the prices afforded under their State contract.	Concur Concur Concur Concur	Done Done Done Done	A) Section V. Procurement Approval Authority and Section VI., O. Governing Rules of the Procurement Policy B) Section V. Procurement Approval Authority and Section VI., O. Governing Rules of the Procurement Policy C) Section V. Procurement Approval Authority and Section VI., O. Governing Rules of the Procurement Policy D) Cooperative Services requires that the vendor must extend	A) Procedures Manual Article IV, Procurement Levels; Electronic Requisition Handbook B) Procedures Manual Article IV, Procurement Levels; Electronic Requisition Handbook C) Procedures Manual Article IV, Procurement Levels; Electronic Requisition Handbook D) Procedures Manual, Article XVII, Cooperative	Concur Concur Concur Concur

<p>20. We recommend the Authority performs the following:</p> <p>A) Implements written policy and procedures for the operation of the P-Card program and provides adequate training to P-Card users;</p> <p>B) Restricts the use of P-Cards to only the individual assigned the P-Card;</p> <p>C) Reviews and approves the P-Card master statement prior to the date of payment;</p> <p>D) Ensures all individual P-Card statements are reviewed by a supervisor;</p> <p>E) Implements procedures to prevent and detect the payment of sales taxes on purchases and,</p> <p>F) Ensures the P-Card Administrator is not assigned or authorized to use a P-card.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p>	<p>A-F) Section VII Purchasing Card Program of the Procurement Policy addresses these issues. Procurement training is provided at least once a year. C) In order to get the rebate on the P-Card transaction, the payment is automatically debited from the account. In any case where a transaction is not approved, a hold will be placed on the disputed charge until it is resolved.</p>	<p>A-F) Policy Article IX, Purchasing Card Program; Procedures Manual, Article XVIII, Purchasing Card Program.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p>
<p>21. We recommend the Authority performs the following:</p> <p>A) Consistently applies contracting procedures for micro contracts in accordance with generally accepted purchasing procedures. In addition, Contract MCP No. 093 should be terminated and re-bid in accordance with Authority Policy.</p> <p>B) Revises the micro-contract application form to include notation of approval or rejection with appropriate analysis performed.</p>	<p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p>	<p>A) The MCP No. 093 contract will be re-bid with the larger printing contract (AXIS) when it expires June, 2009.</p> <p>B) The application has been revised and all rejections are documented.</p>	<p>A) Procurement Policy Article XI, Micro-Contracts Program;</p> <p>B) Procedures Manual, Article XII, Micro-Contracts Program.</p>	<p>Concur</p> <p>Concur</p>
<p>22. We recommend the Authority performs the following:</p> <p>A) Continues to review the Team's billings to determine if further action is required, including reimbursing any unsupported charges; and,</p> <p>B) Ensures outside consultants provide adequate evidence that assigned duties are performed.</p>	<p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p>	<p>A) The current Audit Work Plan includes this contract.</p> <p>B) The contract manager is responsible for this documentation.</p>	<p>A) The audit work was done and the contract was closed out (Harmony contract no. 254).</p> <p>B) Invoice Processing Procedure, Section III Invoice Approval.</p>	<p>Concur</p> <p>Concur</p>
<p>23. We recommend the Authority ensures invoices received from the GEC are adequately supported and reviewed prior to authorization and payment.</p>	<p>Concur</p>	<p>Done</p>	<p>The Invoice Processing Procedure put in place March 7, 2008 addresses this issue.</p>	<p>The Invoice Processing Procedure put in place March 7, 2008 addresses this issue.</p>	<p>Concur</p>
<p>24. We recommend the Authority ensures the following:</p> <p>A) Written contracts be utilized for purchases of services in excess of an established dollar limit; and,</p> <p>B) Work is not performed prior to Board authorization. In the event the work is of an emergency nature and has to be performed prior to Board approval, such circumstances should be adequately documented and disclosed to the Board when approval is requested.</p> <p>C) All subcontractors used by contractors be approved by the Authority.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p> <p>Done</p>	<p>A-C) Written contracts are required for services. (Section VI. N. O. Section V. Procurement Approval Authority; and Section XII. Alternative Source Selection - C) Emergency Purchases of the Procurement Policy address this issue. Section VI. Governing Rules; F. requires Authority approval for subcontracts, standing alone or aggregate that equal or exceed \$25,000.00.</p>	<p>A) Policy Article IV; Procedures Manual Article III, Implementation and Enforcement</p> <p>B) Policy Article IV, paragraph C; Procedures Manual Article IV, paragraph 5.</p> <p>C) Policy Article IV, paragraph G.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p>
<p>25. We recommend the Authority ensures the following:</p> <p>A) Retainage is withheld as specified in contract documents; and,</p> <p>B) Section Engineers list positions billed and hourly rates of pay on invoices. In addition, the rates of pay and positions should be compared to the original contract for reasonableness. Further, consideration should be given to restructure the contracts to require rates used to determine the contract limiting amount are adhered to unless specific approval is given by the Authority.</p>	<p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p>	<p>A) The Contract Compliance Manager is responsible for ensuring that retainage is withheld in accordance with contract provisions.</p> <p>B) The Contract Manager and the Contract Compliance manager are responsible for monitoring these issues.</p>	<p>A) The Contract Compliance Manager is responsible for ensuring that retainage is withheld in accordance with contract provisions.</p> <p>B) The Contract Manager and the Contract Compliance manager are responsible for monitoring these issues.</p>	<p>Concur</p> <p>Concur</p>

<p>26. We recommend procedures be established to ensure the following:</p> <p>A) Invoices are reviewed by Authority staff that have knowledge of the work performed and approved in accordance with Board policy; and,</p> <p>B) Changes to Board approved policies are submitted to the Board for review and adoption.</p>	<p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p>	<p>A) The Invoice Processing Procedure put in place March 7, 2008 addresses this issue.</p> <p>B) Changes to policies are approved by the Board.</p>	<p>A) The Invoice Processing Procedure put in place March 7, 2008 addresses this issue.</p> <p>B) Changes to policies are approved by the Board.</p>	<p>Concur</p> <p>Concur</p>
<p>27. We recommend procedures be established to ensure the following:</p> <p>A) Adequate documentation to show receipt of goods and services are provided with invoices;</p> <p>B) All invoices and supporting documents are cancelled to prevent misuse; and,</p> <p>C) Invoices contain adequate description of the goods and services charged.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p> <p>Done</p>	<p>A) The Invoice Processing Procedure put in place March 7, 2008 addresses these issues.</p> <p>B) The Finance Department deemed this activity unnecessary in 2011.</p> <p>C) The Invoice Processing Procedure put in place March 7, 2008 addresses these issues.</p>	<p>A) The Invoice Processing Procedure put in place March 7, 2008 addresses these issues.</p> <p>B) The Finance Department deemed this activity unnecessary in 2011.</p> <p>C) The Invoice Processing Procedure put in place March 7, 2008 addresses these issues.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p>
<p>28. We recommend procedures are established to ensure the following:</p> <p>A) Contract balances reported by vendors are periodically reconciled to the Authority's records and appropriate action is taken when discrepancies are noted;</p> <p>B) The cost to construct and maintain each of the roads in the expressway system are accurately stated in the Authority's records;</p> <p>C) Practices relative to fixed assets are compliant with Board adopted policies. Further, fixed asset polices should be reviewed on a periodic basis to determine if they should be updated;</p> <p>D) Detailed information for qualifying property and equipment are entered in the Fixed Asset Module in a timely manner;</p> <p>E) Adequate controls are in place to prevent the check file from being altered once it has been reviewed; and,</p> <p>F) Periodic audits are performed for all existing check supplies.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p>	<p>A) Balances are checked periodically by the Procurement Department and the Contract Compliance Manager.</p> <p>B) The Authority maintains a project cost system.</p> <p>C) The fixed asset policy was updated on September 26, 2007.</p> <p>D) The Finance Department ensures that the Fixed Assets are accurately recorded on a timely basis.</p> <p>E) The date and time of each check generated is included on the check register.</p> <p>F) Periodic audits are performed on check supplies.</p>	<p>A) Balances are periodically checked by the Contract Compliance Manager.</p> <p>B) The Authority maintains a project cost system.</p> <p>C) See current fixed asset policy.</p> <p>D) See current fixed asset policy.</p> <p>E) The date and time of each check generated is included on the check register.</p> <p>F) Periodic audits are performed on check supplies by the accounting department.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p>
<p>29. We recommend the Authority performs the following:</p> <p>A) Establishes and adopt a pay plan with ranges of pay that reflects the actual positions filled at the agency; and,</p> <p>B) Develops standardized job descriptions for all positions employed within the organization in standard format that accurately reflect the duties</p>	<p>Concur</p> <p>Concur</p>	<p>Done</p> <p>Done</p>	<p>The Human Resource Manager is following through on these issues. The expected completion date is June 30, 2009.</p>	<p>The Pay Plan was completed in 2011. Standardized position descriptions are utilized.</p>	<p>Concur</p> <p>Concur</p>

<p>30. We recommend the Authority performs the following:</p> <p>A) Formally advertise open positions not filled from within;</p> <p>B) Retain documentation of the selection process for filling vacant positions;</p> <p>C) Retain evidence of background checks for all newly hired employees; and,</p> <p>D) Develop a written policy addressing employment of employees' relatives or terminated employees by the Authority's contractors and vendor.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Partially Concur</p>	<p>Done</p> <p>Done</p> <p>Done</p> <p>Done - Terminated employees should be able to seek employment with Authority contractors</p>	<p>The Human Resource Manager ensures that these recommended actions are documented. The Authority has a written policy regarding Nepotism in Section IX. Of the Employee Handbook. Since the Authority does business with most transportation contractors in central Florida, it is unreasonable to ban terminated employees from working with them.</p>	<p>A) All open positions are formally advertised.</p> <p>B) Documentation of selection process is provided by the HR Director.</p> <p>C) Background check documentation is kept in the employee file.</p> <p>D) The Employee Handbook, Section X.</p>	<p>Concur</p> <p>Concur</p> <p>Concur</p> <p>Concur</p>
<p>31. We recommend the Authority revises the current policy and ensures travel reimbursement forms are submitted for payment in a timely manner.</p>	<p>Concur</p>	<p>Done</p>	<p>The Authority is taking steps to enforce the timely completion of travel reimbursement requests. The Authority requires the submittal of travel reimbursement requests within 10 days of returning to the office.</p>	<p>The Authority is taking steps to enforce the timely completion of travel reimbursement requests. The Authority requires the submittal of travel reimbursement requests within 10 days of returning to the office.</p>	<p>Concur</p>
<p>32. We recommend the Right-of-Way Acquisition Procedures Manual be updated to reflect current processes and when changes occur in the future.</p>	<p>Concur</p>	<p>Done</p>	<p>Presented and adopted by the Board December, 2007.</p>	<p>The Right of Way Acquisition Procedures Manual updated in December, 2007 is still in place.</p>	<p>Concur</p>
<p>33. We recommend the Authority ensures the following:</p> <p>A) Periodic review of the actual in-place embankment material that results after compaction to ensure the quantity in-place corresponds to the quantity billed; and</p> <p>B) The contractor and the CEI sign the pay estimates.</p>	<p>Concur</p> <p>Partially Concur</p>	<p>Done</p> <p>Partially Done Only the CEI signature is required</p>	<p>A) The Authority is performing a periodic field review to validate conversion rates at certain places in the construction process.</p> <p>B) The contractor's signature is not required because it is the CEI who estimates the percentage complete on all line items.</p>	<p>A) The Authority is performing a periodic field review to validate conversion rates at certain places in the construction process.</p> <p>B) The contractor's signature is not required because it is the CEI who estimates the percentage complete on all line items.</p>	<p>Concur</p> <p>Concur</p>
<p>34. We recommend the Authority ensures the CEI for SR 528 perform their own calculations for Voids in Mineral Aggregate, Voids Filled with Asphalt and Dust Proportion.</p>	<p>Concur</p>	<p>Done</p>	<p>The CEI performs their own calculations in the field.</p>	<p>The CEI performs their own calculations in the field.</p>	<p>Concur</p>