

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

MINUTES CENTRAL FLORIDA EXPRESSWAY AUTHORITY AUDIT COMMITTEE MEETING June 23, 2016

Committee Members Present:

Brian Battles, City of Orlando Representative, Chairman
Kristy Mullane, Lake County Representative
Kaye Dover, Osceola County Representative
Tamrin Mahon, Citizen Representative
Eric Gassman, Orange County Representative

Committee Member Not Present:

Bruce McMenemy, Seminole County Representative

Also Present:

Ruth Valentin, Recording Secretary/Office Coordinator
Laura Kelley, Executive Director
Linda Lanosa, Deputy General Counsel
Lisa Lumbard, Chief Financial Officer
Corey Quinn, Chief of Technology/ Operations
Jeff Tecau, Protiviti
David Taylor, Protiviti
Chris Porter, Protiviti

1. CALL TO ORDER

The meeting was called to order at 10:00 a.m. by Chairman Brian Battles.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF MINUTES

A motion was made by Ms. Dover and seconded by Ms. Mullane to accept the April 27, 2016 Audit Committee minutes as presented. The motion carried unanimously with five members voting AYE by voice vote; Mr. McMenemy was not present.

4. INTERNAL AUDIT MATTERS

Status of Fiscal 2016 Internal Audit Plan

Jeff Tecau presented the status of the Fiscal Year 2016 Internal Audit Plan.

Review and Acceptance of 2015 PCI Assessment with Report on Compliance

David Taylor presented the 2015 PCI Assessment with Report on Compliance for review and acceptance. (Presentation attached as Exhibit "A")

A motion was made by Mr. Gassman and seconded by Ms. Mullane to accept the PCI Assessment with Report on Compliance. The motion carried unanimously with five members voting AYE by voice vote; Mr. McMenemy was not present.

Confirmation of No Disagreements with Management

Jeff Tecau informed the Audit Committee members that Protiviti had no disagreements with management for Fiscal Year 2016.

5. ANNUAL MANAGEMENT REVIEWS OF INTERNAL CONTROL MATTERS

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

- All policies are approved by the Board and procedures are approved by the Executive Director. They are reviewed every two years to be updated as necessary.
- CFX has open communication with internal and external auditors that help ensure internal controls.

Process for Assessing, Monitoring and Controlling Significant Risks- Lisa Lombard spoke regarding the process for assessing, monitoring and controlling significant risks.

- Protiviti completes an Annual Risk Assessment to gather opinions on risks that Board members and staff believe CFX may have.
- Employees can contact the hotline for anything that needs to be addressed.

System for Monitoring Compliance with Laws and Regulations- Linda spoke in regards to monitoring compliance.

- Two attorneys in house
- They attend all management meetings and all Board and Committee meetings
- They are available as needed with an open door policy
- Contracts are reviewed and approved by legal
- They monitor or defend or prosecute all litigation

- They review policies, rules, and procedures
- All necessary filing and disclosure are coordinated with outside counsel
- No action suits, proceedings, or investigations are pending or threatened against CFX that would impact our obligations, and we proceed no notice of default
- Implemented self-training on public records act and sunshine laws annually

Adequacy, Administration and Compliance with the Authority's Code of Ethics-Linda Lanosa spoke regarding effectiveness of the system for monitoring compliance with the ethics code.

- Automated system for tracking disclosure forms
- Hotline- No reports
- Financial Disclosure forms due July 1, 2016
- Voting conflicts are reviewed internally

Procedures for "Hotline" Reporting- Laura Kelley spoke regarding the hotline.

- Tested occasionally
- The Chairman of the Board, the Executive Director, and the General Counsel are notified when the hotline has been used.
- If the call is about the Executive Director or the General Counsel, they are excluded from being notified.

6. ANNUAL DISCUSSION REGARDING INTERNAL AUDIT PERFORMANCE AND EFFECTIVENESS

The Audit Committee Charter requires an annual discussion regarding internal audit performance and effectiveness.

Comments received regarding Protiviti's performance:

- Discussions are clear and detailed
- Reports and formats are good
- Relationship and reports are professional
- Recommendation was made to keep committee informed about audit plan throughout the Fiscal Year

7. ANNUAL DISCUSSION REGARDING AUDIT COMMITTEE AND INDIVIDUAL MEMBER PERFORMANCE

The Audit Committee Charter requires an annual discussion regarding Audit Committee and individual member performance.

Comments received regarding the committee as a whole:

- Brian Battles has done a good job as chairman by making comments and coming prepared
- Committee functions great and comes prepared

8. ANNUAL CONFIRMATION OF COMPLETION OF RESPONSIBILITIES IN THE AUDIT COMMITTEE CHARTER

Jeff Tecau provided background that Protiviti helps the Audit Committee ensure it completes all of its annual responsibilities as outlined in the Audit Committee Charter. All responsibilities have been completed for fiscal year 2016. A matrix has been provided to confirm completion of responsibilities. (Matrix attached as Exhibit "B")

9. ANNUAL ROTATION OF THE AUDIT COMMITTEE CHAIR

On September 11, 2016 Bruce McMenemy, Seminole County Representative will become the new Audit Committee Chairman.

10. OTHER BUSINESS

It was discussed that an additional Audit Committee meeting may be scheduled before September in order to include the required communication from our external auditors.

It was requested to have periodic financial updates moving forward.

11. ADJOURNMENT

The meeting adjourned at 11:11 a.m.

Minutes approved on 9/22, 2016.

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