

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

**MINUTES**  
**CENTRAL FLORIDA EXPRESSWAY AUTHORITY**  
**AUDIT COMMITTEE MEETING**  
**June 22, 2017**  
**Location: Pelican Conference Room 107**

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Committee Members Present:

Bruce McMenemy, Seminole County Representative, Chairman  
Brian Battles, City of Orlando Representative  
Kristy Mullane, Lake County Representative  
Kaye Dover, Osceola County Representative  
Eric Gassman, Orange County Representative  
Megan Zee, Citizen Representative

Participating by Phone:

John Rushing, Protiviti

Also Present:

Ruth Valentin, Recording Secretary/Office Coordinator  
Lisa Lumbard, CFO  
Linda Lanosa, Deputy General Counsel  
Michelle Maikisch, Chief of Staff/Public Affairs Officer  
Michael Carlisle, Director of Accounting and Finance  
Darleen Mazzillo, Executive Assistant  
Susan Martin, Executive Assistant/Board Services Coordinator  
Jim Greer, Director of Information Technology  
Corey Quinn, Chief of Technology/Operations  
Jeff Tecau, Protiviti  
Phil Fretwell, Protiviti  
David Taylor, Protiviti  
Teresa Mallery, Protiviti  
Emily Picard, Protiviti  
Chris Porter, Protiviti

**1. CALL TO ORDER**

The meeting was called to order at 9:00 a.m. by Chairman Bruce McMenemy.

**2. PUBLIC COMMENT**

There was no public comment.

**3. INTRODUCTION OF NEW MEMBER MEGAN ZEE, CITIZEN REPRESENTATIVE**

Megan Zee, Citizen Representative was welcomed to the Audit Committee. All others in attendance introduced themselves.

**4. APPROVAL OF MINUTES**

A motion was made by Ms. Mullane and seconded by Mr. Gassman to accept the March 29, 2017 Audit Committee minutes as presented. The motion carried unanimously with six members present and voting AYE by voice vote.

**5. INTERNAL AUDIT MATTERS**

**A. Status Update: Fiscal 2017 Internal Audit Plan-**

Jeff Tecau of Protiviti presented an update on the Status of the Fiscal Year 2017 Internal Audit Plan.

(This item was presented for information only. No formal committee action was taken.)

**B. Review and Acceptance of Internal Audit Reports**

**Purchasing Spend Data Audit**

Teresa Mallary presented the Purchasing Spend Data Audit for review and acceptance.

A motion was made by Mr. Battles and seconded by Ms. Dover to accept the Purchasing Spend Data Audit as presented. The motion carried unanimously with six members present and voting AYE by voice vote.

**Accounting System and SOD Review**

Emily Picard presented the Accounting System and SOD Audit for review and acceptance.

A motion was made by Mr. Gassman and seconded by Ms. Dover to accept the Accounting System and SOD Review as presented. The motion carried unanimously with six members present and voting AYE by voice vote.

**Human Resources Process Review**

Teresa Mallary presented the Human Resources Process Review Audit for review and acceptance.

A motion was made by Ms. Dover and seconded by Ms. Mullane to accept the Human Resources Process Review as presented. The motion carried unanimously with six members present and voting AYE by voice vote.

### **Business Continuity Management Review**

Chris Porter presented the Business Continuity Management Review Audit for review and acceptance.

**A motion was made by Mr. Gassman and seconded by Mr. Battles to accept the Business Continuity Management Review as presented. The motion carried unanimously with six members present and voting AYE by voice vote.**

### **Information Security Risk Assessment Phase I**

David Taylor presented the Information Security Risk Assessment Phase I Audit for review and acceptance.

**A motion was made by Mr. Battles and seconded by Mr. Gassman to accept the Information Security Risk Assessment Phase I as presented. The motion carried unanimously with six members present and voting AYE by voice vote.**

### **Change Movement-Tolling System Replacement**

Chris Porter presented the Change Movement-Tolling System Audit for review and acceptance.

**A motion was made by Mr. Gassman and seconded by Ms. Mullane to accept the Change Movement-Tolling System Replacement as presented. The motion carried unanimously with six members present and voting AYE by voice vote.**

### **Customer Service Center Performance Assessment**

Jeff Tecau gave a brief explanation of the Customer Service Performance Assessment Audit.

John Rushing presented the Customer Service Center Performance Assessment Audit for review and acceptance.

**A motion was made by Mr. Battles and seconded by Mr. Gassman to accept the Customer Service Center Performance Assessment Audit as presented. The motion carried unanimously with six members present and voting AYE by voice vote.**

### **Discount/Rebate Program Audit**

Emily Picard presented the Discount/Rebate Program Audit for review and acceptance.

**A motion was made by Mr. Gassman and seconded by Ms. Zee to accept the Discount/Rebate Program Audit as presented. The motion carried unanimously with six members present and voting AYE by voice vote.**

**PCI Assessment with Report on Compliance**

David Taylor presented the PCI Assessment with Report on Compliance.

(This item was presented for information only. No formal committee action was taken.)

**C. Review and Acceptance of Fiscal 2018 Internal Audit Plan**

Jeff Tecau presented the Fiscal 2018 Internal Audit Plan for review and acceptance.

**A motion was made by Ms. Dover and seconded by Mr. Gassman to accept the Fiscal 2018 Internal Audit Plan as presented. The motion carried unanimously with six members present and voting AYE by voice vote.**

**D. Approval for Travel Expenses**

Jeff Tecau informed the committee that Protiviti did not use all of their previously approved Subject Matter Expert Travel Expenses for the Construction and Capital Projects and the Call Center Staffing Model Development audits. \$10,000.00 in travel expenses was approved September 22, 2016 meeting. It was requested to use the remainder of the previous approved expenses for the Purchasing Spend Data Audit and Customer Service Center Performance Assessment.

**A motion was made by Mr. Gassman and seconded by Ms. Dover to approve the use of the remaining funds for travel expenses. The motion carried unanimously with six members present and voting AYE by voice vote.**

**E. Approval of Change Order to PCI Contract**

David Taylor provided an update to the PCI Contract. PCI testing should be completed by July 28, 2017 and no change order was provided at this time.

(This item was presented for information only. No formal committee action was taken.)

**F. Annual Confirmation of No Disagreements with Management**

Jeff Tecau informed the Audit Committee members that Protiviti had no disagreements with management for Fiscal Year 2017.

**6. ANNUAL MANAGEMENT REVIEWS ON INTERNAL CONTROL MATTERS**

- A. Effectiveness of the Internal Control System, Including IT Security and Control**- Lisa Lumbard spoke regarding the effectiveness of internal control.

- B. Process of Assessing, Monitoring and Controlling Significant Risks-** Lisa Lumbard spoke regarding the process for assessing, monitoring and controlling significant risks.
- C. System for Monitoring Compliance with Laws and Regulations-** Linda Lanosa spoke in regards to monitoring compliance.
- D. Adequacy, Administration and Compliance with the Authority's Code of Ethics-** Linda Lanosa spoke regarding effectiveness of the system for monitoring compliance with the ethics code.
- E. Procedures for "Hotline" Reporting-** Lisa Lumbard spoke regarding the hotline reporting.
  - Tested occasionally
  - There have been no calls this past year

**7. ANNUAL DISCUSSION REGARDING INTERNAL AUDIT PERFORMANCE AND EFFECTIVENESS**

Teresa Mallary presented the annual discussion regarding internal audit performance and effectiveness.

Comments received regarding Protiviti's performance:

- Work is thorough and explained well
- Protiviti was requested to insert key activities that the committee needs to cover throughout the year into the charter to ensure completion

**8. ANNUAL DISCUSSION REGARDING AUDIT COMMITTEE AND INDIVIDUAL MEMBER PERFORMANCE**

Teresa Mallary presented the annual discussion regarding the audit committee and individual member performance.

No comments were received.

**9. CONFIRMATION OF COMPLETION OF RESPONSIBILITIES IN THE AUDIT COMMITTEE CHARTER**

Teresa Mallary provided the audit committee charter to the committee. All responsibilities have been completed for fiscal year 2017. A matrix has been provided to confirm completion of responsibilities.

**10. ANNUAL ROTATION OF THE AUDIT COMMITTEE CHAIR**

Teresa Mallary informed the Audit Committee members that as of September 11, 2017 Kaye Dover, Osceola County Representative will become the new Audit Committee Chairman.

**11. OTHER BUSINESS**

Lisa Lumbard informed the committee about correspondence that was sent via email on behalf of Moore Stephens Lovelace. It was also stated that Brevard County has joined our Board and a new committee member will be appointed.

## 12. ADJOURNMENT

The meeting adjourned at 10:41 a.m.

Minutes approved on 10/26, 2017.

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