

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

AGENDA CENTRAL FLORIDA EXPRESSWAY AUTHORITY AUDIT COMMITTEE MEETING June 22, 2017 9:00 AM – 11:00 PM Pelican Room #107

- I. CALL TO ORDER
- II. PUBLIC COMMENT - Pursuant to Florida Statute 286.0114 (2013) the Audit Committee will allow public comment on any matter either identified on this meeting agenda as requiring action, or anticipated to come before the Committee for action in reasonable proximity to this meeting. Speakers shall be limited to three minutes per person and the assignment of one person's time to another or designation of group spokesperson shall be allowed at the discretion of the Committee Chairman.
- III. INTRODUCTION OF NEW MEMBER MEGAN ZEE, CITIZEN REPRESENTATIVE- Info Item
- IV. APPROVAL OF THE MARCH 29, 2017 MINUTES – **Action Item**
- V. INTERNAL AUDIT MATTERS – Protiviti
 - A. Status Update: Fiscal 2017 Internal Audit Plan- Info Item
 - B. Review and Acceptance of the following 2017 audits:
 - 1. Purchasing Spend Data Audit- **Action Item**
 - 2. Accounting System and SOD Review- **Action Item**
 - 3. Human Resources Process Review- **Action Item**
 - 4. Business Continuity Management Review- **Action Item**
 - 5. Information Security Risk Assessment Phase I- **Action Item**
 - 6. Change Management- Tolling System Replacement- **Action Item**
 - 7. Customer Service Center Performance Assessment- **Action Item**
 - 8. Discount/Rebate Program Audit- **Action Item**
 - 9. PCI Assessment with Report on Compliance- Info Item
 - C. Review and Acceptance of Fiscal 2018 Internal Audit Plan- **Action Item**
 - D. Approval for Travel Expenses- Approval to allow previously approved Protiviti travel expenses to cover two additional projects: Purchasing Spend Data Audit and Customer Service Center Performance Assessment- **Action Item**
 - E. Approval of Change Order to PCI Contract- **Action Item**
 - F. Annual Confirmation of No Disagreements with Management- Info Item
- VI. ANNUAL MANAGEMENT REVIEWS ON INTERNAL CONTROL MATTERS- Info Items
 - A. Effectiveness of the Internal Control System, Including IT Security and Control- Lisa Lumbar

- B. Process for Assessing, Monitoring and Controlling Significant Risks- Lisa Lumbard
- C. System for Monitoring Compliance with Laws and Regulations- Linda Lanosa
- D. Adequacy, Administration and Compliance with the Authority's Code of Ethics- Linda Lanosa
- E. Procedures for "Hotline" Reporting- Laura Kelley
- VII. ANNUAL DISCUSSION REGARDING INTERNAL AUDIT PERFORMANCE AND EFFECTIVENESS- Info Item
- VIII. ANNUAL DISCUSSION REGARDING AUDIT COMMITTEE AND INDIVIDUAL MEMBER PERFORMANCE- Info Item
- IX. CONFIRMATION OF COMPLETION OF RESPONSIBILITIES IN THE AUDIT COMMITTEE CHARTER- Info Item
- X. ANNUAL ROTATION OF THE AUDIT COMMITTEE CHAIR- Info Item
- XI. OTHER BUSINESS
- XII. ADJOURNMENT

This meeting is open to the public.

Note: Any person who decides to appeal any decision made at this meeting will need record of the proceedings and for that purpose, may need to ensure that a verbatim record of the proceedings is made which includes the testimony any evidence upon which the appeal is to be based, per Florida Statute 286.0105.

In accordance with the Americans with Disabilities Act (ADA), if any person with a disability as defined by the ADA needs special accommodation to participate in this proceeding, then not later than two (2) business days prior to the proceeding, he or she should contact the Central Florida Expressway Authority at (407) 690-5000.

Persons who require translation services, which are provided at no cost, should contact CFX at (407) 690-5000 x5317 or by email at Iranetta.dennis@CFXway.com at least three business days prior to the event.

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

MINUTES
CENTRAL FLORIDA EXPRESSWAY AUTHORITY
AUDIT COMMITTEE MEETING
March 29, 2017
Location: Pelican Conference Room 107

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

Committee Members Not Present:

Tamrin Mahon, Citizen Representative

Participating by Phone:

John Rushing, Protiviti
Jon Critelli, Protiviti

Also Present:

Ruth Valentin, Recording Secretary/Office Coordinator
Laura Kelley, Executive Director
Lisa Lumbard, CFO
Aneth Williams, Director of Procurement
Linda Lanosa, Deputy General Counsel
Jeff Tecau, Protiviti
Phil Fretwell, Protiviti
David Taylor, Protiviti
Teresa Mallary, Protiviti

1. CALL TO ORDER

The meeting was called to order at 10:01 a.m. by Chairman Bruce McMenemy.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF MINUTES

A motion was made by Ms. Mullane and seconded by Ms. Dover to accept the December 15, 2016 Audit Committee minutes as presented. The motion carried unanimously with five members present and voting AYE by voice vote; Ms. Mahon was not present.

4. 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

Prior Audit Recommendations: Semi-Annual Follow-Up

Teresa Mallary presented the Prior Audit Recommendations: Semi-Annual Follow-Up for review and acceptance. Lisa Lumbard reviewed the past due items that are still open.

A motion was made by Mr. McEnemy and seconded by Ms. Mullane to accept the Prior Audit Recommendations: Semi-Annual Follow-Up. The motion carried unanimously with five members present and voting AYE by voice vote; Ms. Mahon was not present.

Procurement and Contract Billing Audits

Jon Critelli presented the Procurement and Contract Billing audit report for review and acceptance.

A motion was made by Mr. Battles and seconded by Mr. Gassman to accept the Procurement and Contract Billing audit. The motion carried unanimously with five members present and voting AYE by voice vote; Ms. Mahon was not present.

Change Management Review- Tolling System Replacement (Memo)

David Taylor provided a follow-up on the Change Management Review-Tolling System Replacement audit.

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

Call Center Staffing Model Development (Memo)

Jeff Tecau presented the Call Center Staffing Model Development Analysis for review and acceptance.

A motion was made by Mr. Gassman and seconded by Mr. Battles to accept the Call Center Staffing Model Development Analysis. The motion carried unanimously with five members present and voting AYE by voice vote; Ms. Mahon was not present.

Vendor Security Review

David Taylor presented the Vendor Security Review for review and acceptance.

A motion was made by Ms. Mullane and seconded by Ms. Dover to accept the Vendor Security Review audit. The motion carried unanimously with five members present and voting AYE by voice vote; Ms. Mahon was not present.

5. REVIEW AND APPROVAL OF FISCAL 2018 INTERNAL AUDIT BUDGET

Lisa Lumbard presented the Fiscal 2018 Internal Audit Budget for acceptance.

A motion was made by Mr. Gassman and seconded by Ms. Dover to bring to the Board the budget of \$564,000 for Fiscal 2018 Internal Audit Budget. The motion carried unanimously with five members present and voting AYE by voice vote; Ms. Mahon was not present.

6. RECOMMEND APPROVAL OF RENEWAL #2 OF INTERNAL AUDIT CONTRACT WITH PROTIVITI

Lisa Lumbard presented the 2nd and final one year renewal of the Internal Audit Contract with Protiviti to bring to the next Board meeting for approval.

A motion was made by Mr. Gassman and seconded by Ms. Mullane for approval to bring to the Board renewal #2 of Internal Audit Contract with Protiviti. The motion carried unanimously with five members present and voting AYE by voice vote; Ms. Mahon was not present.

7. RECOMMEND APPROVAL OF RENEWAL #2 OF PCI CONTRACT WITH PROTIVITI

Lisa Lumbard presented the 2nd and final one year renewal of the PCI Contract with Protiviti to bring to the Board for approval.

A motion was made by Mr. Gassman and seconded by Mr. Battles for approval to bring to the Board renewal #2 of the PCI Contract with Protiviti. The motion carried unanimously with five members present and voting AYE by voice vote; Ms. Mahon was not present.

8. OTHER BUSINESS

Lisa Lombard presented the Treasurers Report that will be presented at the April Board meeting. It was also mentioned that the existing Toll Policy was adjusted by the Board in February.

9. ADJOURNMENT

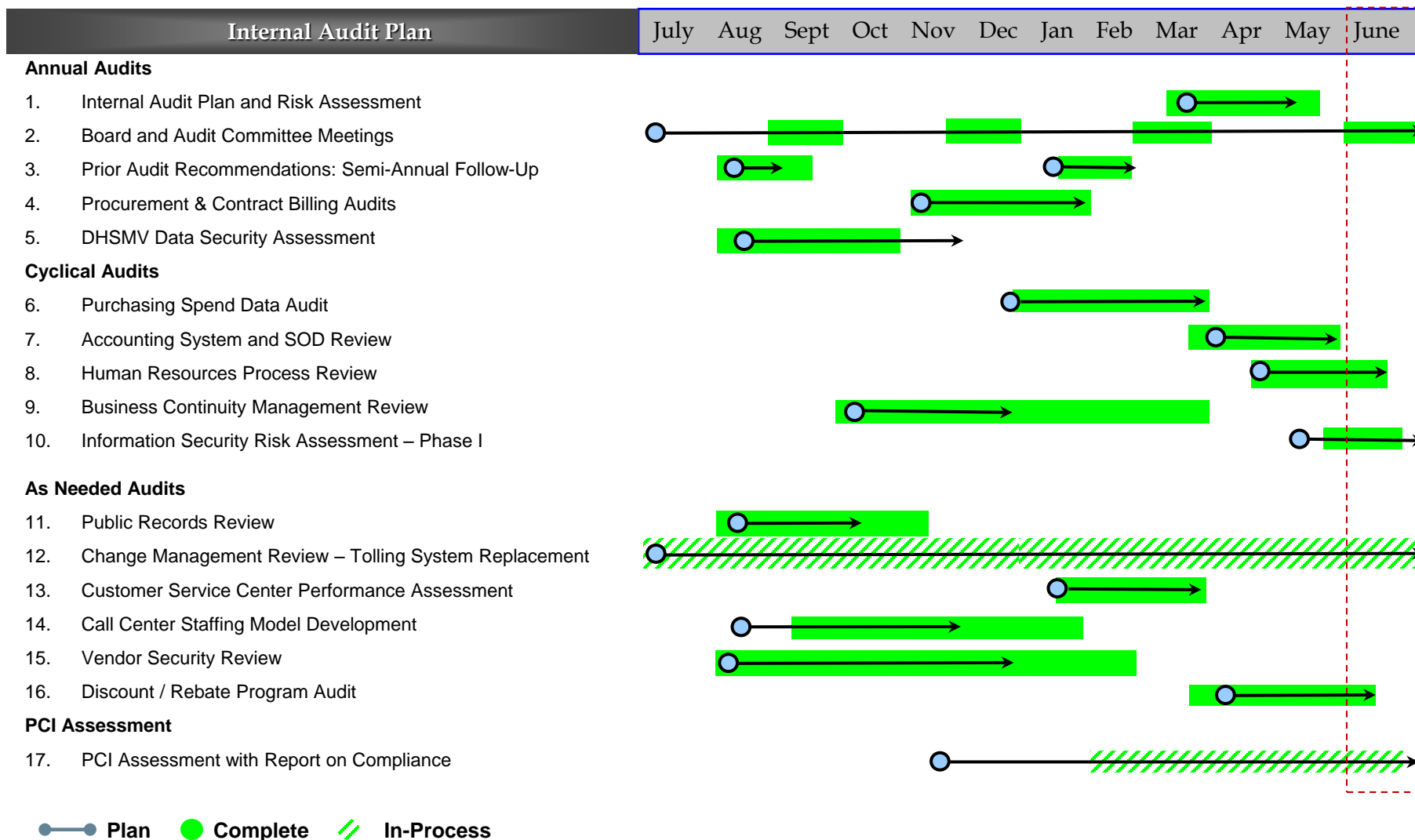
The meeting adjourned at 10:58 a.m.

Minutes approved on _____, 2016.

Pursuant to the Florida Public Records Law and CFX Records Management Policy, audio tapes of all Board and applicable Committee meetings are maintained and available upon request to the Records Management Liaison Officer at publicrecords@CFXway.com or 4974 ORL Tower Road, Orlando, FL 32807.

FY 2017 Internal Audit Plan Dashboard

As of June 22, 2017





CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Purchasing Spend Review

January 2017

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EXECUTIVE SUMMARY



Overview

- In accordance with the FY 2017 Internal Audit Plan, Internal Audit performed an electronic analysis of 46 months of expenditure data to identify potential financial leakage and other anomalies and trends in the data that may indicate opportunities to better control fraud or improve the efficiency and effectiveness of the Procure to Pay process at the Central Florida Expressway Authority ("CFX")
- A complete electronic data set of vendor, invoice, and payment information from the Eden financial reporting system was obtained and analyzed for the period of January 1, 2013 through October 31, 2016. The electronic data set reviewed include 19,950 payment transactions totaling approximately \$1.16 billion. As detailed in the Appendix, 64 reports were developed and analyzed to complete the review of CFX's accounts payable data.



Objectives, Scope, and Approach

The key objectives of this review were to:

- Perform a detailed spend risk assessment to identify and quantify opportunities for improving the efficiency and effectiveness of the Procure to Pay process
- Evaluate the design of key activities and controls within the Procure to Pay process specific to risks highlighted by the data analysis
- Consider leading practices to highlight areas of potential improvement for CFX

Internal Audit implemented a four phased approach as described below:



EXECUTIVE SUMMARY



Objectives, Scope, and Approach (continued)

Phase I:

Phase 1 consisted of data extraction for the sample period, loading data into Protiviti's **spendriskassessor** leveraging data to minimize risk software tool, and validating that the data was properly extracted from CFX's Eden financial system to provide a complete data set.

Interviews were conducted to obtain an understanding of the current state policies and procedures, key risks, and applicable controls. The following areas were reviewed:

- Vendor Master File maintenance
- Invoice receipt and vouchering
- Invoice review and approval
- Disbursements processing

Phase II:

Utilizing Protiviti's **spendriskassessor** leveraging data to minimize risk tool and payment data provided by CFX, Internal Audit performed analytical procedures to identify potential areas of opportunity. The data analysis included identification and quantification of the following:

- Potential duplicate invoice payments
- Potential duplicate and inactive supplier records
- Missing supplier information (Addresses and Federal Employee Identification Numbers)
- Supplier vs. Prison Address
- Supplier vs. OFAC Name/Address
- Employee vs. Prison Address
- Employee vs. Supplier Address
- Duplicate Employees
- Employee Payments after Termination

Phase III:

Internal Audit leveraged existing documentation, the results of the data analytics, and knowledge of leading practices to identify opportunities and to develop recommendations for improving the efficiency and effectiveness of the Procure to Pay process for management's consideration.

EXECUTIVE SUMMARY



Objectives, Scope, and Approach (continued)

Phase IV:

Internal Audit prepared a final report to include:

- Executive summary outlining the audit objectives, approach and results
- The detailed audit findings and observations for consideration by management
- Results of the analytical procedures performed and suggestions for follow-up
- Agreed upon management action plans

EXECUTIVE SUMMARY



Summary of Results

An electronic data set of 19,950 payment transactions totaling approximately \$1.16 billion for the period January 1, 2013 - October 31, 2016 was analyzed. Protiviti's spend data analysis tool identified five areas with anomalies. After further investigation and root cause analysis, only two opportunities to enhance the overall procure-to-pay process were identified. See the summary of results below:

Scope of Activity	Summary of Observations	Observation #
Duplicate Invoices	Two duplicate payments totaling \$2,660 were identified out of 19,950 transactions analyzed during this audit. Each occurred during FY2015 and accounted for less than .00023% of total expenditures tested. The duplicate payments had been applied to subsequent invoices, therefore CFX did not experience any true leakage related to these payments. No unused vendor credits were identified during this review.	N/A
Vendor Master File Maintenance	Opportunities exist to clean up the vendor master file for (1) inactive vendors not used within the past 18 months, (2) potential duplicate vendors (based on Supplier Name and Address), and (3) incomplete vendor records (missing and/or incomplete address and Federal Tax Identification Numbers).	1
Open Purchase Orders	Aged open purchase orders (POs) create exposure for circumvention of purchase approvals and an increased risk of duplicating payments to the vendor associated with the open PO. CFX should perform an annual review of aged, open POs to more fully manage those risks.	2
Invoice Dated Prior to Purchase Order Approval	Of the 19,950 invoices analyzed during this review, 34 invoices were dated prior to the Purchase Order approval. However, none of these 34 invoices were paid until purchase order approval was obtained.	N/A
Accuracy of Invoice and Payment Data	Of the 19,950 invoices analyzed during this review, 11 invoices were identified with invoice dates subsequent to the payment date. Upon follow-up, these were attributed to invoice data entry keying errors. Actual payments were not made until after actual invoice dates.	N/A

DETAILED OBSERVATIONS

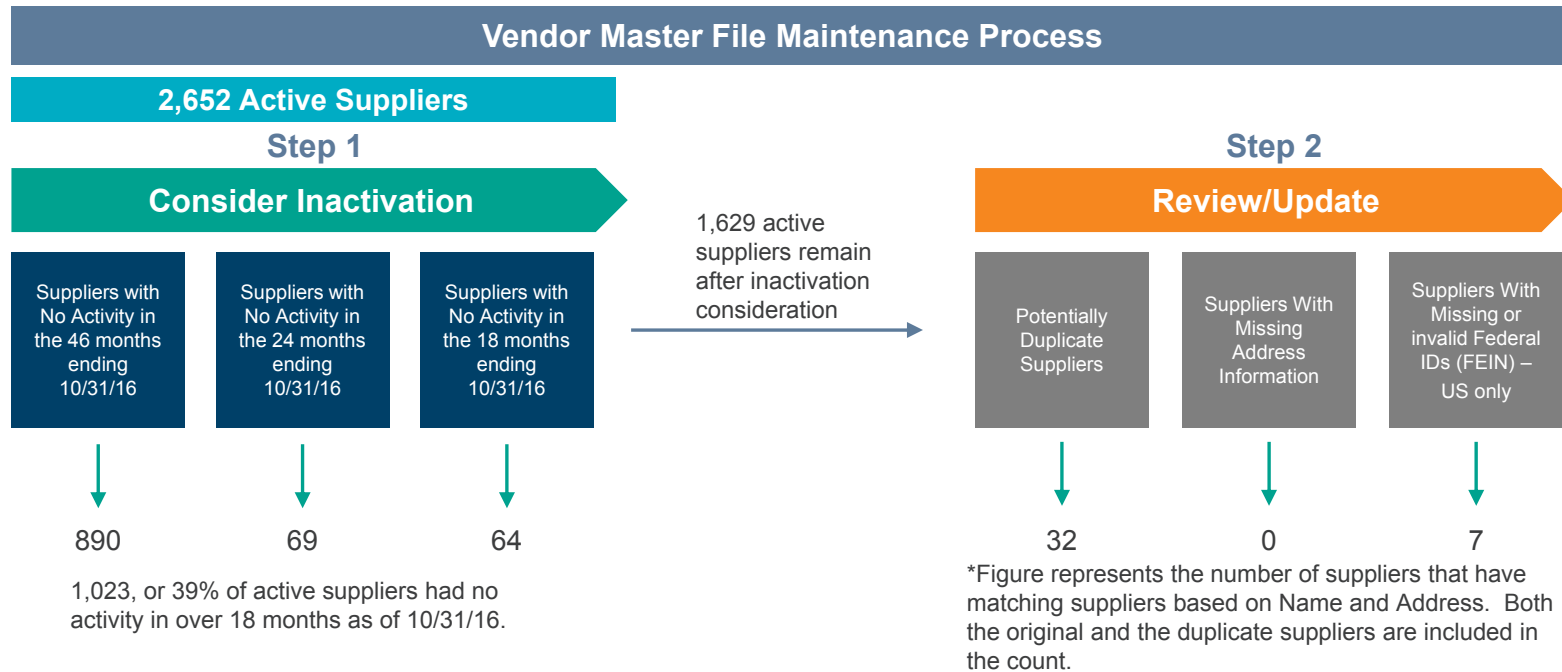
DETAILED OBSERVATIONS

Observation #1: Vendor Master File Maintenance

No	Observations	Risk/Implication	Recommendation	Management Action Plan
1.	<p>Specific Vendor Master File maintenance, and forensic review follow-up opportunities identified by the audit included the following: As of October 31, 2016:</p> <ul style="list-style-type: none"> A. The VMF contains 1,023 active supplier records (39%) that have not been utilized within the last 18 months. B. The VMF contains 32 potential duplicate active supplier records based on Supplier Name and Address. C. The VMF contains missing and/or incomplete address and Federal Employee Tax Identification Numbers (FEIN) for seven active supplier records <p>Root causes of these findings include the following:</p> <ul style="list-style-type: none"> A. The vendor master file consists of a vendor type identifier; however, that identifier is not consistently utilized, which limits CFX's ability to generate reports to effectively and efficiently analyze vendors to be deactivated or vendors with missing vendor information (e.g. address and FEIN numbers). B. CFX performed a quarterly review of the vendor master file in November 2016, after the date of the data set pulled for audit, to identify vendors to be deactivated. However, the review did not include all vendors types and the report utilized in the review was incomplete. The report parameters did not include vendors that never had payment activity. 	<p>The VMF could contain unapproved, dormant, duplicate, incomplete, and/or fraudulent supplier records, increasing the potential of financial leakage (duplicate and erroneous payments, outstanding checks, unapplied credits, etc.).</p>	<p>A well maintained vendor master decreases the risk of financial leakage and potential fraud and can increase processing efficiency. The following processes should be implemented specific to the Vendor Master File:</p> <ul style="list-style-type: none"> 1. To aid in the quarterly review of the vendor master file, CFX should update each vendor's vendor type identifier in the vendor master file to ensure each vendors is assigned a vendor type and the vendor type is used consistently in the vendor master file. 2. During the quarterly review of the vendor master file for vendors with inactivity, CFX should update the parameters of the report it uses to include all vendor types and all vendors with no invoice activity. CFX should deactivate duplicate and inactive vendors identified during the review, as deemed appropriate. 3. To reduce the possibility of having missing or inaccurate vendor information (addresses and FEINs), CFX should implement a preventative control to verify that each vendor name and FEIN agrees to the Form W-9 prior to finalizing the new vendor account set-up in Eden. 	<p>Management Action Plan:</p> <ul style="list-style-type: none"> 1. CFX will update each vendor account's vendor type identifier to enable management to perform more efficient reviews of the vendor master file. 2. CFX will update the vendor account search parameters within Eden to ensure all vendors with no activity within the last 12 months are captured in the review. Vendors deemed inactive will be deactivated. 3. CFX will implement a procedure to verify the vendor name and FEIN agrees to the Form W-9 prior to finalizing the new vendor account in Eden. However, duplicate vendor accounts that currently have contracts and invoice data associated with each vendor account can not be deactivated until the contracts are complete. <p>Action Plan Owner/Due Date: Lisa Lombard, Chief Financial Officer</p> <ul style="list-style-type: none"> 1. Vendor type identifier: September 30, 2017 2. Inactive vendor search: July 31, 2017 3. New vendor account verification: Upon the creation of a new vendor

DETAILED OBSERVATIONS

Observation #1: Vendor Master File Maintenance (continued)

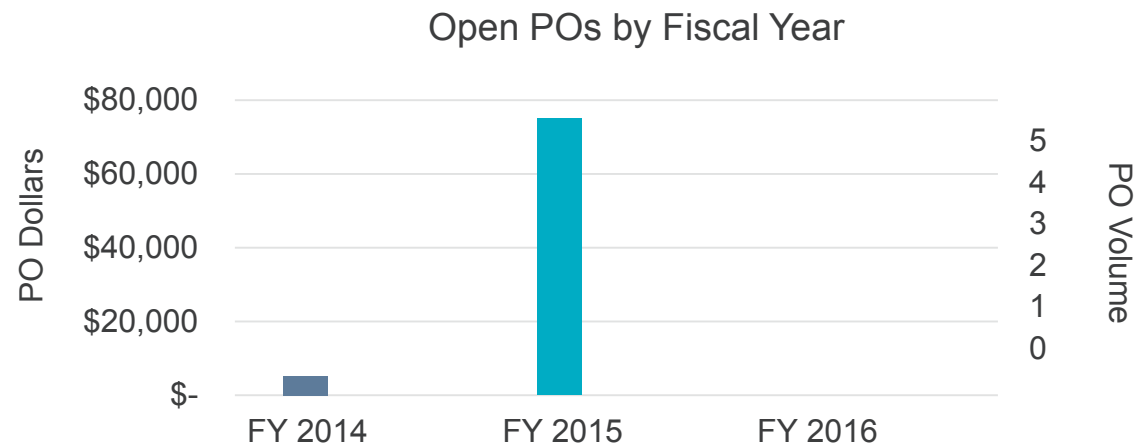


A well-controlled VMF reduces the risk of financial leakage and fraud while increasing processing efficiency.

DETAILED OBSERVATIONS

Observation #2: Open Purchase Orders

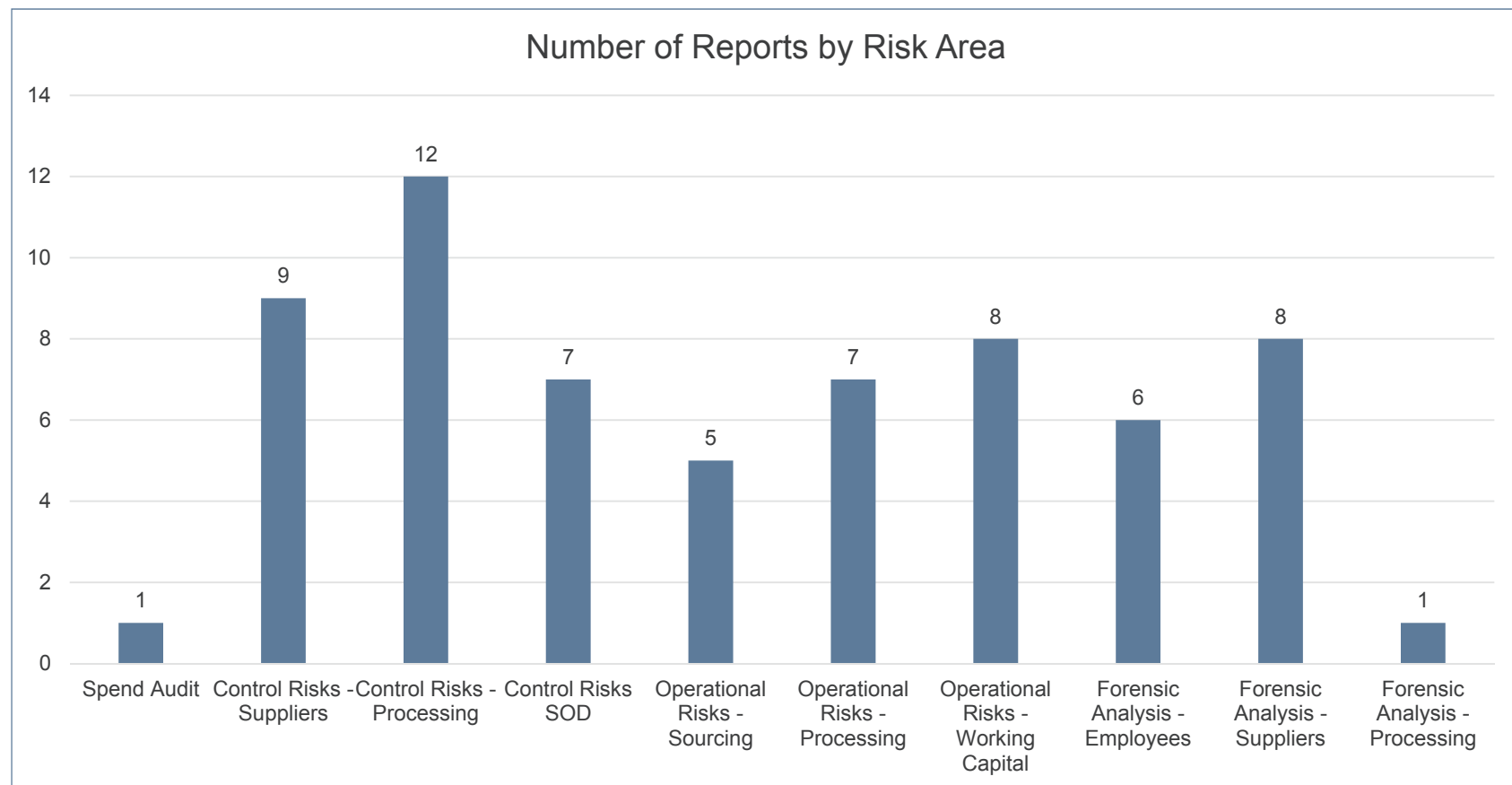
No	Observations	Risk/Implication	Recommendation	Management Action Plan
1.	Of the 564 open purchase orders (POs) within the Eden financial reporting system at the time of audit, six POs totaling approximately \$80,000 were aged over one year, with four of the six not having any invoice payments associated with the PO.	Aged purchase orders increase the risk of duplicating payments to vendors and the possibility of circumventing the PO approval process for products and services.	CFX should perform an annual review of open purchase orders at the end of each fiscal year to determine if open POs should be closed or carried forward into the subsequent year.	Management Action Plan: CFX will perform a review of all open purchase orders at fiscal year-end to identify POs that should be closed or carried forward to the subsequent fiscal year. Action Plan Owner/Due Date: Lisa Lumbard, Chief Financial Officer June 30, 2017



APPENDIX

APPENDIX 1 – DATA ANALYSES SUMMARY

Below is a summary of the 64 reports developed and analyzed to complete the review of CFX's accounts payable data to identify opportunities to improve the efficiency and effectiveness of purchase-to-pay process.



APPENDIX 1 – DATA ANALYSES SUMMARY

Data Analyses Tests

	Test	# of Anomalies
Spend Audit		
1	Duplicate Payment Review	2
Control Risks - Suppliers		
2	Supplier Status	-
3	Active Supplier Utilization	1023
4	Payments to Inactive Vendors & Inactive Vendor Activity	-
5	Unusual Supplier Names	-
6	Unusual Supplier Addresses	-
7	Same Address Different Supplier	-
8	Missing Supplier FEIN	7
9	Missing Supplier Information	-
10	Duplicate Suppliers	32
Control Risks - Processing		
11	Benford's Supplier Invoice Analysis	-
12	Benford's Purchase Order Analysis	34
13	Grief Supplier Analysis	-
14	Supplier Payments Before Invoice	11
15	Supplier Invoices Before Purchase Order	-
16	Unusual Supplier Invoice Dates	-
17	Unusual Supplier Payment Dates	-
18	Supplier Invoice vs. Purchase Order Amount	-
19	Supplier Invoice vs. Purchase Order Line Amount	-
20	Open Supplier Invoice Analysis	-
21	Open Purchase Order Analysis	6
22	Voucher vs. Invoice Data Comparison	-
Control Risks - SOD		
23	SOD - Summary	-
24	SOD - Vendor vs. Invoice	-
25	SOD - Vendor vs. Payment	-
26	SOD - Vendor vs. Purchase Order	-
27	SOD - Vendor Invoice vs. Payment	-
28	SOD - Purchase Order vs. Payment	-
29	SOD - Purchase Order vs. Receipt	-
Operational Risks - Sourcing		
30	Supplier Invoice Dollar Stratification	-
31	Supplier Invoice Volume Stratification	-
32	High Volume Supplier Payments	-
33	Purchase Order vs Non PO Invoice Activity	-
34	Suppliers with Purchase Order and Non-Purchase Order Activity	-

	Test	# of Anomalies
Operational Risks - Processing		
35	Supplier Invoice Stratification	-
36	Supplier Payment Stratification	-
37	Supplier Invoice Summary	-
38	Supplier Invoices per Payment	-
39	Supplier Payment Type Analysis	-
40	Supplier Payment Status Analysis	-
41	Multiple Supplier Payments	-
Operational Risks - Working Capital		
42	Supplier Missed Discount Analysis	-
43	Supplier Lost Discount Analysis	-
44	Late Supplier Payments	-
45	Supplier Invoice Terms Analysis	-
46	Average Days to Pay	-
47	Multiple Supplier Terms	-
48	Early Supplier Payments	-
49	Early Payments By Supplier	-
Forensic Analysis - Employees		
50	Employee vs. Prison Address	-
51	Employee vs. Supplier Address	-
52	Employee vs. Payee Name	-
53	Employee vs. Supplier Name	-
54	Duplicate Employees	-
55	Employee Payment After Termination	-
Forensic Analysis - Suppliers		
56	Supplier vs. Prison Address	-
57	Supplier vs. OFAC Name	-
58	Supplier vs. OFAC Address	-
59	Supplier vs. OFAC Name and Address	-
60	Supplier vs. Payee Name	-
61	Rising Supplier Invoice	-
62	Long Lag Supplier Invoices	-
63	Invalid Supplier FEIN's	-
Forensic Analysis - Processing		
64	Holiday Supplier Payment Activity by Supplier	-

Note: All anomalies were subsequently followed up on as part of this audit and either disposed of after further investigation or included as support for an audit recommendation.

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CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Accounting Segregation of Duties and EDEN
System Access Review

April 7, 2017

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05 Detailed Observations

EXECUTIVE SUMMARY



Overview

A fundamental element of internal control is the segregation of certain key duties along with supporting system access rights. Adequate segregation of duties reduces the likelihood that errors (intentional or unintentional) will remain undetected by providing for separate processing by different individuals at various stages of a transaction and for independent reviews of the work performed. Segregation of duties also helps mitigate the risk of users bypassing controls or prevents situations when a single user can process a transaction from entry to posting. System access rights help enforce adequate segregation of duties. The basic idea underlying segregation of duties is that no employee or group should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties.

In general, the principal incompatible duties to be segregated are:

- Physical custody of assets;
- Authorization or approval of related transactions affecting those assets;
- Recording or adjusting accounting records for related transactions; and
- Execution of the transaction or transaction control activity.



Objectives

In accordance with the FY 2017 Internal Audit Plan, as part of a five year rotational cycle, Internal Audit performed a segregation of duties review over the key accounting and finance processes and the access rights within EDEN, the financial reporting system. EDEN supports all accounting functions within CFX, including the General Ledger, Accounts Payable Subledger, Accounts Receivable Subledger, Capital Assets Module, and Payroll Module.

The last time a review of segregation of duties and supporting access rights was performed was in 2011. Since this time, there have been numerous personnel changes in the accounting and finance function, including a change in the Chief Financial Officer and Director of Finance roles.

The overall objectives of this audit were to review for appropriate segregation of duties among CFX personnel and appropriate system access restrictions to support segregation of duties.

EXECUTIVE SUMMARY



Scope

Based on a review of the CFX FY 2016 CAFR, the following accounting and finance processes were identified for review of segregation of duties and system access rights:

- Financial Reporting
- Revenue and Accounts Receivable
- Purchasing and Payables
- Cash Management
- Investments
- Debt
- Capital Assets
- Payroll

EXECUTIVE SUMMARY



Summary of Approach and Results

Overall, Internal Audit reviewed the business process roles and access rights for 12 different accounting and finance personnel and the system access rights of 51 non-accounting users within the EDEN financial reporting application. A total of 41 EDEN permissions relating to the General Ledger, Accounts Payable, Accounts Receivable, Capital Assets, and Payroll Modules were evaluated for all 63 users.

As a result of this work, one observation was identified related to role based EDEN access rights. The table below provides an overview of the areas reviewed as part of this audit and the number of observations identified.

Activity	Approach	Number of Observations
Accounting and Finance Segregation of Duties Review	<ul style="list-style-type: none">Conducted interviews with the Director of Accounting and Finance to identify personnel responsibilities within the in-scope accounting and finance processes.Leveraged Protiviti-developed segregation of duties tools/matrices to identify conflicts or incompatible duties.For conflicts identified, reviewed existing compensating controls and evaluated the residual risk exposure and risk of fraud in order to suggest improvements, as appropriate.	0
EDEN System Access Rights Review	<ul style="list-style-type: none">Conducted interviews with accounting personnel to determine how key accounting functions are performed within the EDEN financial package.Obtained the EDEN User Access Reports and evaluated all user access rights based on job responsibilities and appropriate segregation of duties.Reviewed the design effectiveness of controls in place for user access provisioning, modification, and termination.Reviewed a sample of terminated employees to determine if EDEN access was revoked in a timely manner.Verified administrator access rights to EDEN is limited to appropriate personnel.	1

DETAILED OBSERVATIONS

DETAILED OBSERVATIONS

Observation 1 – EDEN User Access

Relative Priority: **Low**



There are two generic administrator accounts within the EDEN financial reporting system, "Admin" and "GoldMaster," that have unrestricted access to all EDEN modules. Generic administrator accounts present a risk to the organization as changes made using these accounts cannot be linked to a single user.

The CFO performs a review of all EDEN administrative changes at month-end to ensure the appropriate process was followed through the CFX IT ticketing system. The CFO also reviews any usage of the administrator accounts for appropriateness. This review control helps mitigate the risk of unauthorized use of the generic accounts. However, as a leading practice, administrative access rights should be granted through the individual user accounts, and not through generic accounts such as "Admin" or others.

Recommendation

Management should consider deactivating the "Admin" and "GoldMaster" accounts within the EDEN financial reporting system unless a business reason for the account is identified.

Management Response

Management concurs.

Management Action Plan

The "GoldMaster" account is utilized by EDEN personnel to make administrator changes when requested by CFX. Establishing individual accounts for EDEN personnel is not feasible. Two CFX employees have knowledge of the password to the "GoldMaster" account. Management will pursue a password change with EDEN so that CFX personnel access is restricted.

Management will also determine if the "Admin" account can be deactivated without negatively impacting the business processes and will deactivate or document a business reason for the account.

Action Plan Owner /Due Date:

Corey Quinn, Chief of Technology/Operations /7/31/2017

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CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Human Resources Process Review

May 8, 2017

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EXECUTIVE SUMMARY



Overview

In accordance with the Central Florida Expressway Authority's (CFX) FY 2017 Internal Audit Plan, as part of a five year rotational cycle, Internal Audit conducted a review of the Human Resources (HR) process, policies, procedures and related internal controls around key HR processes, the succession planning strategy, and merit-based compensation.

Internal Audit last performed a review of HR policies and procedures in 2011. Since this time, there have been three different Directors of HR and a Chief of Staff position has been created within the organization. Additionally, the CFX staff size has increased by more than 50%, from approximately 40 personnel in 2011 to 69 personnel today, not including 9 open approved positions. As a result of these changes, CFX continues to adjust talent, knowledge management, and HR processes.



Objectives

The objectives of the review of Human Resources were to:

- Evaluate the Human Resource processes and internal controls relating to:
 - Recruiting and hiring,
 - Training,
 - Promotions/Transfers,
 - Setup, maintenance and security of personnel records,
 - Benefits administration, and
 - Employee terminations;
- Review the merit-based compensation process and consider leading industry practices (e.g. government agencies, transportation authorities) to identify any improvement opportunities;
- Review the HR processes for compliance with applicable federal and state employment laws, as defined on page 4; and
- Review the succession planning strategy and consider leading practices in similar organizations (e.g. government agencies, transportation authorities) to identify any improvement opportunities.

EXECUTIVE SUMMARY



Summary of Results

The table below provides an overview of the areas reviewed as part of this audit and the observations identified.

Objective1	Procedures Performed	Observation #
HR Policy and Procedures	<p>Evaluated the design effectiveness of key HR internal controls.</p> <p>Reviewed the HR processes for compliance with applicable laws and leading practices, including the following Federal and State laws:</p> <ul style="list-style-type: none">• Equal Employment Opportunity (EEO),• Anti-Harassment and Discrimination,• Fair Labor Standards Act (FLSA) Exempt and Non-Exempt Job Classification,• Family and Medical Leave Act (FMLA),• Military Leave,• Domestic Violence Laws,• Workers' Compensation Laws,• Minimum Wage Laws,• Drug Free Workplace,• Violence Free Workplace	4
Review Merit-Based Compensation Process	<ul style="list-style-type: none">• Evaluated the merit-based compensation process and considered leading industry practices (e.g. government agencies, transportation authorities) to identify any improvement opportunities	1
Review Succession Planning Strategy	<ul style="list-style-type: none">• Reviewed the succession strategy and considered leading practices in similar organizations (e.g. government agencies, transportation authorities) to identify any improvement opportunities.	2.3

DETAILED OBSERVATIONS

DETAILED OBSERVATIONS

Observation 1 – Merit-Based Compensation

Relative Priority: **High**



In July 2015 the CFX Board approved a performance based pay policy. The purpose of establishing the performance based pay policy was to compensate CFX staff in line with the market industry, increase retention, improve internal communication, and increase productivity, motivation, and accountability. Performance based pay allows for quantifiable justification of a base pay merit adjustment. The policy requires CFX employees be compensated based on their performance as documented in an approved evaluation tool.

Based on the policy, a merit adjustment is designated for above average and average performers, and below average performers do not receive an increase. The Executive Director determines the merit adjustment for the two eligible categories based on the annual budget set by the board.

CFX has faced challenges implementing the performance based pay policy, including turnover in the HR department, an expanding workforce, employee moral, and the public records requirements. Additionally, merit-based compensation programs are rarely implemented in government agencies, resulting in limited public sector examples of successful implementation. However, The Chief of Staff and the Director of HR redesigned the performance evaluation form to serve as the evaluation tool and facilitated a training for department supervisors in order to standardize the performance evaluation process.

While CFX has a defined and consistent performance evaluation process, the results of the performance evaluations are not clearly linked to the merit adjustment. Leading practices suggest directly linking the base pay merit adjustment to the employee's performance by determining and communicating the potential merit adjustment for each eligible performance category. In addition, the merit adjustment should be different for each performance category in order to incentivize above average performers.

Recommendation:

1. CFX should consider defining which performance evaluation scores are considered above average, average performers, and below average.
2. CFX should consider assigning a merit adjustment percentage to each performance category. The merit adjustment percentages should be reviewed and adjusted annually based on the annual board approved budget.
3. CFX's executive team should discuss employee evaluation scores to ensue the supervisor evaluation style is homogenized prior to communicating the evaluation scores to the employees.

DETAILED OBSERVATIONS

Observation 1 – Merit-Based Compensation (continued)



Management Response:

CFX Management concurs.

Management Action Plan:

1. CFX will define which performance evaluation scores are consider above average, average, and below average.
2. CFX will define the merit adjustment percentages to be assigned to above average, average, and below average performers annually. The merit adjustment percentages and the performance evaluation scores required to earn each adjustment will be communicated to employees in order to enhance the goal-setting process.
3. CFX executive team will schedule the annual performance evaluation review prior to distribution of final performance evaluation scores to ensure the supervisor evaluation style is homogenized.

Action Plan Owner / Due Date:

Evelyn Wilson, Director of HR, and Michelle Maikisch, Chief of Staff and Public Relations / July 1, 2018

DETAILED OBSERVATIONS

Observation 2 – Document HR Contingency Plan

Relative Priority: **Medium**



CFX has an informal process in place to identify resources to fill short-term job vacancies within the agency. However, having a formally documented human resources contingency plan for key positions would allow CFX to streamline the process of determining the appropriate course of action and persons of authority to continue business operations with little business interruption. In addition, documenting the contingency plan would allow CFX to ensure a plan has been considered for all key positions within the agency.

Recommendation:

CFX should consider documenting a human resources contingency plan for key or critical positions within the agency in the event of a planned or unplanned vacancy. In developing the contingency plan, CFX should consider the following:

- Identify all key/critical positions and assess the impact of each position on CFX strategic goals and objectives;
- Identify positions qualified to succeed vacated stations in given periods of time (see example of 9-box analysis detailed in Appendix 1);
- Knowledge Transfer Strategies to identify critical tasks and activities only known to a select few employees and facilitate knowledge sharing (e.g. job aids, process documentation, job shadowing, job rotation); and
- Evaluate contingency plan at least annually, or as needed, based on changes within CFX.

Management Response

CFX management concurs.

Management Action Plan

CFX Management will develop a redundancy plan strategy based on the current organization structure. For all department heads and executives, CFX will determine the necessary expertise required to fill the role, and will designate a position to perform the role's critical duties on an interim basis in the event of a planned or unplanned vacancy.

Action Plan Owner / Due Date:

Michelle Maikisch, Chief of Staff and Public Relations / July 1, 2018

DETAILED OBSERVATIONS

Observation 3 –Knowledge Management Plan

Relative Priority: **Medium**



CFX strives to preserve internal knowledge and facilitate internal knowledge sharing. However, increased turnover and limited employee participation have proved to be a challenge in achieving this goal. CFX does not currently have a formal knowledge management plan that provides guidance and detailed procedures around internal knowledge preservation and knowledge sharing. Knowledge management plans enable organizations to effectively communicate and document executive, department, and staff-level responsibilities, requirements, impactful information and data, and facilitates the sharing of that knowledge.

Recommendation:

1. CFX should perform a risk assessment to determine the prioritization of department's implementation of a knowledge management plan. The knowledge management plan for each department should define key business processes to be documented, methods of documentation (e.g. desktop procedural manuals, process flowcharts, job aids, etc.) and the documentation retention and sharing plan.
2. To increase employee participation in the knowledge management plan, CFX should consider including knowledge sharing as a component of the teamwork aspect of performance evaluations.

Management Response:

CFX management concurs.

Management Action Plan:

CFX will conduct a risk assessment to determine the prioritization of department's implementation of a knowledge management plan. However, based on the most recent entity-wide risk assessment performed in FY2017, CFX will focus initial knowledge management efforts on the Information Technology (IT) department. Additionally, knowledge sharing will be included in the teamwork aspect of annual performance evaluations.

Action Plan Owner / Due Date:

Michelle Maikisch, Chief of Staff and Public Relations Corey Quinn, Chief of Technology & Operations, and Jim Greer, Director of IT / July 1, 2018

DETAILED OBSERVATIONS

Observation 4 – Exit Interviews and Monitoring of Employee Turnover

Relative Priority: **Low**



Employee terminations are currently reported to the HR Director by the employee supervisors. The HR Director completes the steps within the Termination Checklist, which includes collecting the employee's resignation letter and, if applicable, ensuring that employee access rights (system and physical) are disabled. The HR Director may elect to conduct an exit interview with the employee. However, exit interviews are not offered to all employees and there is currently no formal procedure for documenting responses of the exit interview. Leading practices suggest conducting voluntary exit interviews in order to monitor employee turnover, capture exit data, and identify factors that lead to employee turnover.

Recommendation:

CFX should conduct exit interviews of all voluntary employee terminations as part of termination procedures and document the completion of the interview in the termination checklist.

Management Response:

CFX management concurs.

Management Action Plan:

CFX Human Resources will offer exit interviews to all voluntarily employee terminations, document the date of the interview, if conducted, on the Termination Checklist, and will communicate employee responses to CFX department management.

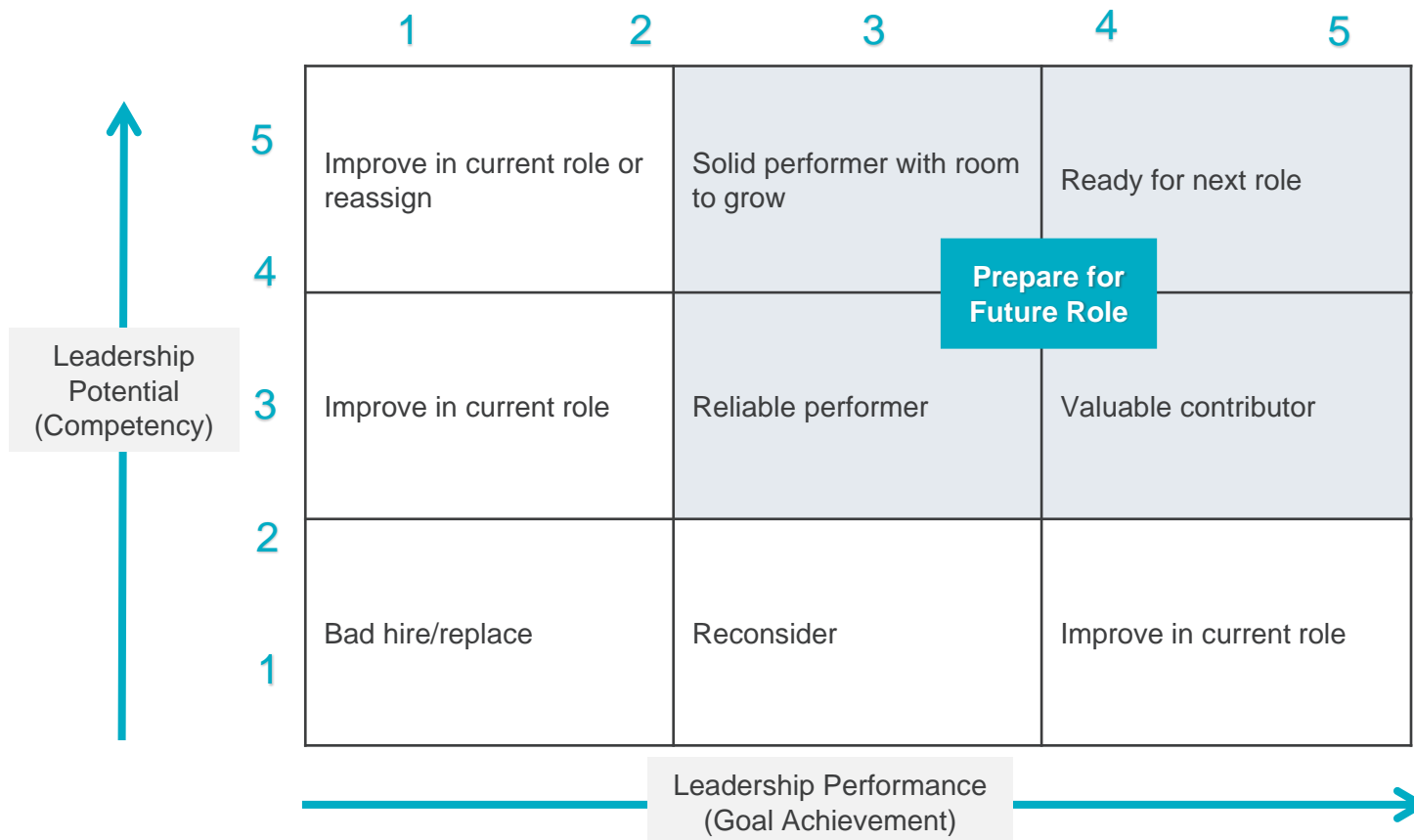
Action Plan Owner / Due Date:

Evelyn Wilson, Director of HR, and Michelle Maikisch, Chief of Staff and Public Relations / Complete

APPENDIX

APPENDIX 1 – NINE BOX ANALYSIS

Below is an example of a Performance and Potential Matrix (9-box analysis) that is widely used to facilitate discussion among management, assess talent, and evaluate criteria for a potential successor. Positions are assessed using pre-determined criteria (e.g. performance evaluations, technical competencies) and are plotted on the chart below to identify any additional competencies needed before a position can be determined a successor to a vacated position. Any gaps identified can be supplemented with employee training, staff increases, or consultant usage.



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Executive Summary of the 2017 Business Continuity Management Review

Central Florida Expressway Authority

May 2017

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2017 BCM Review

I. Executive Summary

Background

During the period between October 3 and November 4, 2016, Internal Audit (“IA”) performed a Business Continuity Management (“BCM”) review for the Central Florida Expressway Authority (“CFX”). The review focused on plans and procedures that CFX has in place to minimize the impact of interruptions to the business, such as: man-made, natural, and technological disruptions to either the geographic region or the corporate headquarters. BCM encompasses the development of strategies, plans, and actions which provide protection or alternative modes of operation for business processes in the event of the aforementioned interruption scenarios that could affect the organization.

Scope and Approach

The focus of this review included three (3) primary components. First, IA reviewed any current BCM, Crisis Management, or Disaster Recovery (“DR”) documentation that was available, and second, determined whether the IT DR plan accounted for all components of CFX’s IT infrastructure. Lastly, IA inquired with Management to determine the testing and training strategies in place to educate employees on the aforementioned plans.

To accomplish these objectives, Internal Audit:

- Evaluated the structure of the Agency’s Crisis Management team and plan.
- Determined whether BCPs and the recovery strategies were founded on the Business Impact Analysis (“BIA”) exercise that was performed by IA in 2014 or other risk assessment activities which prioritize recovery efforts of the business and IT resources.
- Established an inventory of all critical departments and applications / systems at CFX and reviewed the departmental BRPs and IT DR strategies. For each document obtained, evaluated if:
 - The document included guidelines on response team roles and responsibilities.
 - The BRP/ DRP included guidelines on when the plan should be invoked and defined the members of the response teams.
 - Alternate work locations or IT recovery sites were established and could feasibly be utilized to operate in disaster scenarios.
 - The document included guidelines for external communication, including procedures that will be taken to re-establish communications with key third-party partners and notification procedures to customers or other stakeholders.
 - Management had taken into consideration short and long-term recovery scenarios, as well as guidance on how to restore the environment back to “normalcy” following the conclusion of a disaster event.
- Reviewed and evaluated the BRP and IT DR testing strategy, including the frequency and nature of testing, the use of alternate recovery sites for testing exercises, etc.
- Evaluated the training exercises that are conducted.
- Reviewed the strategies established from an IT DR perspective to mitigate the risks associated with malicious attacks to the IT environment (i.e. malware, virus, ransomware, etc.).

2017 BCM Review

In order to accomplish this review, Internal Audit:

- Interviewed key personnel (i.e. CFX Security Manager, Corporate Department Leads, etc.)
- Performed a Risk Analysis of corporate departments at CFX to determine which would be included in the sample
- Reviewed documentation associated with the BCM, IT DR planning, and Crisis Management
- Performed walkthroughs of the recently completed Hiawassee data center

Summary of Findings

As a result of this review, Internal Audit identified five (5) observations that should be addressed in order to strengthen the overall BCM program at CFX. These observations refer to Business Continuity specific documents, plans, and training regimens that organizations typically have in place to plan for and assist in recovery efforts. The observations are grouped into the following three (3) high-level topics:

- IT Disaster Recovery
- Crisis Management Documentation and Training
- Business Continuity Management Documentation and Training

Recommendations

As a result of the observations made during the review, recommendations surrounding the following areas were developed:

- Connectivity to IT Backup Environment
- Crisis Management Documentation and Testing
- Business Resumption Plans and Training



CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Information Security Risk Assessment – Phase I

May 2017

EXECUTIVE SUMMARY

Overview

This report represents the results of Phase I of the Information Security Risk Assessment conducted by Internal Audit (“IA”) as outlined in Florida Statute 282.318, “Security of Data and Information Technology”. This statute requires that an agency:

- *Use a standard risk assessment methodology that includes the identification of an agency’s priorities, constraints, risk tolerances, and assumptions necessary to support operational risk decisions.*
- *Conduct, and update every 3 years, a comprehensive risk assessment, which may be completed by a private sector vendor, to determine the security threats to the data, information, and information technology resources, including mobile devices and print environments, of the agency.*

The standard risk assessment methodology that IA used during this Information Security Risk Assessment was the National Institute of Standards and Technologies (“NIST”) Special Publication 800-30.

This phase of the review focused only on Asset Identification. Additional phases will be conducted in the future to complete the Information Security Risk Assessment.

Scope

IA used the following approach in the delivery of Phase I of this project:

1. IA assigned categories and owners to assets by performing the following activity:
 - Developed an inventory of assets for in-scope business systems that create, receive, maintain, or transmit sensitive data. The inventory was accumulated through a combination of the following methods:
 - Interviewing IT administrators, business unit management, and other key personnel
 - Utilizing current asset management / identification data

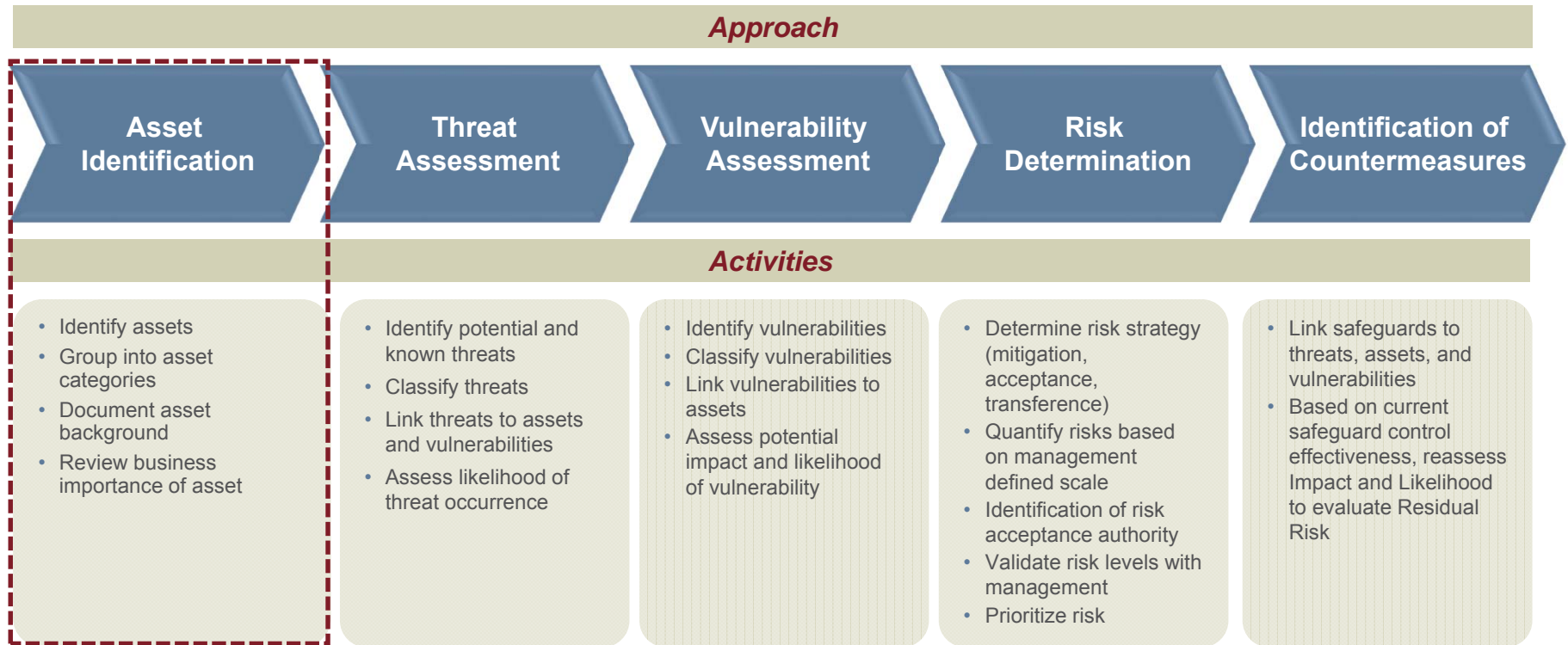
EXECUTIVE SUMMARY

Approach

IA reviewed documentation and interviewed key CFX and ITS personnel in order to:

1. Identify assets
2. Group assets within categories
3. Document asset descriptions
4. Review of the business importance of assets

As a result of this work, IA identified 13 assets that will be considered during the remaining phases of the Information Security Risk Assessment. These assets are listed on page 3 and 4.



ASSET IDENTIFICATION

#	Name	Description
1	Key Applications	<p>Applications and databases crucial to business operation, including:</p> <ul style="list-style-type: none"> • TRIMS – Customer support/account management application • TRAILS – Transponder retail and in-lane sales application • EDEN – Financial reporting system • VES – Violation Enforcement System • ARCS – Database and supporting infrastructure (sensors, controllers, hosts) that capture transponder activity • iMars/Special Viewer – Imaging software used to validate letters and digits on license plates • Helpdesk ticketing system • SAMS – Security & Access Management System for managing access to TRIMS and TRAILS. • 3rd party software applications – Microsoft Office, etc. • InfoView – Enterprise reporting utilizing Crystal Reports.
2	External Web sites	<p>Websites managed by CFX that are internet facing and utilized by customers, vendors, and employees:</p> <ul style="list-style-type: none"> • CFX FTP Site – Used by Vendors and Employees to exchange files • E-Pass / VES Web Sites – Customer service site • CFX Corporate Web Site – Informational site used to describe information about the organization • VIO Web – Law enforcement portal for toll violation information
3	Workstations	A single-user or shared computer either located at HQ or Toll Plazas used for everyday operation and tasks of CFX Employees. These may be desktops or laptops.
4	Servers	Computers supporting CFX applications that run operating systems such as Windows Server 2012 or OpenVMS
5	Phone Systems	Voice over Internet Protocol phones for at each location used for communication and mobile devices assigned to users for voice, text, and email communication. Includes Interactive Voice Response (“IVR”) system.
6	Email	Microsoft Exchange email server used for communication.
7	Network Infrastructure	Network systems such as Intrusion Detection Systems (“IDS”), firewalls, routers, core switches, aggregate switches, and end of line switches in plaza cabinets.

ASSET IDENTIFICATION (CONT.)

#	Name	Description
8	ITS Closed Circuit TV Cameras	Cameras and supporting infrastructure that allow CFX to view traffic on the roadways.
9	ITS Dynamic Message Signs	Systems and supporting infrastructure that displays warnings or estimated travel times.
10	ITS Data Collection and Traffic Monitoring Systems	Systems and supporting infrastructure that estimate speed, congestion, and travel times on the roadways.
11	ITS Wrong Way Driving Deployments	Systems and supporting infrastructure that detects and alerts upon drivers going the wrong way on a road.
12	Lenel Badge System	Access control system used for physical security throughout all CFX locations to allow access to CFX facilities.
13	Printers/Copiers	Copiers and Printers located at HQ, Service Centers, and Plazas.

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V. B. 6. Change Management- Tolling System Replacement

This document/report/information is confidential and exempt from public disclosure as outlined in s.282.318, F.S., Security of data and information technology.

NOTE: The following information is confidential and exempt in accordance with s.282.318(4)(d), F.S. Information made confidential and exempt by this statute may be available to the internal audit committee, in furtherance of their official duties and responsibilities of the agency. However, this information is not to be copied, photographed, shared, or duplicated in part or in whole outside of the internal audit committee. All information shall be returned to the internal auditor upon the completion of review.

A copy of the summary report will be made available to the public at the conclusion of this internal audit and upon request.



CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Customer Service Center Performance
Assessment

March 2017

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EXECUTIVE SUMMARY



Overview

In accordance with the 2017 Internal Audit Plan, Protiviti conducted a follow-up assessment of the Central Florida Expressway Authority (CFX) customer contact center operation's performance leveraging a contact center subject matter expert. The last performance assessment was performed in 2015. Since then, the third party vendor operating the contact center has changed, and a new scheduling system, Monet, has been implemented.

The customer contact center currently leverages a total of 60 full and part-time agents to support its customer contact center operations, (excluding image processing personnel), up 30% from 46 full and part-time agents at the time of last audit in May 2015. The average daily call volume is approximately 2,400 calls per day, which is relatively consistent the average daily call volume range of approximately 2,200 - 2,500 calls per day in May 2015. The call volume follows a consistent pattern, with volume peaks in the morning and late afternoons and the highest volumes occurring on Mondays and Fridays. The increase in the number of agents represents the total agents on staff, not necessarily the number of agents per shift. Although the call volume remained relatively consistent for FY2015 and FY2017, having more agents available for staffing allowed the contact center to collapse call groups and achieve service level goals more consistently.

The customer contact center services consist of UTN payments (36%), customer service (29%), VES Response Line (23%), account replenishments (5%), and new E-PASS accounts (1%).

The technology used in the customer contact center is based on an Avaya 8700 platform that is implemented in a configuration using multiple physical data centers. CFX implemented Monet Workforce Management in January of 2017 and a new SwampFox IVR (Intelligent Voice Response) solution in June of 2016, tools that enable them to more effectively match agent staffing to call volume patterns and to more effectively route calls and forecast agent scheduling needs.



Overview

The objectives of the review were to:

1. Perform an assessment of the contact center in 2017 considering change in vendor operating the center and the new technology CFX has put in place since the time of the 2015 audit. The assessment included a review of six months of call data, from the period of July 2016 to January 2017, to evaluate the progress made toward implementing the prior recommendations made during the 2015 review.
2. Evaluate the use of Monet for Workforce Management and other supporting operational systems and services for additional needs or opportunities to improve usage.
3. Verify the accuracy of data between the new Monet Workforce Management solution and the existing Avaya ACD solution.

EXECUTIVE SUMMARY



Approach

The customer contact center performance review was accomplished through the execution of four inter-related work streams designed to analyze, document, and quantify the customer contact center's application of people, process, and technology to provide customer service:

- People: Executive, Operations, IT, and customer contact center Management Interviews
- Process: Detailed Call Analysis
- Statistical Analysis: Review and analysis of customer contact center historical reporting
- Technology: Infrastructure and Application Review

The review was conducted in February of 2017 with the assistance of CFX management and the third party customer contact center operations vendor.

EXECUTIVE SUMMARY



Summary of Results

Overall, CFX has improved the effectiveness and efficiency of the customer contact center operations since the time of the last review in 2015. The table below provide a summary of the progress made toward implementing the prior recommendations made during the 2015 call center performance review:

Observation #	FY15 Observation	Status of FY15 Observations
Observation #1: Call Handling Performance	The customer contact center is experiencing prolonged periods of high Average Speed of Answer (ASA) times. There are opportunities to improve agent utilization and manage scheduling to decrease the average speed of answer and positively impact the customer experience.	CFX implementation and subsequent use of Monet's Workforce Management solution has made a demonstrable difference in the effective and efficient management of staff while improving overall customer experience through better maintenance of service levels and answer rates. Call handling performance in the customer contact center has been significantly improved in all key areas identified as opportunities in the 2015 review. Performance appears to be far more consistent across time-of-day and day of week.
Observation #2: Customer Call Experience	There is inconsistent and duplicative information presented to customers on the customer contact center phone menus and prompts. There are opportunities to improve caller experience for those dialing into the center by making prompts, menus and messaging more consistent.	CFX implemented a new IVR solution provided by SwampFox to address this issue and to provide additional automation opportunities.
Observation #3: Reporting and Analytics	CFX and the third party customer contact center vendor have opportunity to more fully utilize available performance reports to monitor customer contact center key performance indicators. The customer contact center currently tracks Average Speed of Answer, After-Call-Work, and handle times but does not track or monitor the factors that drive these statistics. There are opportunities to improve the customer contact center efficiency and effectiveness by reviewing and utilizing additional statistical reports which Internal Audit has partnered with CFX to help develop as a part of this review.	CFX now has access to a substantial amount of performance data including Avaya ACD statistics, WFM data, Quality data, etc. that enables it to capitalize on opportunities to be more efficient and effective within the center, as supported by the data reviewed and statistical analysis conducted during this review.

EXECUTIVE SUMMARY



Summary of Results (continued)

Observation #	FY15 Observation	Status of FY15 Observations
Observation #4: Standardized Call Flow and Quality Assurance Processes	There is not a standardized call flow established to ensure consistent customer call handling and service. In addition, the quality assurance process does not evaluate customer contact center agents on a standard call flow. Aligning Quality Assurance forms and monitoring to a standardized call flow can serve to improve overall quality measurement while enabling analysts to focus on those behaviors that have the greatest impact on call quality.	CFX Quality Assurance (QA) Program is now functioning effectively and is supporting CFX operational goals of achieving effective and consistent customer service to its customers.
Observation #5: Inbound Call Deflection and Avoidance	There is an opportunity to reduce inbound call volume by improving the customer contact center agent messaging and improving the Authorities web presence to make it more user friendly. Reduced call volume can lead to cost reductions.	In June of 2016, CFX implemented an IVR solution from Swampfox to identify callers, direct calls, and automate common functions such as payment of toll violations. The new solution has deflected between 40-50% of the calls that would have otherwise required agent assistance to complete.
Observation #6: Call Automation	Up to 30% of a customer contact center agents call handling time is spent identifying the customer and retrieving their account information. There is an opportunity to reduce the call handling time by introducing call automation, which would identify and validate customers prior to reaching the call center agent.	CFX has implemented a new IVR system that has significantly improved CFX's ability to identify inbound callers, enable faster service, and automate common transactions (for example, UTN payments).

EXECUTIVE SUMMARY



2017 Observations

Internal Audit identified the following four observations and enhancement opportunities while performing the 2017 performance review. Internal Audit classified the findings using a relative priority of high, medium, or low to provide management with a basis for evaluating them in the overall context of this report.

Observation #	Observation:	Relative Priority
Observation #1: Service Level Performance	While CFX is doing a very good job of maintaining overall service levels, CFX identified an issue with maintaining service level at the end of shift (beginning around 4:00 to 4:15 PM each day) due to contact center agents going off shift, this was verified during the review.	Medium
Observation #2: Business Analytics / Performance Monitoring	Customer contact center management now has access to a substantial amount of performance data including ACD statistics, WFM data, Quality data, etc. However, this data is not easily accessible to work force managers or contact center staff via wallboards or analytics dashboards, which could improve CFX's use of the available data to increase effectiveness and efficiency managing the center.	Medium
Observation #3: Intelligent Voice Response (IVR) Solution	The new SwampFox IVR (Intelligent Voice Response) solution implemented in June of 2016 has been very effective, although there is opportunity to improve the reporting used to monitor IVR utilization. The current reporting makes it difficult to ascertain how calls are flowing through the IVR and what paths these calls are taking.	Medium
Observation #4: Quality Assurance Program	CFX Customer Contact Center Quality Assurance (QA) Program is functioning effectively and is supporting CFX operational goals of achieving effective and consistent customer service to its clients. The program could benefit by increasing the number of screen recordings captured for QA purposes, real-time reporting of QA activities, supervisory personnel conducting QA monitoring, and contact center agent preparation time to review marketing material, QA feedback, etc.	Medium

DETAILED OBSERVATIONS

DETAILED OBSERVATIONS

Observation 1 – Service Level Performance

Relative Priority: **Medium**



In January of 2017, CFX implemented Monet Workforce Management to provide customer contact center agent forecasting and schedule adherence reporting. Based on the performance data in Appendix A, it appears the Monet solution has aided in the following improvements

Call Handling Performance	FY 2015	FY 2017
Average Speed of Answer	36 sec	30 sec
Abandoned Calls (daily)	8 – 10%	3%
Agent Aux Time Usage	Above 25%	15%

The above data suggests CFX is using the Monet solution very effectively to generate staffing forecasts and schedules and CFX has implemented the leading practice of routinely regenerating forecasts and daily/intraday schedules as conditions require it (e.g. unexpected absence or unavailability of staff which would otherwise impact service levels). In addition, CFX has maintained a schedule adherence of approximately 85-90%, based on reports generated by the Monet platform.

Analysis conducted on data from the Monet solution and on comparable reports from the Avaya ACD indicates that both systems are tracking call volumes, distribution and call handling performance accurately and consistently.

While CFX is doing a very good job of maintaining overall service levels, CFX identified an issue with maintaining service level at the end of shift (beginning around 4:00 to 4:15 PM each day) due to the number of agents going off shift at this time of day. This was verified based on the data evaluated during the review.

DETAILED OBSERVATIONS

Observation 1 – Service Level Performance (continued)

**Recommendation :**

Management should consider the use of flex part-time staff or adjusting shift start times to address the drop in service level at the end of the day.

Management Response:

Management concurs.

Management Action Plan:

CFX has made the necessary staffing adjustments to increase service levels at the end of the business day. CFX will continue to monitor the performance levels to ensure adequate service levels are maintained.

Action Plan Owner / Due Date:

David Wynne, Director of Toll Operations / Completed as of June 1, 2017

DETAILED OBSERVATIONS

Observation 2 – Business Analytics / Performance Monitoring

Relative Priority: **Medium**



Through the changes and improvements CFX has made to its organizational structure, QA programs, and Workforce management, the organization has easy access to accurate and complete historical data related to performance as well as real-time (and near real time) data from its various platforms. While this data is all available via various historical reports, it is not generally available to the broader contact center team (agents and supervisors) or to the management team.

Recommendation

CFX could further improve its ability to monitor and manage the centers operation by making contact center data available in highly-consumable analytics dashboards, particularly those designed to provide historical data for trend analysis and those designed to provide real-time data for intraday management. The use of highly visible dashboards showing real-time performance often enables a management team to more readily identify and respond to conditions in the contact center which may require immediate attention (unanticipated call volumes, service level issues, etc.) and improve overall service. The Avaya ACD and the Monet Workforce Management systems store the data needed to create these dashboards and wallboards. However, these tools do not have a visual studio functionality to design dashboards in a consumable, user-friendly presentation. Management should consider a visual studio product to provide the functionality to create the dashboards.

1. The process of setting up and implementing business analytics and related dashboards typically follows the approach outlined below:
2. Identify the data and Key Performance Indicators (KPI) that should be presented and/or trended for performance monitoring
3. Agree upon how these Key Performance Indicators will be measured and calculated
4. Determine source data/systems responsible for producing or providing data required to support analytics
5. Design and set up a repository for data to be managed in the analytics solution
6. Design Dashboard UI's including all visualizations, filters, and drill-downs
7. Implement dashboards in the center. Examples are provided in Appendix B.

DETAILED OBSERVATIONS

Observation 2 – Business Analytics / Performance Monitoring (continued)



Management Response:

Management concurs.

Management Action Plan:

CFX Toll Operations will identify a number of key performance indicators for performance monitoring that will be displayed on the dashboards within the contact center. CFX will also determine the frequency of measurement to be displayed on the dashboards (real-time, weekly, monthly metrics, etc). In addition, CFX will work with the third party contact center vendor to create business analytics related to the content of the dash boards.

Steps four and five in the recommended approach will be tabled at this time due to the complexity of the recommendation and lack of resources. These items may be revisited in the future as part of the back office replacement project

Action Plan Owner / Due Date:

David Wynne, Director of Toll Operations, and Corey Quinn, Chief of Technology and Operations / April 30, 2018

DETAILED OBSERVATIONS

Observation 3 – Intelligent Voice Response (IVR) Solution

Relative Priority: **Medium**



In June 2016, CFX implemented an IVR solution from Swampfox to identify callers, direct calls, and automate common functions such as payment of toll violations. At the time of this audit, the IVR solution was having a significant impact on the center, deflecting between 40-50% of the calls that would have otherwise required agent assistance to complete. By servicing callers in the IVR, CFX is completing the transactions more rapidly, while simultaneously reducing the number of agents required to handle customer contacts.

While the IVR solution has been very effective, the reporting used to monitor IVR utilization could be improved. The current reporting makes it difficult to ascertain how calls are flowing through the IVR and what paths these calls are taking.

Recommendation

CFX should work with Swampfox to implement the following enhancements to its IVR reporting so the use of the IVR can be more effectively monitored and improved over time.

Implement Call Path Reporting – Call path reporting would allow CFX to track the path of calls through the IVR by showing the following:

1. Show all paths taken through the IVR by calls for a given reporting period, including the total number of calls that used the path and the percentage of total calls that took the path
2. Service automation utilization – this reporting shows the total number of calls that attempted to utilize each servicing module (e.g. provide payment locations or accept payment), the number that completed successfully, the number that abandoned in the transaction (without completing), the number that completed the transaction, the number that ended the call/abandoned after completing, and the number that opted to an agent.
3. Error reporting – listing/count of all calls that were forced to either abandon or op—out to an agent due to a specific error such as payment failure, web service failure, etc. by failure type and “node”.

DETAILED OBSERVATIONS

Observation 3 – Intelligent Voice Response (IVR) Solution (continued)

**Management Response:**

Management concurs.

Management Action Plan:

CFX has identified a Call Path Report within IVR that consists of historical graph ,error reporting, and service utilization. CFX will work with the third party contact center vendor to provide data in an acceptable format and provide an internal link for Toll Operations to access the data.

Action Plan Owner / Due Date:

Corey Quinn, Chief of Technology and Operations / April 2018

DETAILED OBSERVATIONS

Observation 4 – Quality Assurance Processes

Relative Priority: **Medium**



The workforce management quality assurance (QA) team has developed and consistently maintains very effective reporting to monitor contact center agent performance. Although the reporting is fairly manual in nature, it allows the team to track individual agent performance and team performance over time and to identify trends in performance. QA has also incorporated the leading practice of conducting routine calibration sessions with the various QA analyst to ensure fair and consistent quality scoring across the team. This has enhanced the effectiveness and consistency of the QA process. While the QA process is being executed well and is achieving high levels of performance, there are enhancements that could further improve the effectiveness of the contact center.

Recommendation

CFX management should consider implementing the following:

1. Contact center supervisory staff should conduct one to two weekly QA monitors per agent. The use of supervisory staff in the QA process tends to help ensure cohesion between QA the rest of the contact center, while also providing positive input to the supervisors coaching and helping to identify other agent developmental activities.
2. While the QA team have developed and maintain effective historical reporting of QA activities and performance, having this data available in real-time would enable CFX to make intraday performance data available to agents, supervisors and management staff.
3. Fewer than 125 of the 2,594 recorded calls noted during the six month period under review had associated screen recordings. Screen recordings allow QA to monitor an agents use of the system during a call and is a valuable input to the overall QA process. Management should consider identifying why the system is not recording screens for all calls.
4. While contact center agents are provided 15 minutes for group/team meetings at the beginning of each agent's shift, the agents could benefit from a 10-15 minute period (weekly or daily based on the frequency of new information) to review QA results, coaching or other development materials, CFX marketing and program information or other data that would help to ensure that agents consistently serve customers efficiently.

DETAILED OBSERVATIONS

Observation 4 – Quality Assurance Processes (continued)



Management Response:

Management concurs.

Management Action Plan:

Item 1 – CFX will incorporate supervisory staff into the quality assurance monitoring process.

Item 2 – CFX will develop a primary server to support IQ360, which will provide historical data for quality assurance activities and performance.

Item 3 – Screen captures are scheduled to be recorded for each call. However, the data is not being captured. CFX will review and work on a fix for this issue.

Item 4 – Weekly staff huddles will be used to provide coaching or other development materials, CFX marketing and program information or other data.

Action Plan Owner / Due Date:

David Wynne, Director of Toll Operations, and Corey Quinn, Chief of Technology and Operations

Item 1 – Completed as of June 1, 2017

Item 2 – Completed as of June 1, 2017

Item 3 – April 30, 2018

Item 4 – Completed as of June 1, 2017

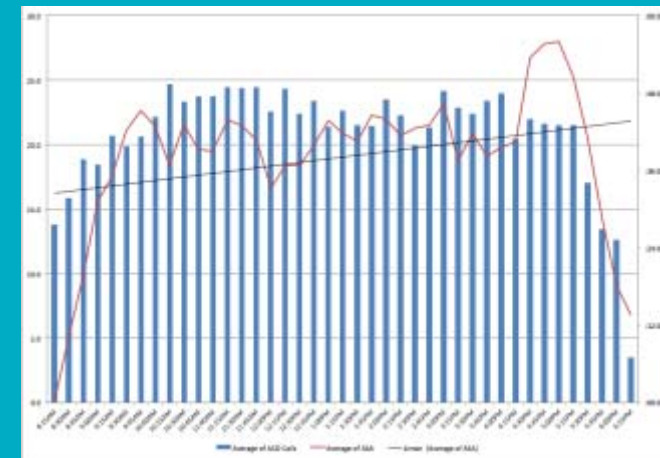
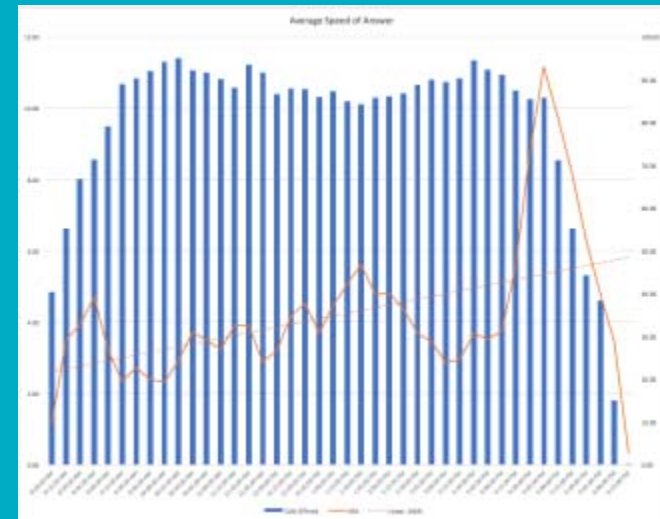
APPENDIX A

Call Handling Performance Graphs

APPENDIX A - CALL HANDLING PERFORMANCE

Average Speed of Answer (ASA):

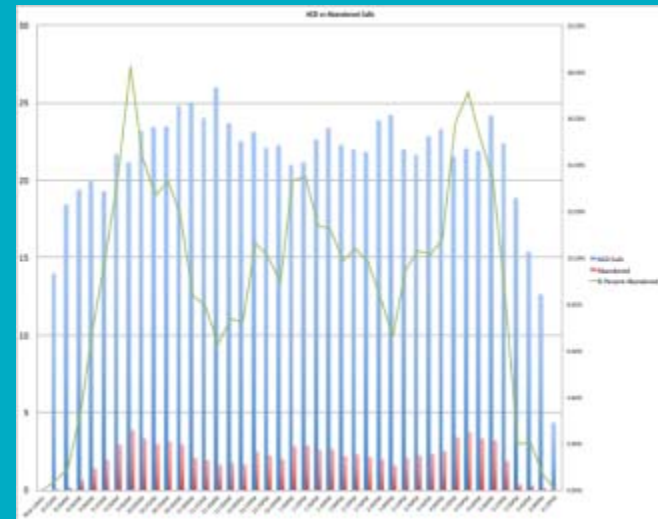
- 2015 (top right), ASA was over 36 seconds on average and varied substantially both from day-to-day and intraday.
- During 2017 (bottom right), ASA is far more consistent from day to day and averages below 30 seconds



APPENDIX A - CALL HANDLING PERFORMANCE

Abandoned Calls:

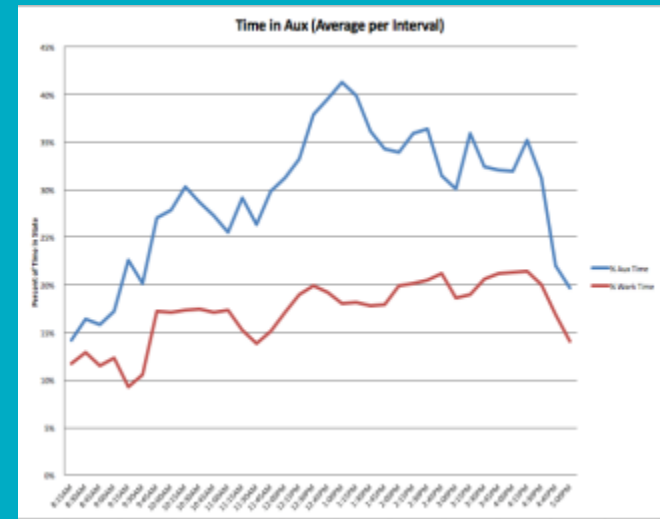
- 2015 (top right), Average Call Abandonment rates were between 8 and 10% daily.
- 2017 (bottom right), Call Abandonment rates are consistently below 3% daily



APPENDIX A - CALL HANDLING PERFORMANCE

Agent Aux – Work Time:

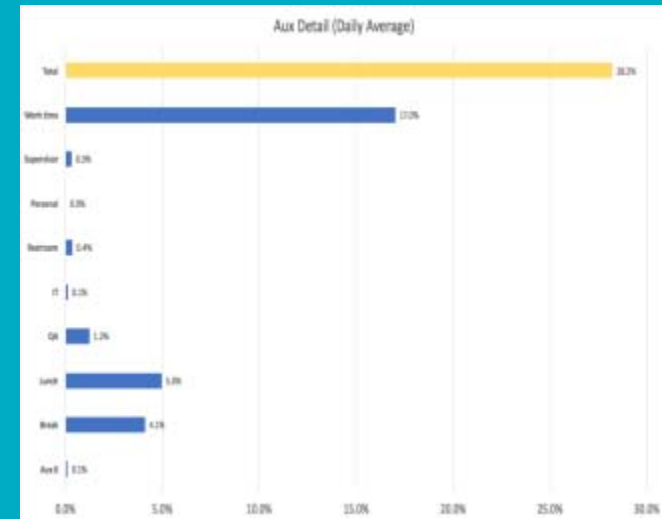
- 2015 (top right), Average Aux time usage averaged above 25% with ACW averaging over 15%
- 2017 (bottom right), total Aux time averages around 15% with ACW utilization very low as compared to staffed time



APPENDIX A - CALL HANDLING PERFORMANCE

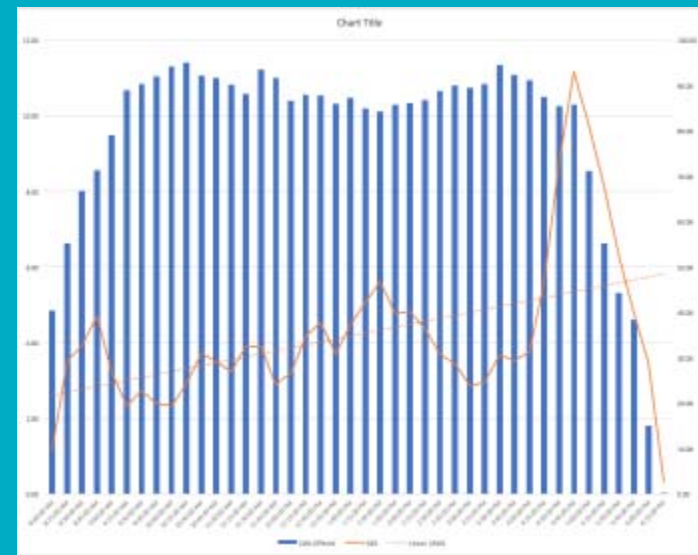
Agent Aux Detail:

- 2015 (top right), Average Aux utilization was at approximately 28% with ACW accounting for almost half that time.
- 2017 (bottom right), total Aux time averages around 15% with ACW utilization at less than 1% of staffed time.



APPENDIX A - SERVICE LEVEL MANAGEMENT

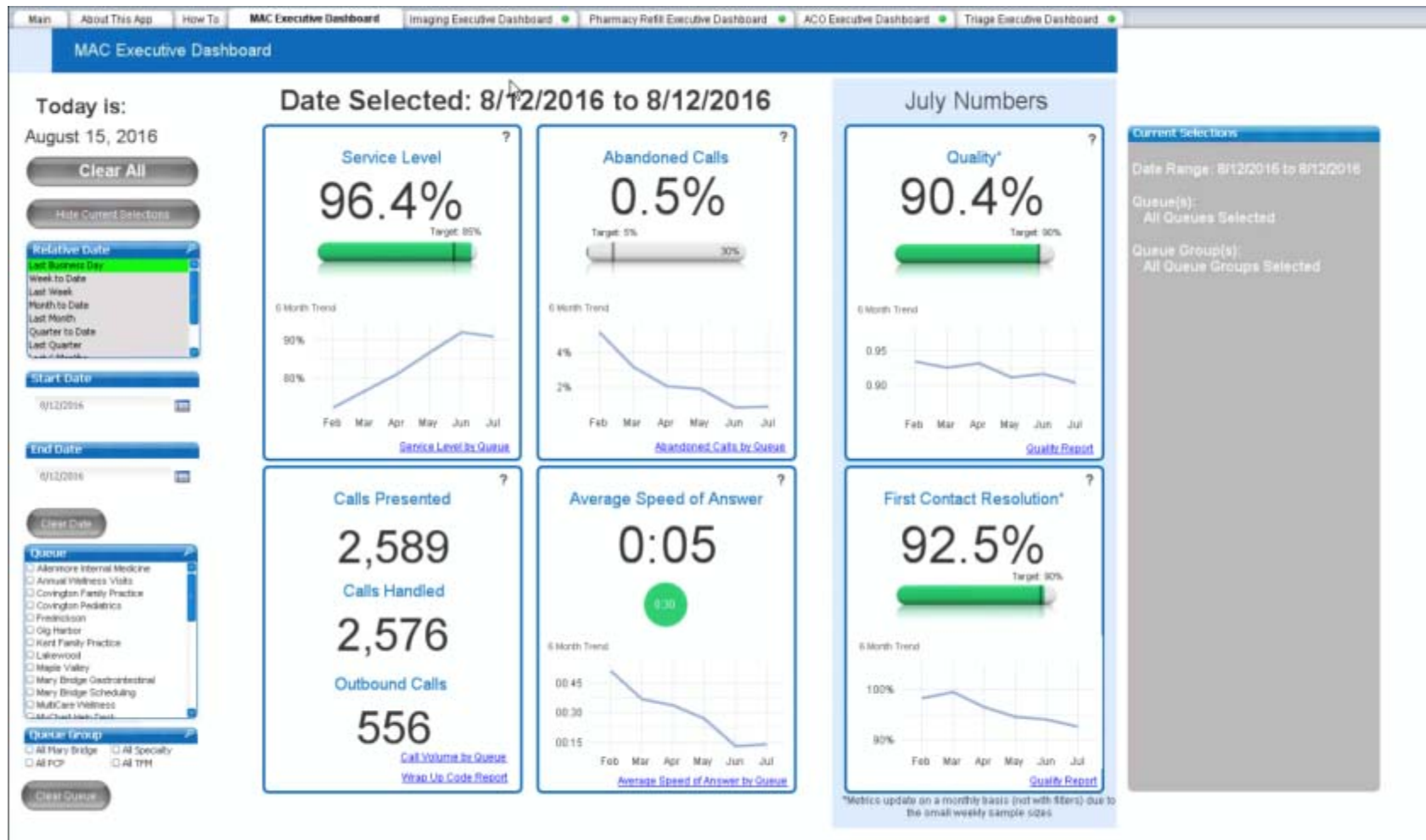
2017 Service levels drop at the end of day, starting between 4 and 4:15 PM.



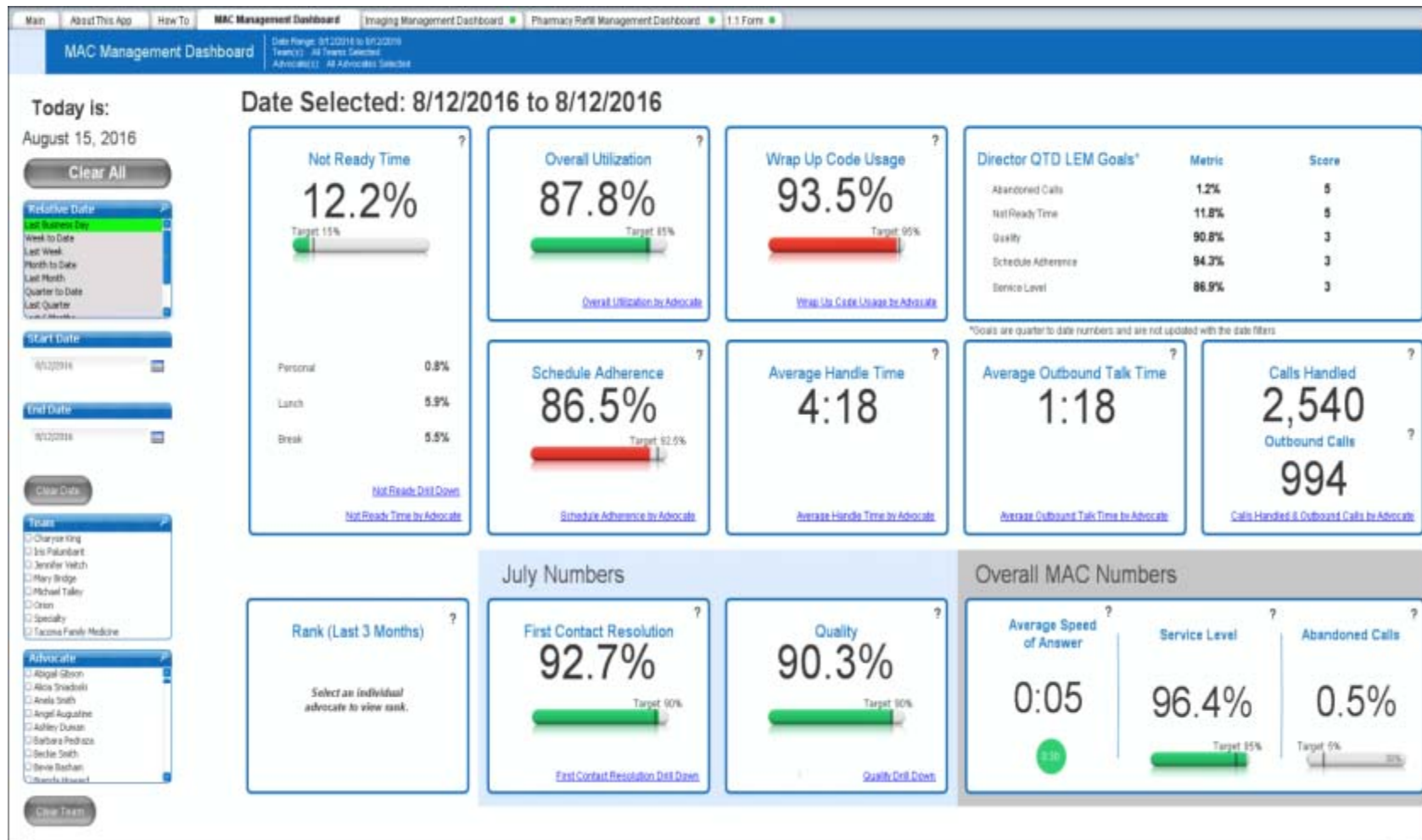
APPENDIX B

Sample Dashboards

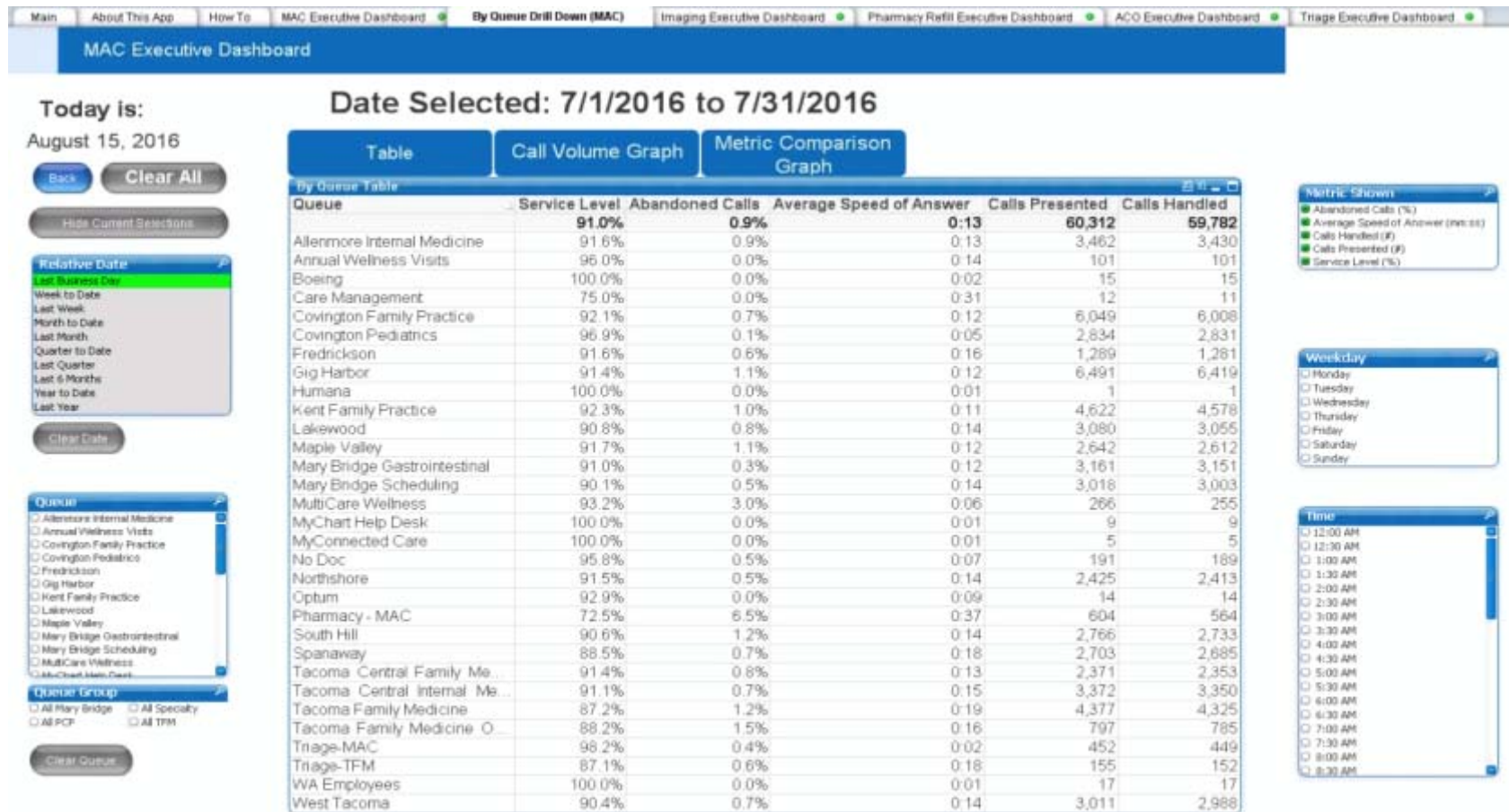
APPENDIX B - SAMPLE DASHBOARD



APPENDIX B - DASHBOARD EXAMPLE



APPENDIX B - DASHBOARD EXAMPLE



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CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Discount/Rebate Program Audit

May 5, 2017

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03 Executive Summary

06 Detailed Observations

EXECUTIVE SUMMARY



Overview

Central Florida Expressway's (CFX) electronic toll-collection system E-PASS allows customers to automatically pay tolls with a transponder at toll plazas. E-PASS customers receive reduced toll rates and are eligible to receive additional discounts and rebates based on the type of account and monthly volume of toll transactions incurred on CFX roadways. CFX software is configured to automatically calculate and apply monthly discounts and rebates to customer accounts.

As of March 2017, CFX had four E-Pass discount and rebate programs in place, three of which were in scope for this review: Customer Loyalty Discount Program, Beltway Discount Program, School Bus Toll Rebate. The fourth program dealing with Beachline West Toll Plaza and Boggy Creek Interchange rebates did not go into effect until early 2017 and was out of scope for this review.

Customer Loyalty Discount Program

The Customer Loyalty Discount Program was established to encourage CFX customers to utilize E-PASS electronic tolling. At the time the program was established, drivers with E-PASS or SunPass transponders received a 5% discount for paying between 40 and 79 tolls a month, and a discount of 10% once they reached 80 transactions in a month. During April 2016, the CFX Board approved a revision to this program to increase each discount rate for E-PASS customers by 5% (to 10% and 15%, respectively) and to discontinue discounts for SunPass customers. For the eight months ended February 28, 2017, CFX issued \$7.4 million in discounts on \$232 million (unaudited) in total E-PASS toll revenues (electronic only) to customers under the Customer Loyalty Discount Program.

Beltway Discount Program

Due to the Interstate 4 (I-4) Ultimate expansion project currently underway, during March 2015, the CFX Board approved a 5% discount for E-PASS and SunPass customers that pay 20 or more tolls per month on the beltway roadways (SR 414, SR 417, and SR 429). This program was designed to provide relief to commuters looking for alternatives to using I-4 during the I-4 Ultimate construction period. The program is contingent on actual revenue for the month exceeding 2% of the projected Total System Toll Revenues Available established per the annual General Traffic and Earnings Consultant's Annual Report approved in March 2015. Projections are evaluated monthly against actual revenue to determine if required thresholds have been met before the discount is applied. The Beltway Discount program is scheduled to be discontinued upon completion of the I-4 Ultimate project, estimated to be in 2021. For the period ending February 28, 2017, CFX issued \$3.0 million in discounts on \$114 million (unaudited) in beltway E-PASS toll revenues (electronic only) to customers under the Beltway Discount program through the first eight months of FY 2017.

EXECUTIVE SUMMARY



Overview (continued)

School Bus Toll Rebate

As part of an initiative to help local, Central Florida school districts manage costs, CFX launched a toll rebate program in February 2016 to provide a 99% rebate for public school buses traveling on CFX expressways carrying students from Orange, Seminole, Osceola, Lake, and Brevard counties (Polk and Volusia counties elected not to participate in the program). This rebate program is contingent upon actual revenue for the month exceeding 2% of the projected Total System Toll Revenues Available established per the annual General Traffic and Earnings Consultant's Annual Report approved in February 2016. Projections are evaluated monthly against actual revenue to determine if required thresholds have been met before the discount is applied. For the period ending February 28, 2017, CFX issued \$191,700 in rebates to Central Florida school districts under the School Bus Toll Rebate program through the first eight months of FY 2017.



Objectives and Scope

In accordance with the FY 2017 Internal Audit Plan, Internal Audit conducted a review of discounts provided to customers through the E-PASS Customer Loyalty Discount and Beltway Discount Programs, as well as rebates provided through the School Bus Toll Rebate for the eight month period from July 1, 2016 to February 28, 2017.

The objectives of this audit were to:

1. Review and evaluate the policies, procedures and internal controls related to the discount and rebate process, including the internal controls related to following:
 - Discount/rebate approvals
 - County school bus and new customer account setup
 - Qualifying revenue threshold calculations
 - SunPass interoperability disbursements
 - Recording of discounts and rebates to the general ledger
 - Software setup and discount and rebate calculation coding in the IT systems
 - IT change management (that which is not covered through testing performed)
2. Verify discounts and rebates were appropriately calculated and applied to E-PASS customer accounts and withheld from interoperability payments for SunPass accounts .
3. Verify discounts and rebates were appropriately authorized based on the monthly revenue calculation performed by the Finance Department.

EXECUTIVE SUMMARY



Summary of Results

Two opportunities for improvement were identified during the audit. Each was classified as relative low priority. The table below provides an overview of areas reviewed and number of opportunities identified associated with each.

Objective	Procedures Performed	Improvement Opportunities
Internal Control Review: Authorization, Administration, Software Setup and Coding and IT Change Management	<ul style="list-style-type: none">Reviewed and evaluated the policies, procedures, and internal controls related to the discount and rebate process.Reviewed the following processes and related internal controls:<ul style="list-style-type: none">Discount/Rebate approvalsCounty school bus and new customer account setupQualifying revenue threshold calculationsSunPass interoperability disbursementsRecording of discounts and rebates to the general ledgerReviewed the following IT processes and related internal controls:<ul style="list-style-type: none">CFX software setup and coding to calculate discounts and rebatesIT change management (that which was not covered through testing performed for the PCI Report on Compliance)	2
Substantive Testing (Accuracy of Calculation, Application to Customer Account, Recording to GL)	<ul style="list-style-type: none">Obtained the population of CFX customer accounts and judgmentally selected a sample of accounts and months to test the following attributes:<ul style="list-style-type: none">Accuracy of discount calculationAppropriate discount application	0

DETAILED OBSERVATIONS

DETAILED OBSERVATIONS

Observation 1 – Revenue Projection Reports

Relative Priority: **Low**



Beltway Discounts and School Bus Toll Rebate may only be applied during months in which actual toll system revenue exceeds 2% of projected Total System Toll Revenues Available established per the General Traffic and Earnings Consultant's Annual Report for the year in which each program was approved. Therefore, the Beltway Discount is calculated based on the projected revenue for FY 2017 as documented in the General Traffic and Earnings Consultant's Annual Report approved in March 2015 and the School Bus Toll Rebate is calculated based on the projected revenue for FY 2017 as documented in the General Traffic and Earnings Consultant's Annual Report approved in February 2016.

The Director of Accounting and Finance maintains an annual Projection Discount Rebate Tracking Schedule containing monthly revenue projections based on historical trends. Monthly revenue projections are reconciled to actual preliminary revenue, which is defined as actual revenue prior to external auditor adjustments. Discounts and rebates are authorized when preliminary revenue exceeds projected revenue by 2% or more. If the actual revenue falls short of the projection, Accounting coordinates with senior management and customers do not receive the discount or rebate.

During testing of School Bus Rebates for 2017, actual preliminary revenue had been incorrectly compared to the FY 2016 projections instead of the FY 2017 projections in the 2016 General Traffic and Earnings Consultant's Annual Report. However, there was no impact to the application of the monthly School Bus Rebates, which were triggered since monthly actual preliminary revenue has consistently exceeded FY 2017 projections by more than 10%, well in excess of the 2% threshold. Root cause analysis identified that the annual Projection Discount Rebate Tracking Schedule is not consistently reviewed, in detail, on a monthly basis unless concerns about an unexpected drop in revenue arise.

Recommendation

CFX should consistently review the Projection Discount Rebate Tracking Schedule on a monthly basis to verify the accuracy of inputs to prevent the issuance of discounts or rebates when revenue thresholds in excess of projections have not been met.

Management Response

Management concurs.

DETAILED OBSERVATIONS

Observation 1 – Revenue Projection Reports (continued)

Relative Priority: **Low**



Management Action Plan

Management will implement a monthly review of the Projection Discount Rebate Tracking Schedule to verify the accuracy of inputs and calculations.

Action Plan Owner /Due Date:

Lisa Lumbard, Chief Financial Officer /8/31/2017

DETAILED OBSERVATIONS

Observation 2 – Discount Publication on CFX Website

Relative Priority: **Low**



Details of the E-PASS discount programs are published on the CFX website. The website details potential savings, applicable roads, and the percentage discount based on the number of toll transactions per month.

At the time of the audit, there was an error in the percentage discount published on the CFX website related to the Customer Loyalty Discount Program. The website noted that there was a 5% discount for E-PASS customers with 20 – 39 toll transactions per month. However, based on the Board resolution approving the Customer Loyalty Discount Program, there is no discount at this toll transaction level. Periodic reviews of the accuracy of discount and rebate information posted to the Authority's website are important to accurately communicate discounted toll rates and manage customer expectations.

Recommendation

CFX should conduct quarterly, formal reviews of rate, discount, and rebate information posted to its website for accuracy.

Management Response

Management concurs.

Management Action Plan

Management will implement and document a quarterly review of the rate, discount, and rebate information posted to the CFX website for accuracy.

Action Plan Owner /Due Date:

Michelle Maikisch, Chief of Staff/Public Affairs Officer /7/31/2017

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V. B. 9. PCI Assessment with Report on Compliance

No backup provided at this time.

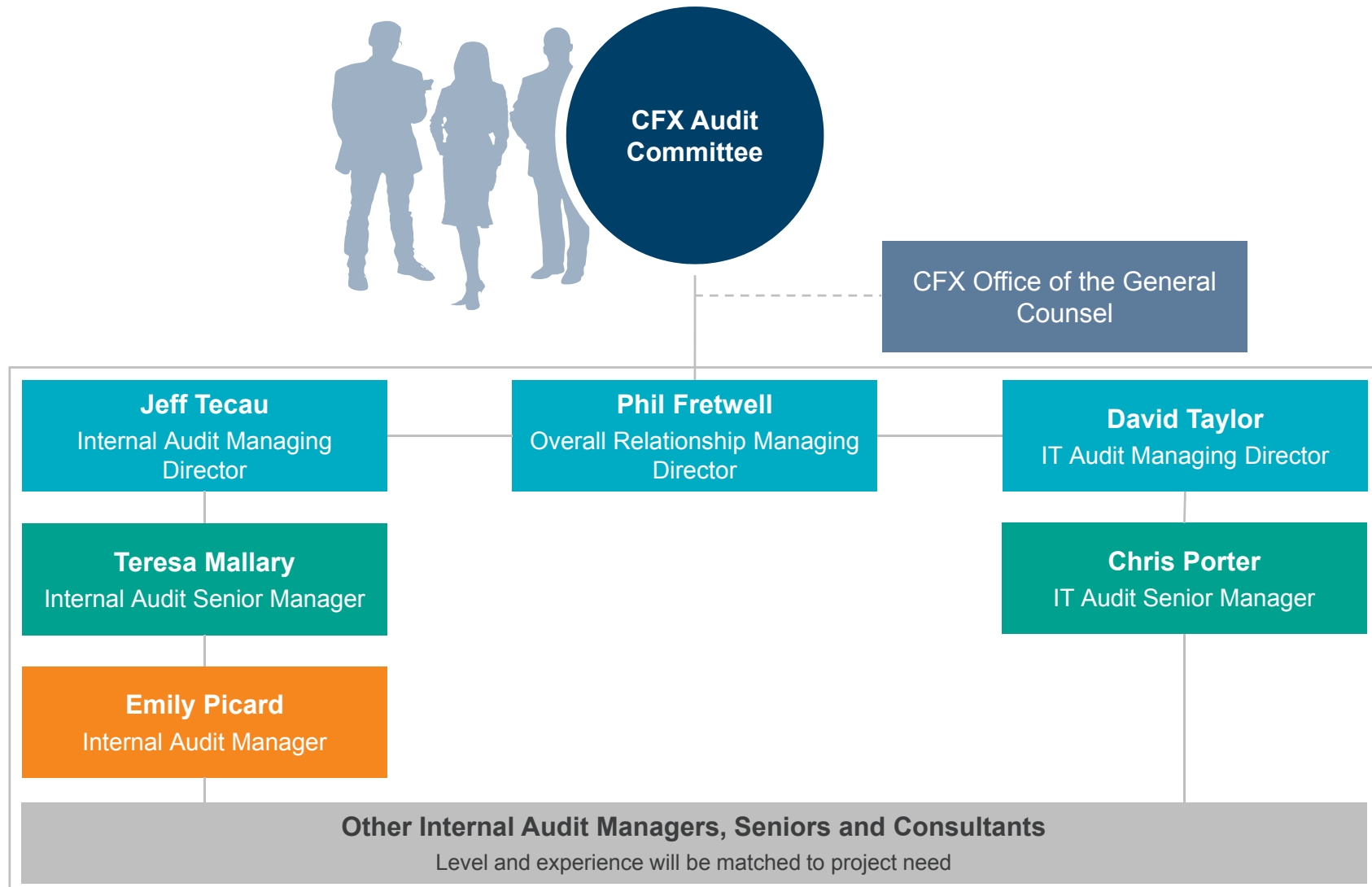


CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Internal Audit Plan





For the Fiscal Year beginning July 1, 2017

YOUR INTERNAL AUDIT TEAM



BACKGROUND

A risk assessment is a critical element of a high-quality Internal Audit department's responsibility and provides the opportunity to be "front and center" with senior leadership as a strategic partner in the review and management of key business risks. The objective of the fiscal 2018 risk assessment was to identify and prioritize key areas of risk within CFX to consider in designing the fiscal 2018 Internal Audit plan. The approach utilized in conducting the fiscal 2018 risk assessment and in developing the fiscal 2018 Internal Audit plan is depicted below. Risk assessment results are included in Appendix B.

	Identify Key Areas of Risk to be Assessed	<ul style="list-style-type: none"> • Confirm and update prior year risk areas based upon review of prior year work papers, audit results, and discussions with senior management and the Board • Determine preliminary risk ratings based upon prior year results
	Assess & Prioritize Areas of Risk	<ul style="list-style-type: none"> • Conduct interviews with senior management and the Board to confirm and validate the current enterprise risk model to gain additional insight around risk trending, key changes in the organization, and key initiatives • Aggregate and compile resulting information • Provide a graphical representation of enterprise risks on a risk heat map to prioritize areas of risk
	Select Focus Areas	<ul style="list-style-type: none"> • Evaluate the prioritized enterprise risks and management commentary to determine Internal Audit focus areas for fiscal year 2018 • Develop and define a preliminary listing of proposed Internal Audit projects to address the areas of focus
	Develop & Approve Audit Plan	<ul style="list-style-type: none"> • Establish high-level scoping statements and levels of effort for proposed projects • Finalize budget allotments and propose projects for Audit Committee approval • Finalize proposed timing for selected projects • Finalize Internal Audit plan and obtain Audit Committee approval

INTERVIEW LIST

The following twenty-two (22) individuals were interviewed to gather information to develop the fiscal year 2018 Internal Audit Plan:

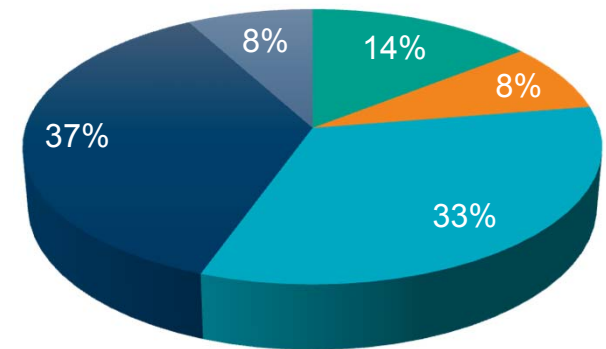
Name	Title	Name	Title
Mayor Buddy Dyer	Board Chairman	Joe Berenis	Chief of Infrastructure
Commissioner Fred Hawkins, Jr.	Board Vice-Chairman	Corey Quinn	Chief of Technology/Operations
Jay Madara	Board Treasurer	Lisa Lumbard	Chief Financial Officer
Commissioner Brenda Carey	Board Member	Michelle Maikisch	Chief of Staff/Public Affairs Officer
Andria Herr	Board Member	Joe Passiatore	General Counsel
Mayor Teresa Jacobs	Board Member	Linda Lanosa	Deputy General Counsel
Commissioner Sean Parks	Board Member	Joann Chizlett	Director of Special Projects
S. Michael Scheeringa	Board Member	David Wynne	Director of Toll Operations
Commissioner Jennifer Thompson	Board Member	Glenn Pressimone	Director of Engineering
Bruce McMenemy	Audit Committee Chairman	Michael Carlisle	Director of Accounting and Finance
Laura Kelley	Executive Director	Rafael Millan	Manager of Software Development

3 YEAR INTERNAL AUDIT PLAN

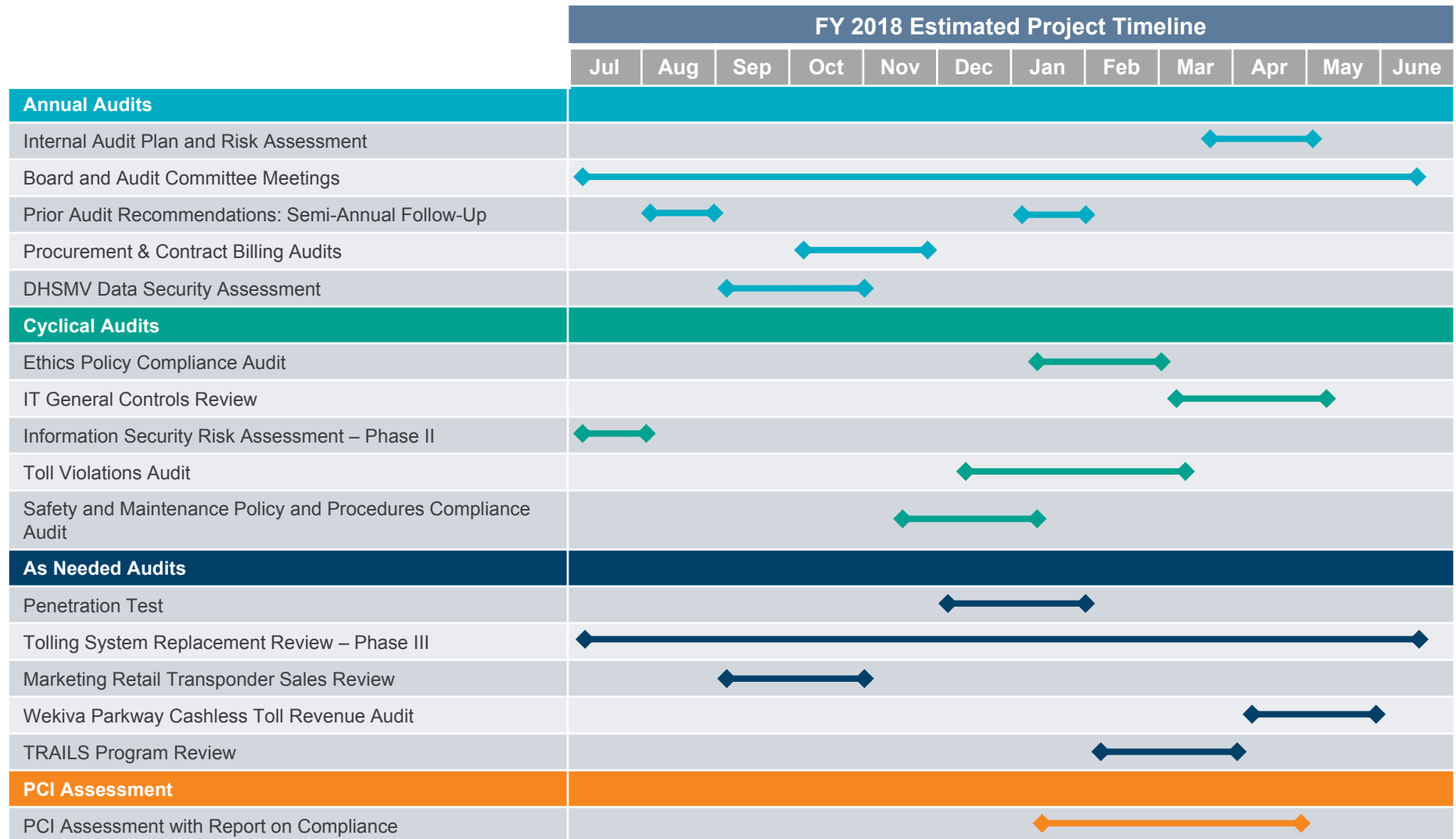
			Audit Plan Year		
Description	Frequency	Date Last Performed	2018	2019	2020
Annual Internal Audits					
Internal Audit Plan and Risk Assessment	Annual	2017	\$ 25,000	\$ 25,000	\$ 25,000
Board and Audit Committee Meetings	Annual	2017	\$ 15,000	\$ 15,000	\$ 15,000
Prior Year Recommendations: Semi-Annual Follow-up	Annual	2017	\$ 12,000	\$ 12,000	\$ 12,000
Procurement & Contract Billing Audits	Annual	2017	\$ 40,000	\$ 40,000	\$ 40,000
DHSMV Data Security Assessment	Annual	2017	\$ 25,000	\$ 25,000	\$ 25,000
Contingency for Special Projects	Annual	N/A	\$ 25,000	\$ 25,000	\$ 25,000
		Total	\$ 142,000	\$ 142,000	\$ 142,000
Cyclical Audits					
Ethics Policy Compliance Audit	3 Year Cycle	2015	\$ 35,000		
IT General Controls Review	3 Year Cycle	N/A	\$ 26,000		
Information Security Risk Assessment - Phase II	3 Year Cycle	2017 - Phase I	\$ 45,000		
Toll Violations Audit	5 Year Cycle	2012	\$ 40,000		
Safety and Maintenance Policy and Procedures Compliance Audit	5 Year Cycle	2014	\$ 35,000		
Toll Revenue Audit	3 Year Cycle	2016		X	
Sensitive Data / Data Management Review	5 Year Cycle	2014		X	
P-Card and Gas Card Audit	5 Year Cycle	N/A		X	
Customer Service Center Performance Assessment	3 Year Cycle	2017			X
Public Records Review	3 Year Cycle	2017			X
COSO 2013 Governance Review	5 Year Cycle	2015			X
Bond Financing Review	5 Year Cycle	2016			
Right of Way Audit	5 Year Cycle	2016			
Business Continuity Management Review	5 Year Cycle	2017			
Purchasing Spend Data Audit	5 Year Cycle	2017			
Accounting System Access and SOD Review	5 Year Cycle	2017			
Human Resources Process Review	5 Year Cycle	2017			
As Needed Audits					
Penetration Test	As Needed	N/A	\$ 46,000		
Tolling System Replacement Review - Phase III	As Needed	2017 - Phase II	\$ 40,000		
Marketing Retail Transponder Sales Review	As Needed	N/A	\$ 25,000		
Wekiva Parkway Cashless Toll Revenue Audit	As Needed	N/A	\$ 40,000		
TRAILS Program Review	As Needed	N/A	\$ 25,000		
Social Media Process Review	As Needed	N/A		X	
Customer Service Management and Lane Scheduling Review	As Needed	N/A		X	
ISO 27001 Information Security Review	As Needed	N/A		X	
IT Service Management Review	As Needed	N/A			X
		Grand Total	\$ 499,000		
PCI Assessment					
PCI Assessment with Report on Compliance	Annual	2017	\$ 65,000	\$ 65,000	\$ 65,000

FY 2018 INTERNAL AUDIT COVERAGE

Strategic & Governance	Budget Allocation	Frequency
<ul style="list-style-type: none"> Fiscal 2019 Internal Audit Plan and Risk Assessment Prior Audit Recommendations: Semi-Annual Follow-up Ethics Policy Compliance Audit 	\$25,000 \$12,000 \$35,000	Annual Annual 3 Year Cycle
Financial		
<ul style="list-style-type: none"> Procurement & Contract Billing Audits 	\$40,000	Annual
Operations		
<ul style="list-style-type: none"> Toll Violations Audit Safety and Maintenance Policy and Procedures Compliance Audit Marketing Retail Transponder Sales Review Wekiva Parkway Cashless Toll Revenue Audit TRAILS Program Review 	\$40,000 \$35,000 \$25,000 \$40,000 \$25,000	5 Year Cycle 5 Year Cycle As Needed As Needed As Needed
Information Technology		
<ul style="list-style-type: none"> DHSMV Data Security Assessment IT General Controls Review Information Security Risk Assessment – Phase II Penetration Test Tolling System Replacement Review – Phase III 	\$25,000 \$26,000 \$45,000 \$46,000 \$40,000	Annual 3 Year Cycle 3 Year Cycle As Needed As Needed
Other		
<ul style="list-style-type: none"> Board and Audit Committee Meetings Contingency for Special Projects Requests 	\$15,000 \$25,000	Annual Annual
Grand Total	\$499,000	



INTERNAL AUDIT TIMELINE



FY 2018 INTERNAL AUDIT PROJECT DESCRIPTIONS (1/4)

#	Project	Project Description	Risks	Estimated Cost
1	Internal Audit Plan and Risk Assessment (Annual)	We will conduct a risk assessment to highlight the Expressway Authority's current year risk profile, to identify risk trends, and to form the foundation for the fiscal year 2018/2019 Internal Audit Plan. In addition, we will conduct the annual review of the completeness of the fraud risk universe and annual refresh of the fraud risk assessment. The information and findings will be utilized to develop the 2018/2019 Internal Audit plan, with a focus on addressing opportunities identified during the risk assessment process.	Strategic Planning Fraud Governance	\$25,000
2	Board and Audit Committee Meetings (Annual)	Protiviti will attend Board meetings and prepare for and present at all Audit Committee meetings during fiscal year 2018. This includes document preparation time and preparation time with management and the Audit Committee in advance of meetings.	Governance	\$15,000
3	Prior Audit Recommendations: Semi-Annual Follow-up (Annual)	This work will focus on semi-annual follow-up on the status of all OPEN action plans from prior year audits. In addition, internal audit will consider re-auditing closed recommendations for selected areas from prior year audits as requested by management or the Audit Committee.	Governance	\$12,000
4	Procurement & Contract Billing Audits (Annual)	This audit will encompass a selection of 2 or 3 engineering, construction, maintenance, operations, or legal contracts on an annual, rotational basis, with the objective of verifying that internal controls are in place to ensure work performed for the Expressway Authority under large contracts has been billed in accordance with contractual terms and conditions. The work will include testing pricing and hours worked for accuracy and validity, testing invoice approvals, testing vendor compliance with other contractual obligations, using data analytics to identify high risk vendors and/or change orders, and trending key spend data and other data points for management review and consideration.	Contract Management Contract Performance Reporting Cost Containment Procurement and Vendor Selection	\$40,000
5	DHSMV Data Security Assessment (Annual)	The objective of this assessment is to review internal controls for gaps in design related to the requirements set forth in the DHSMV Drivers License or Motor Vehicle Record Data Exchange Memorandum of Understanding (MOU), Section V – Safeguarding Information.	Cyber Security Data Security	\$25,000
6	Ethics Policy Compliance Audit (Cyclical)	CFX has a formal ethics policy in place. Internal Audit will review the policy and (1) leverage leading practices to suggest additional areas for consideration to include in the policy and (2) review compliance with the policy, including the new provisions added as a result of Florida state legislation.	Ethical Compliance	\$35,000

FY 2018 INTERNAL AUDIT PROJECT DESCRIPTIONS (2/4)

#	Project	Project Description	Risks	Estimated Cost
7	IT General Controls Review (Cyclical)	This review will focus on the Expressway Authority's Information Systems area. To accomplish this, we will assess the policies and procedures that are utilized to support the business critical applications and systems at CFX. Our approach will be to focus on the IT General Computer Controls which include the following components: Change Management, Logical Security, Physical Security, Security Administration, IT Organization & Management.	IT Application Controls IT Infrastructure/ Business Continuity IT Change Management	\$26,000
8	Information Security Risk Assessment – Phase II (Cyclical)	Protiviti will conduct Phase II of the Information Security Risk Assessment. In Phase II, a risk value will be assigned to each asset identified in Phase I so that Management may prioritize in what order to address risks posed to them. This value is based on the likelihood and potential impact of threats posed to these assets, the vulnerabilities they have, and the safeguards surrounding them.	Cyber Security Data Security	\$45,000
9	Toll Violations Audit (Cyclical)	This audit will focus on reviewing the processes, policies, procedures, technology, and reporting in place around the violations process to verify the process is working as intended. Focus will be on enhancing the efficiencies around the process to review violations and to bill and collect violations revenue. Samples of deleted/voided unpaid toll notices will also be reviewed to verify there is sufficient justification for voiding.	Toll Violations Toll Collections IT Change Management Customer Satisfaction	\$40,000
10	Safety and Maintenance Policy and Procedures Compliance Audit (Cyclical)	The objective of this project will be to review the safety and maintenance policies and procedures in place, including any recent technological enhancements to safety within the system (e.g. new technology measures to help prevent wrong way driving), vendor management programs, and to test compliance with the safety and maintenance policies and procedures.	Maintenance and Safety	\$35,000
11	Penetration Test (One-Time)	Protiviti will assess the security of networks, devices, and servers as part of a penetration test. This test will be conducted from the Internet and from within the CFX network. This test will identify potential vulnerabilities posed by outdated software, missing patches, or insecure configurations. Attempts will then be made to exploit these vulnerabilities with manual techniques in attempt to gain access to critical systems or data.	Cyber Security Data Security	\$46,000

FY 2018 INTERNAL AUDIT PROJECT DESCRIPTIONS (3/4)

#	Project	Project Description	Risks	Estimated Cost
12	Tolling System Replacement Review – Phase III (One-Time)	CFX is in the process of replacing the toll plaza collection system. An access control review will be conducted on the Law Enforcement Notification System (“LENS”) component of this replacement. Additionally, network vulnerability scans may be conducted on systems that have completed Factory Acceptance Testing but have not been put into production. This will allow Internal Audit to identify potential vulnerabilities to systems prior to their deployment so they may be remediated.	IT Change Management Toll Collections	\$40,000
13	Marketing Retail Transponder Sales Review	Given new marketing initiatives, increases in new EPASS accounts, and additional channels for signing up new customers, the project will entail a review of the processes in place to market transponder sales, a review of the channels used to convert new accounts, and how CFX manages physical inventory and sales of transponders through the different channels (consignment versus purchase and sale).	Cost Containment Customer Satisfaction Public Relations	\$25,000
14	Wekiva Parkway Cashless Toll Revenue Audit (One-Time)	This audit will focus on reviewing the processes, policies, procedures, technology, monitoring, and reporting in place around the cashless tolling process on the Wekiva Parkway to verify the process is working as intended to monitor completeness and accuracy of revenue capture and prevent revenue leakage.	Toll Violations Toll Collections	\$40,000
15	TRAILS Program Review (One-Time)	This audit will encompass a review of the policies and procedures for the tolling reload lanes on the CFX system that sell transponders, handle a higher amounts of cash than the traditional lanes, process credit cards, and handle checks.	Cash Handling Customer Satisfaction	\$25,000

FY 2018 PCI ASSESSMENT (4/4)

#	Project	Project Description	Risks	Estimated Cost
17	PCI Assessment with Report on Compliance	This project will be to fully test the Expressway Authority's compliance with the PCI Data Security Standard, (PCI-DSS) version 3.2 and issue a Report on Compliance (ROC). The testing will cover all twelve sections of the PCI-DSS.	Cyber Security Data Security Public Relations	\$65,000

APPENDIX A

INTERNAL AUDIT CHARTER

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INTERNAL AUDIT CHARTER (1/6)

Central Florida Expressway Authority Fiscal 2018 Internal Audit Department Charter

*The fiscal 2018 Internal Audit charter has been updated to be consistent with the IIA's standard 2018 charter and to include recent IIA revisions effective January 1, 2017.

Mission & Purpose

The mission of internal audit is to provide the Expressway Authority Board with independent, objective assurance and consulting services designed to add value, improve the Expressway Authority's operations, and enhance transparency. The purpose of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight into whether the Expressway Authority resources are responsibly and effectively managed to achieve intended results. Internal audit helps the Expressway Authority accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Standards & Professionalism

Internal audit will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, internal audit will adhere to the Expressway Authority's relevant policies and procedures and internal audit's standard operating procedures manual. Internal audit will report periodically to senior management and the Board regarding conformance to the Code of Ethics and the Standards.

Authority

Internal audit is appointed by the Expressway Authority Board, and reports directly to them through the Audit Committee. The role of internal audit may be filled by an outside firm that provides internal audit services to the Expressway Authority on an outsourced basis. For administrative purposes, internal audit reports to the Office of the General Counsel. To establish, maintain, and assure that internal audit has sufficient authority to fulfill its duties, the Board will:

INTERNAL AUDIT CHARTER (2/6)

Authority (continued)

- Approve the internal audit charter.
- Approve the risk-based audit plan.
- Approve the internal audit budget and resource plan.
- Receive communications on internal audit performance relative to its plan and other matters.
- Make appropriate inquiries of management and internal audit to determine whether there is inappropriate scope or resource limitations.

Everything the Expressway Authority does is subject to assessment by internal audit. The Board authorizes internal audit to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subject, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized service from within or outside the organization, as approved by the Audit Committee.

Internal Audit Plan

At least annually, internal audit will submit to senior management and the Board an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal year. Internal audit will communicate the impact of resource limitations and significant interim changes to senior management and the Board.

The internal audit plan will be developed based on a prioritization of audit universe using a risk-based methodology, including input of senior management and the Board. Internal audit will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Any significant interim changes from the approved internal audit plan will be communicated to senior management and the Board through periodic activity reports.

INTERNAL AUDIT CHARTER (3/6)

Independence And Objectivity

Internal audit will remain free of all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If it is determined that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal audit will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises were made, and that they do not subordinate their judgment on audit matters to others.

To ensure independence, internal audit has no direct responsibility or any authority over any of the activities or operations of the Expressway Authority. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the Expressway Authority or its affiliates.
- Initiating or approving transactions external to the internal audit department.
- Directing the activities of any the Expressway Authority employee not employed by internal audit, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Internal audit will disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties. Internal audit will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal audit will make a balanced assessment of all the relevant circumstances and take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

Internal audit will confirm to the Board, at least annually, the organizational independence of internal audit. Internal audit will disclose to the Board any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

INTERNAL AUDIT CHARTER (4/6)

Scope

Management is responsible for establishing and maintaining risk management, control, and governance processes. The scope of work of internal audit encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the Expressway Authority. Internal audit assessments include determining whether management's processes are adequate and functioning in a manner to ensure:

- Risks relating to the achievement of the Expressway Authority's strategic objectives are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information and the means used to identify, measure, analyze, classify, and report such information are relevant, reliable and understandable.
- Employee, officer, director, and contractor actions comply with policies, standards, procedures, and applicable laws, regulations, and governance standards.
- Resources and assets are acquired economically, used efficiently, and adequately protected.
- Results of programs, plans, and operations consistent with established goals and objectives are achieved.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Expressway Authority.
- Quality and continuous improvement are fostered in control processes.
- Significant legislative or regulatory issues are recognized and addressed properly.
- Means of safeguarding assets are adequate and, as appropriate, existence of such assets can be verified.
- Organization's risk management processes are effective.
- Quality of performance of external auditors and the degree of coordination with internal audit are appropriate.
- Specific operations are evaluated at the request of the Board or management, as appropriate.

Internal audit also considers relying upon the work of other internal and external assurance and consulting service providers as needed. Internal audit may perform advisory and related client service activities, the nature and scope of which will be agreed with the Expressway Authority, provided the internal audit department does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

INTERNAL AUDIT CHARTER (5/6)

Responsibility

Internal audit's responsibility includes, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes:

- Ensuring each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Ensuring the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensuring internal audit collectively possesses or obtain the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensuring trends and emerging issues that could impact the Expressway Authority are considered and communicated to senior management and the Board as appropriate.
- Ensuring emerging trends and successful practices in internal auditing are considered.
- Establishing and ensuring adherence to policies and procedures designed to guide internal audit activities.
- Ensuring adherence to the Expressway Authority's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Board.
- Ensuring conformance of internal audit with the Standards, with the following qualifications:
 - If internal audit is prohibited by law or regulation from conformance with certain parts of the Standards, internal audit will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - If the Standards are used in conjunction with requirements issued by other authoritative bodies, internal audit will ensure conformance with the Standards, even if internal audit also conforms with the more restrictive requirements of other authoritative bodies.

INTERNAL AUDIT CHARTER (6/6)

Reporting And Monitoring

A written report will be prepared and issued by internal audit following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Board.

The internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter (i.e. within thirty days) by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

Internal audit will be responsible for appropriate follow-up on engagement findings and recommendations, and reporting periodically to senior management and the Board any corrective actions not effectively implemented. All significant findings will remain in an open issues file until cleared.

Internal audit will periodically report to senior management and the Board on internal audit's purpose, authority, and responsibility, as well as performance relative to its plan and conformance with the IIA's Code of Ethics. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Board. Results of audit engagements and other activities, resource requirements, and any response to risk by management that may be unacceptable to the Expressway Authority will also be communicated periodically to the Board.

Quality Assurance And Improvement Program

Internal audit will maintain a quality assurance and improvement program that covers all aspects of internal audit. The program will include an evaluation of internal audit's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal audit applies the Code of Ethics. The program also assesses the efficiency and effectiveness of internal audit and identifies opportunities for improvement.

APPENDIX B

ENTERPRISE RISK ASSESSMENT

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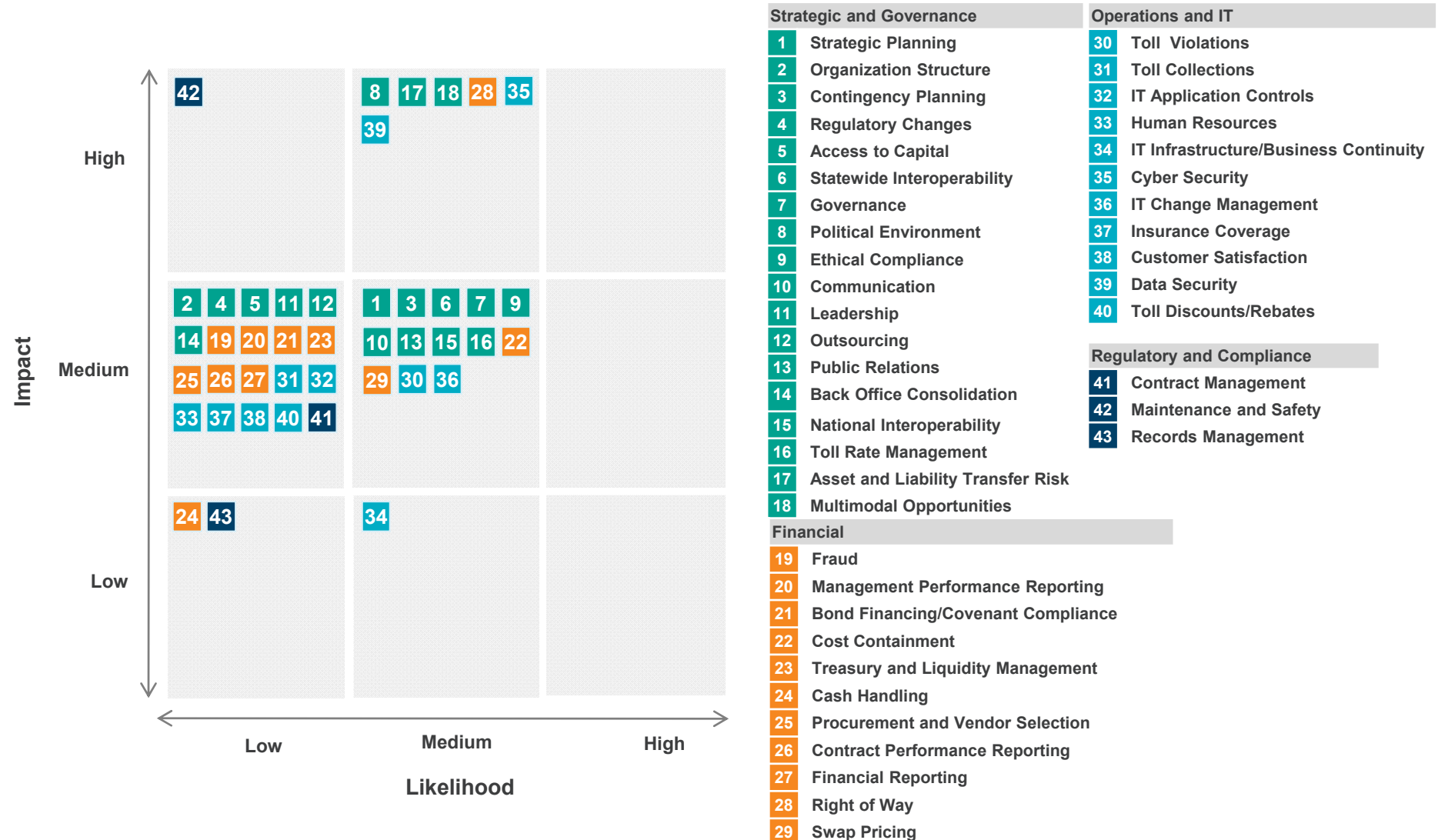
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ENTERPRISE RISK MODEL (AS OF MAY 2017)

 Strategic and Governance	1. Strategic Planning	7. Governance	13. Public Relations
	2. Organization Structure	8. Political Environment	14. Back Office Consolidation
	3. Contingency Planning	9. Ethical Compliance	15. National Interoperability
	4. Regulatory Changes	10. Communication	16. Toll Rate Management
	5. Access to Capital	11. Leadership	17. Asset and Liability Transfer Risk
	6. Statewide Interoperability	12. Outsourcing	18. Multimodal Opportunities*
 Financial	19. Fraud		25. Procurement and Vendor Selection
	20. Management Performance Reporting		26. Contract Performance Reporting
	21. Bond Financing/Covenant Compliance		27. Financial Reporting
	22. Cost Containment		28. Right of Way
	23. Treasury and Liquidity Management		29. Swap Pricing
	24. Cash Handling		
 Operations and IT	30. Toll Violations		36. IT Change Management
	31. Toll Collections		37. Insurance Coverage
	32. IT Application Controls		38. Customer Satisfaction
	33. Human Resources		39. Data Security
	34. IT Infrastructure/Business Continuity		40. Toll Discounts/Rebates
	35. Cyber Security		
 Regulatory and Compliance	41. Contract Management		43. Records Management
	42. Maintenance and Safety		

* Represents new risks added for FY 2018. **Bold** represents risks addressed by FY 2018 Internal Audit plan.

ENTERPRISE RISK MAP – RESIDUAL RISK



APPENDIX C

OTHER POTENTIAL AUDITS

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OTHER POTENTIAL AUDITS (1/4)

#	Project	Project Description	Risks	Estimated Cost
1	Toll Revenue Audit (Cyclical)	This audit will focus on cash toll collections and electronic tolling collections, with the objectives to review (1) controls exist to ensure revenue data captured at the point of origin is completely and accurately recorded to the financial statements, (2) physical safeguarding controls exist around cash (including the use of security and surveillance, data analytics, monitoring and reporting, and counts/other reconciling activities), (3) controls in place around processing revenue adjustments to customer accounts are operating according to policy, and (4) appropriate monitoring and measurements are in place to review toll revenue. Additionally, IT general controls around supporting systems and information technology will be reviewed.	Toll Collections Cash Handling	\$75,000
2	Sensitive Data/Data Management Review (Cyclical)	The objectives of the project will be to identify if sensitive data is inappropriately stored in locations on the CFX network - in violation of company policy and leading practices. In addition, we will perform a high-level evaluation of the controls over the sensitive data repositories that are identified (if applicable) to determine if potential gaps exist.	Cyber Security Data Security	\$40,000
3	P-Card and Gas Card Audit (Cyclical)	The objective of the project will be to review P-card and Gas procurement expenditures to verify purchases are adequately supported and are for valid business purposes.	Cost Containment Fraud	\$20,000
4	Customer Service Center Performance Assessment (Cyclical)	Protiviti subject matter experts will conduct an audit of the contact center to follow-up on audits conducted during prior fiscal years. The audit will involve a deep-dive review of progress toward the implementation of each prior audit recommendation as well as a comparison of the center's performance against benchmarks and other leading practices through a review of existing data, silent observations of calls and statistical analysis to extrapolate results.	Back Office Consolidation Cost Containment Customer Satisfaction Public Relations	\$48,000
5	Public Records Review (Cyclical)	This review will focus on the Expressway Authority's records management processes and policies to comply with public records laws. Data retention surrounding electronic communications via email, mobile, and voice mail will also be reviewed to identify the technology needed to assist with capturing and retaining data from such communication. Additionally, we will review documentation retention schedules specific to document classification (different types must be kept for a different lengths of time) for consistency with rules established by the Florida Secretary of State.	Records Management	\$30,000

OTHER POTENTIAL AUDITS (2/4)

#	Project	Project Description	Risks	Estimated Cost
6	COSO 2013 Governance Review (Cyclical)	This audit will involve an evaluation of the Expressway Authority's governance procedures and internal controls leveraging the COSO2013 internal control framework and the new COSO ERM framework.	Governance Ethical Compliance	\$25,000
7	Bond Financing Review (Cyclical)	CFX has \$2.8B of bonds issued and outstanding with varying terms. As part of this project, we will perform a risk assessment of the financing process, a review of the policies (including policies to procure the financial advisor, underwriter, attorneys, and others involved in the financing process), and a review of the process to structure financing deals and manage existing portfolio risk. This project may also include a review of the process to monitor bond covenant compliance.	Bond Financing/Covenant Compliance	\$40,000
8	Right of Way Audit (Cyclical)	This audit will include a review of the processes and procedures in place to manage Right of Way land acquisitions and may include a review of legal counsel responsibilities, involvement of the ROW Committee, and internal controls around managing legal counsel and other third party costs and overall purchase price. The review may include a trending analysis of appraised cost values for recent purchases and a review of outliers.	Cost Containment Public Relations Records Management	\$30,000
9	Business Continuity Management Review (Cyclical)	This review will focus on how CFX manages Business Continuity, including IT Disaster Recovery plans and Crisis Management. The review will include an assessment of the documented plans as well as the foundational efforts that were performed to create them (such as a Business Impact Analysis).	Business Continuity	\$32,000
10	Purchasing Spend Data Audit (Cyclical)	This review will focus on a 100% interrogation of spending data over a three to five year history to identify opportunities for recovery such as vendor overpayments, unused vendor credits, etc. We will use proprietary tools to review the Expressway Authority's detailed spend data for areas of leakage and audit against contracts and other available information as red flags are identified. As a side benefit to any actual recoveries, we will also focus on identifying potential frauds, root causes and process improvement opportunities.	Cost Containment Fraud Procurement and Vendor Selection	\$35,000

OTHER POTENTIAL AUDITS (3/4)

#	Project	Project Description	Risks	Estimated Cost
11	Accounting System Access and Segregation of Duties Review (Cyclical)	The financial close and related accounting processes will be reviewed for appropriate segregation of duties among CFX personnel. Protiviti-developed tools will be leveraged to verify segregation for each key accounting cycle around the following: Physical custody of assets, adjustments to accounting records, approvals of accounting transactions, and review responsibilities. In addition, we will also review access rights within the Eden financial package to verify system access restrictions appropriately support segregation of duties and to identify segregation of duties conflicts within the system. We will recommend compensating monitoring controls to the extent necessary.	Financial Reporting Fraud	\$25,000
12	Human Resources Process Review (Cyclical)	During the Human Resource Process review, we will evaluate the Human Resource process, policies, procedures and related internal controls. The review may include recruiting and hiring; training; performance evaluations; performance, reward, and recognition; and employee terminations. The HR process and controls will be reviewed for compliance with policies and comparison to leading HR practices. Lastly, the succession planning strategy may be reviewed and compared to leading practices.	Human Resources Succession Planning	\$25,000
13	Social Media Process Review (One-Time)	This audit will encompass a review of the policies and procedures surrounding CFX social media use and communication, and comparing those policies and procedures to other business of similar complexity. The following areas will be reviewed: Develop and Communicate Strategy, Sustain Leadership, Promote Culture, Manage Community, Refresh Content and Programming, Enforce Policies and Governance, Deploy Tools, Measure and Report.	Public Relations Communication	\$30,000
14	Customer Service Management and Lane Scheduling Review (One-Time)	This project will entail a review of the process and technology in place to manage the scheduling of toll collectors on the system, lane management, and use of traffic studies to drive scheduling by URS/AECOM in relation to customer service impact.	Customer Satisfaction	\$40,000
15	ISO 27001 Information Security Review (One-Time)	This review will compare the Expressway Authority's information security practices and procedures to the ISO 27001 framework. This framework is widely recognized as the benchmark for assessing/creating overall information security programs.	Cyber Security Data Security	\$45,000

OTHER POTENTIAL AUDITS (4/4)

#	Project	Project Description	Risks	Estimated Cost
16	IT Service Management Review (One-Time)	This review will focus on IT operational effectiveness and entail the following: (1) Processes for receiving, responding to and prioritizing requests for work; (2) Program and project management procedures and governance entities; (3) Review of overall roles and responsibilities for alignment with technology strategy and business objectives; (4) Review of IT service management procedures (potentially using ITIL); (5) Analyze the procedures for communication and transparency of IT projects and effectiveness; (6) Compare with leading practices, evaluate maturity, and provide specific recommendations for effectiveness/efficiency.	IT Infrastructure IT Applications Strategic Planning Communication	\$50,000

Face the Future with Confidence

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V. D. Approval for Travel Expenses

No backup provided at this time

V. E. Approval of Change Order to PCI Contract

No backup provided at this time

V. F. Annual Confirmation of No Disagreements with Management

No backup provided at this time.

VI. Annual Management Reviews on Internal Control Matters

- A. Effectiveness of the Internal Control System, Including IT Security and Control
- B. Process for Assessing, Monitoring and Controlling Significant Risks
- C. System for Monitoring Compliance with Laws and Regulations
- D. Adequacy, Administration and Compliance with the Authority's Code of Ethics
- E. Procedures for "Hotline" Reporting

No backup provided at this time.

VII. Annual Discussion Regarding Internal Audit Performance and Effectiveness

No backup provided at this time.

VIII. Annual Discussion Regarding Audit Committee and Individual Member Performance

No backup provided at this time.

Central Florida Expressway

Audit Committee Charter Responsibilities Matrix - Fiscal Year 2017

For Audit Committee as of June 22, 2017

Financial Reporting Oversight

Review with Management and the external auditors:

Number	Responsibility	Completion Date
1a	The annual financial statement and related footnotes	Dec-16
1b	The external auditors' audit of the financial statements and their report	Dec-16
1c	Managements' representations and responsibilities for the financial statements	Dec-16
1d	Any significant changes required in the audit plan	Dec-16
1e	Information from the external auditors regarding their independence	Dec-16
1f	Any difficulties or disputes with Management encountered during the audit	Dec-16
1g	The organization's accounting principles	Dec-16
1h	All matters required to be communicated to the Committee under generally accepted auditing standards	Dec-16
2	Review with Management, the Authority's financial performance on a regular basis	Dec-16

Internal Control and Risk Assessment

3	Review with Management the effectiveness of the internal control system, including IT security and control	Jun-17
4	Review with Management the effectiveness of the process for assessing significant risks or exposures and the steps Management has taken to monitor and control such risks	Jun-17
5	Review any significant findings and recommendations of the Internal Auditor and external auditors together with Management's responses, including the timetable for implementation of recommendations to correct any weaknesses	External Auditors - Dec-16. Internal auditors - various

Compliance

6	Review with Management the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance	Jun-17
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Code of Ethics

7	Review with Management and monitor adequacy, administration, and compliance with the Authority's Code of Ethics	Jun-17
8	Review the procedures for the anonymous and confidential submission of complaints and concerns regarding matters such as accounting, internal controls, auditing, waste, abuse, fraud, conflicts of interest, or other Code of Ethics violations	Jun-17

Internal Audit

9	Recommend to the Board the appointment or removal of the Internal Audit Director	Mar-17
10	Review and approve the annual internal audit plan and all major changes to the plan	Jun-17
11	Review the internal audit budget and submit to the Finance Committee	Mar-17
12	Review and approve the Internal Audit Department Charter	Jun-17
13	Review internal audit reports and recommend transmittal and acceptance of the audit for filing with the governing Board which shall be accomplished by separate item on the Consent Agenda at a regularly scheduled meeting	Various
14	Review annually the performance of the Internal Audit Director	Jun-17
15	Review annually the effectiveness of the internal audit function	Jun-17

External Audit

16	Appoint an Audit Committee Member to serve on the Selection Committee for all external audit services	As Needed
17	Recommend to the Authority Board the external auditors to be appointed and their related compensation	Dec-16
18	Review and approve the discharge of the external auditors	As Needed
19	Review the scope and approach of the annual audit with external auditors	Dec-16

20	Approve all non-audit services provided by the external auditors	As Needed
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Other Authority and Responsibilities

21	Conduct other activities as requested by the Authority Board	As Needed
22	Conduct or authorize investigations into any matter within the Committee's scope of responsibilities	As Needed
23	Address any disagreements between Management and the Internal Auditor or external auditors	As Needed
24	Annually evaluate the Committee's and individual member's performance	Jun-17
25	Review the Committee's formal Charter annually and update as needed	Dec-16
26	Confirm annually that all responsibilities outlined in this Charter have been carried out	Jun-17

Audit Committee Composition and Chairman Selection

27	The Audit Committee shall be composed of five voting members from Orange County, the City of Orlando, Lake County, Osceola County, and Seminole County and up to three (3) citizen representatives with appointment terms of 2 years	As Needed
28	The Audit Committee will be chaired on an annual, rotating basis beginning on September 11, 2014 in the following order: Orange County Representative City of Orlando Representative Seminole County Representative Osceola County Representative One Citizen Representative Lake County Representative	Sep-16

X. Annual Rotation of the Audit Committee Chair

No backup provided at this time.