

Executive Summary
Recommendations Summary
2010 Ethics Audit
2010 Contracts Audit
2012 Right of Way Audit
2012 Toll Violations Audit
2013 Contracts Audit
2013 Toll Revenue Audit
2014 Contracts Audit



Prior Audit Recommendations Follow-Up January 24, 2013

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Executive Summary

As part of the Fiscal Year 2014 Internal Audit plan, Internal Audit (IA) performed a review of open audit recommendations from prior audit reports to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:

- 2010 Ethics Audit
- 2010 Contracts Audit
- 2012 Right of Way Audit
- 2012 Toll Violation Audit
- 2013 Contracts Audit
- 2013 Toll Revenue Audit
- 2014 Contracts Audit

Internal Audit last reviewed the status of open audit recommendations in August 2013. Results were reported to the Audit Committee at that time.

This review was completed on January 24, 2014, and consisted of meetings with management to determine the status of open audit recommendations and performing testing of management's response, status, and explanation for all recommendations deemed "Completed" or "In Process." If a recommendation was noted "Not Done," no testing was performed by Internal Audit. In addition, only those recommendations that remained open at the time of the last review have been included in this report. If a recommendation was completed as of August 26, 2013, no further work was performed and the recommendation was not included for review in this report.

Testing performed included inquiry with the employees responsible for completing the recommendations and obtaining documentation evidence to confirm management's reported status and explanation. In instances where the evidence obtained did not agree with management's status, discussions with management were held and the differences were resolved.

There were no instances where management and Protiviti did not come to an agreement on the status of a recommendation.

Recommendations Summary

Audit	Open as of August 26, 2013	New Recommendations	Completed Since August 26, 2013	In Process / Not Done as of January 24, 2014*	Past Due
2010 Ethics Audit	1	0	0	1	1
2010 Contracts Audit	1	0	0	1	1
2012 Right of Way Audit	1	0	0	1	1
2012 Toll Violations Audit	2	0	1	1	1
2013 Contracts Audit	1	0	0	1	1
2013 Toll Revenue Audit	2	0	1	1	0
2014 Contracts Audit	0	2	1	1	0
Total	8	2	3	7	5

* 7 recommendations are classified as "In Process." 5 of the open recommendations are "Past Due."

**Ethics Audit
June 2010 Recommendations
Status of Recommendations**

Internal Audit Recommendation	Management Response	Management Status at January 24, 2014	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
<p>5. Mission, Vision, and Core Values The existing vision and mission statements of the Authority do not reference ethics, core values or integrity to help make ethical values and standards integral to all company operations and planning. Ethical standards should be integral to the organization and not simply an "add on" to be considered after important decisions have been made.</p>	Concur	In Progress (Past Due)	<p>The Authority has done many things to improve the ethical standards of the organization. The Ethics Policy has been strengthened by the Board in the past two years and has been added to the Authority's web site. Board members and staff receive regular ethics training in accordance with the Ethics Policy and a hotline has been set up so that anyone can anonymously report an ethics violation. All non-payroll checks are posted to the Authority's website. Ethics standards are an integral part of the organization.</p> <p>The Board will consider ethics references in the vision and mission statements through the master plan development process over the next twelve months.</p>	<p>Per discussion with Lisa Lombard, the ethics recommendation is expected to be addressed in the master plan update, but the update has been postponed. There is currently a pending bill in the Florida Legislature that would change OOCEA into the Central Florida Expressway Authority, expanding into 2 additional counties. This would also expand the Board of Directors from its current size to an 11 member board. This legislation is expected to be passed and therefore, the development of the master plan has been postponed until it is determined whether or not a new entity will form.</p>	<p>Original: 8/31/10 Revised: 7/31/12 Revised: 12/31/13 Revised: 12/31/14</p>	Concur

**Contracts Audit
January 2011 Recommendations
Status of Recommendations**

Internal Audit Recommendation	Management Response	Management Status at January 24, 2014	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
<p>7. b) The Authority should utilize CSC Manager and CSC Supervisor passwords, rather than PINs, to approve adjustment transactions in TRIMS (passwords are required to be changed on a regular basis by the system).</p>	Concur	b) In Progress (Past Due)	<p>b) The change to a password based approval key would be a fairly significant change to the existing system. The current system is currently being reviewed for back office consolidation with Florida's other toll agencies. Making these changes now may be waste of valuable IT resources if the current system were to be disposed of in the near term. The Authority will make this requirement a part of the back office consolidation effort currently underway.</p>	<p>Per discussion with Joann Chizlett, Director of IT, this change to a password based approval key will be part of the Centralized Customer Service System (CCSS) project. As part of the CCSS project, the TRIMS system will be eliminated and a new system will be introduced. This recommendation will be incorporated into the new system.</p> <p>Per discussion with Lisa Lombard, the CCSS project is currently in the procurement stage. A contractor is expected to be selected by 7/1/14; however, the project is not expected to go live until 10/1/15. As a result, this recommendation has not been fully implemented and is pending the completion of the CCSS project.</p>	<p>Original: 12/31/2013</p> <p>Revised: 12/31/2015</p>	Concur

Right of Way Audit
February 2012 Recommendations
Status of Recommendations

Internal Audit Recommendation	Management Response	Management Status at January 24, 2014	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
<p>1. Recordkeeping: Completeness and Retention: (A) Management should update the policy to accurately reflect a comprehensive list of all documentation that management believes should be maintained onsite. Additionally, checklists should be created and continually updated to help management verify completeness of records and files for each acquired parcel within a given project. (B) Management should determine an appropriate timeline after a parcel case is closed by which to receive (or request if applicable) all pertinent case documents from external legal counsel. (C) The file custodian should create a complete master listing of all parcels to be acquired as determined at the beginning of a new construction project. This master list should be updated to reflect any files closed during the project that did not culminate in an acquisition and be described by a related closing memo.</p>	Concur	In Progress (Past Due)	<p>Completeness of files and timeliness of receipt is an important part of Chapter 119 compliance. Consistency of record keeping is also important to ensure that the public and the Authority have access to key information related to property acquisition.</p> <p>Management will update the Property Acquisition and Disposition Procedures manual to reflect the desired list of documentation and the timeframe for provision of the same. Management will work with outside counsel to create appropriate checklists and incorporate them into the files. Management will review the current purpose and usage of the electronic database and determine if any changes are warranted.</p>	<p>Per discussion with Joe Passiatore, on 12/6/2013, the Right of Way committee approved the changes to OOCEA's Property Acquisitions & Disposition Procedures Manual regarding parcel files. Additionally, the changes were approved by the Board on 12/12/13.</p> <p>Internal Audit obtained a copy of the 12/12/13 Board minutes and verified through inspection that the updates were approved in Consent Agenda item #14. Additionally, Internal Audit obtained the updated Property Acquisition and Disposition Procedures manual prepared by outside council (Winderweedle, Haines Ward & Woodman). Internal Audit verified through inspection that the updates to the manual incorporated the development of a desired list of documentation to be maintained by OOCEA for each parcel and identified on 1 of the following 3 checklists: 1) Real Estate Acquisition Closing Binder Checklist for Non-Litigation Parcels; 2) Real Estate Acquisition Closing Binder Checklist for Litigation Parcels; and 3) Real Estate Acquisition Closing Binder Checklist for Surplus Parcels.</p> <p>These checklists are to be included in the files to help management verify completeness of records for each acquired parcel within a given project. The checklists are to be reviewed by OOCEA staff on a regular basis to maintain complete parcel records. Per discussion with Pam Bentley, the Atkins contractor responsible for maintaining parcel documentation, she is aware of the new procedure around the inclusion of checklists but has not implemented the use of the checklist.</p> <p>Also included in the updated manual is a timeline for the provision of the parcel documentation by the external council. Per the manual, the Right of Way Legal Counsel shall deliver the complete parcel file to the OOCEA Records Custodian no later than 6 months from the date of final parcel activity. This deadline may only be extended upon written request to the General Counsel's office.</p>	<p>Original: 6/30/12</p> <p>Revised: 1/1/13</p> <p>Revised: 6/30/13</p> <p>Revised: 1/1/14</p> <p>Revised: Pending</p>	Concur

**Toll Violations Audit
March 2012 Recommendations
Status of Recommendations**

Internal Audit Recommendation	Management Response	Management Status at January 24, 2014	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
<p>4. Management should work with the court system to agree on a record keeping method and timely notification system to provide the Authority with information regarding their toll violators which have made payments through the court system. Until a process is established between the Authority and court system, management should consider maintaining an up to date tracking system of all outstanding UTCs that have gone to the court and update it as soon as the Authority becomes aware that a decision has been reached at the court level.</p>	Concur	Complete	<p>The Authority will continue as it has in the past to work with the clerk of the court to obtain the needed information and will also attempt to create a manual tracking process in the event an electronic process cannot be accomplished as it would require assistance from the clerk of the court office. Consideration of the current level of progress on the state wide back office consolidation should also be taken into account before moving forward.</p> <p>Director of Toll Operations will facilitate a meeting with the Clerk of Court to determine if we can get the needed information. If the needed information can be obtained then we will discuss implementing system changes required to facilitate this process with IT.</p>	<p>Per discussion with Dave Wynne, Director of Toll Operations, the Clerk of Court data that is submitted to the Authority regarding UTC payments includes customer information and payment status. The Authority's IT department was able to implement system changes which gave the Authority the ability to merge the data files received from the Clerk of Court into TRIMS. This implementation greatly enhanced the Authority's ability to track the payment status of toll violators which have made payments through the court system. Audit obtained documentation from the Authority's IT department and verified through inspection that this system change went into effect on 11/25/13.</p>	<p style="text-align: center;">Original: 3/1/2013 Revised: 1/1/14</p>	Concur
<p>6. Process Improvement: Management should determine if it is cost beneficial and within the business objectives of the Authority to turn over delinquent violators to a collection agency. The Authority should consider if the UTC is outstanding with the court. Additionally, the Authority should implement a policy containing a time and dollar threshold of how long a UTN or UTC violator should be outstanding before the Authority pursues collections, as well as, a dollar amount the UTN or UTC must reach prior to sending it to collections.</p>	Concur	In Progress (Past Due)	<p>The Authority will investigate enhancing its collection efforts on unpaid tolls to determine if it is cost beneficial and in the best interest of the Authority.</p> <p>Director of Toll Operations will facilitate a review of potential revenue to be collected, possible collection rates, industry practices, legal ramifications and consideration of community perception.</p>	<p>Per discussion with Dave Wynne, Director of Toll Operations, a Louthan Consulting was hired by the Authority to report on industry debt collection practices. Internal Audit obtained a copy of the consultant's report and verified through inspection that it included commentary on industry debt collection practices. After thorough review of the consultant's report, the Authority determined that it was proficient at collecting its debt when compared to industry standards.</p> <p>Additionally, per David Wynne, the CCSS program is expected to go live in October 2015 and will include debt collection policies and procedures. Therefore, it would not be prudent to take steps towards facilitating a review and updating Authority policies at this time.</p>	<p style="text-align: center;">Original: 1/1/13 Revised: 3/31/13 Revised: 1/1/14 Revised: 12/31/15</p>	Concur

**Contracts Audit
November 2012 Recommendations
Status of Recommendations**

Internal Audit Recommendation	Management Response	Management Status at January 24, 2014	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
<p>1. A standard Project Rate/Sub-consultant Change Form should be established by the Authority. Consultants should utilize the form to submit rate and employee changes to the Authority for review and approval before changes to the rate schedule are incorporated in the billings. The standard change form should be used to create a master rate schedule to track updates to the project wage rates. The master rate schedule should be included as an attribute in the monthly checklist being recommended in Observation #6 and be kept in the project file to ensure that the most current information is accessible to the personnel performing the detailed review of the invoices prior to payment approval.</p> <p>The Authority should investigate options to include contract terms and conditions in their standard contract language (e.g. right to withhold payment without proper supporting documentation) to ensure invoices are properly supported.</p> <p>The Authority should also consider whether the itemized wage rate requirement is warranted. Setting wage rates based on job classifications instead of individual employees may increase the efficiency of the invoice review process.</p> <p>The Authority should consider performing a detailed review of the RS&H consultant billings, to determine what amount, if any, is due to or from the consultants as a result of the discrepancies in the billings. This would require the Authority to obtain detailed support for all billings submitted by the consultant and sub consultants for the project.</p>	Concur	In Progress (Past Due)	<p>The Authority will create a standard consultant change form and require consultants to submit wage modifications request through the form. The Authority must approve all wage modifications before changes are included in monthly billings. The Contract Support Specialist will update the rate schedule with the approved wage rate changes and create a master rate schedule.</p> <p>The Authority will evaluate the current invoice support requirement and determine if establishing wage rates based on job classification is appropriate.</p>	<p>Per inquiry with Glenn Pressimone, Director of Engineering, the wage rate approval process has been implemented and consultant invoices are now reviewed for accuracy, acceptable wage rates, and contractual compliance by Jeannie Perez, Contract Support Specialist.</p> <p>Per discussion with Jeannie Perez, Contract Support Specialist, a project change form was created in the form of the Request for Addition or Promotion that must be submitted to the Authority for review and approval. The Authority maintains the original wage rate list included in the executed contract and any modifications to wage rates must be submitted through the Request for Addition or Promotion. Internal Audit obtained the Request for Addition or Promotion template and verified its existence.</p> <p>Additionally, per discussion with Jeannie Perez, Contract Support Specialist, Glenn Pressimone performed a detailed review of the RS&H consultant billings to determine if there were any amounts due to or from RS&H relating to this project. Audit obtained an invoice discrepancy analysis dated 2/18/2013 and noted a total overpayment of \$9,625.87.</p> <p>The Authority is still investigating the option of determining wage rates based on job classification.</p>	<p>Original: 1/31/2013</p> <p>Revised: 3/31/2014</p>	Concur

**Toll Revenue Audit
March 2013 Recommendations
Status of Recommendations**

Internal Audit Recommendation	Management Response	Management Status at January 24, 2014	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
<p>4. Every Monday, the third party vendor that manages the EPASS Service Center verifies that the Eligibility Permit Letter is on file for all newly issued handicap non-revenue transponders. As the exception identified by Internal Audit during testing relates to an older non-revenue account, the Authority should perform a review of all non-revenue accounts opened prior to fiscal year 2008, before the weekly review began, to verify that customer Eligibility Permit Letters are on file and that there is no additional revenue leakage.</p>	Concur	Complete	<p>The Authority will continue to have its third party vendor verify that the Eligibility Permit Letter is on file for all newly issued handicap non-revenue transponders on a weekly basis, every Monday. In addition the Authority will begin a full review of all the handicapped non-revenue accounts starting with the older accounts first and working to the current date. This review will be completed no later than October 1, 2013. The exception to this item may be in the event that the existing E-PASS accounts are transferred to the Florida Turnpike Enterprise's SunPass program before the aforementioned date. These reviews will be completed by the Authority's Toll Operations & Quality Control Specialist. In the future, if the Authority continues to maintain private non-revenue accounts, Eligibility Permit Letters will be reviewed every two years.</p>	<p>Per discussion with Fred Nieves, Toll Operations Manager, the Authority continues to have its third party vendors verify that the Eligibility Permit Letter is on file for all newly issued handicap non-revenue transponders on a weekly basis, every Monday.</p> <p>Additionally, a full review of all handicap non-revenue accounts was conducted by the Authority's Toll Operations & Quality Control Specialist. A list of all handicap non-revenue accounts was generated and reviewed by the toll operations department. The list was then provided to Xerox ACS, the back office service provider, to verify if Eligibility Permit Letters were on file for each non-revenue account. Any account without an Eligibility Permit Letter on file was given a timeframe to obtain the necessary documentation. If the documentation was not received within the allotted timeframe, the account was closed. Internal Audit obtained a copy of the audit findings for the review of handicap non-revenue accounts and verified through inspection that it was thorough and reasonable.</p> <p>Per discussion with Dave Wynne, Director of Toll Operations, this recommendation will be a function in the planned Toll System Replacement (TSR) project. The RFP is currently being prepared by the Authority.</p>	10/1/13	Concur
<p>6. a) The Authority should weigh the cost and the associated annual benefit of approximately \$3,400 to determine if it would be beneficial to require the third party contractor to reference the Detailed Audit Report for all proposed audit adjustments that would reduce expected toll revenue. The Detailed Audit Report should be included in the daily audit packets as evidence of the review. b) The Authority should also consider automating certain aspects of the Attendant's Shift Record log by intergrading the unusual occurrence, violations, and insufficient fund transactions within the MLT system. This would reduce the subjectivity of the FTS auditor's interpretation of the manual ASR log.</p>	Concur	In Progress	<p>a) The Authority determined that cost outweighs the benefit of this recommendation. b) The Authority currently has this recommendation as a function in the planned Toll System Replacement project that is currently ongoing at this time. The Authority would expect to have the new system in place and operating by July 1, 2015</p>	<p>Per discussion with Dave Wynne, Director of Toll Operations, this recommendation will be implemented as a function in the planned Toll System Replacement (TSR) project. The RFP is currently being prepared by the Authority.</p>	7/1/15	Concur

**Contracts Audit
October 2013 Recommendations
Status of Recommendations**

Internal Audit Recommendation	Management Response	Management Status at January 24, 2014	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
<p>1. The Authority should consider whether the opportunity exists to tighten the scope of services as defined under the current GEC contract.</p> <p>Also, it is recommended that subcontracts over \$25K to be awarded under the GEC contract be reviewed and approved by the Executive Director to determine if the work should be procured through a competitive bidding process.</p>	Concur	Complete	<p>The GEC has not reached their MWBE participation target of 3.7% over the life of the contract. The Authority has been strongly encouraging additional MWBE participation for over two years, which led to more MWBE subcontractors under this prime. The contract terms state that subconsultant costs will be based on actual costs of the subconsultant directly chargeable to the project and supported by invoices.</p> <p>The Authority will request approval from the Executive Director for subcontracts over \$25,000 in the future in accordance with the internal auditor's recommendation.</p>	<p>Per discussion with Claude Miller, Director of Procurement, the Authority currently requires Board approval for any subcontracts over \$25,000. In addition, the Authority has implemented a new procedure requiring the Executive Director to review the subcontract under the GEC contract to determine if the work should be procured through a competitive bidding process or if the categorization as a subconsultant is appropriate. To date, no additional subcontracts over \$25,000 have been added to the GEC Contract.</p>	6/30/14	Concur
<p>2. The Authority should discuss with FTS the best way to be reimbursed for the possible impact of the billing errors that may have occurred prior to the implementation of the new timekeeping system.</p> <p>Also, to better enable the Authority staff to identify vendor billing errors or inaccuracies before making payments, the Authority should consider implementing a procedure that requires personnel reviewing vendor invoices for payment periodically request underlying support for the billings from the vendors.</p>	Concur	In Progress	<p>The Authority will ask FTS to conduct a reconciliation of invoices and supporting documentation for the period prior to the new timekeeping system to determine if any additional compensation is due to either party for over or under billings. The Authority will also request supporting documentation for billings occasionally in accordance with the Internal Auditor's recommendation.</p>	<p>Per discussion with Dave Wynne, Director of Toll Operations, the Authority will begin negotiations with FTS regarding the recovery of the compensation identified in the audit findings.</p> <p>Additionally, the Authority plans to periodically review FTS billings per the recommendation by reconciling the invoices to the support provided by FTS. The decision to perform these reviews internally or externally is still pending.</p>	6/30/14	Concur