



CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Prior Audit Recommendations Follow-Up

August 31, 2017

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EXECUTIVE SUMMARY



Overview

As part of the Fiscal Year 2018 Internal Audit plan, Internal Audit 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:



- 2013 Toll Revenue Audit
- 2015 Intelligent Transportation Security (ITS) Systems Security Review
- 2016 Toll Revenue Audit
- 2017 Vendor Security Review
- 2017 Public Records Review
- 2017 Purchasing Spend Data Audit
- 2017 Procurement and Contract Billing Audit
- 2017 Customer Service Center Performance Assessment
- 2017 Accounting SOD and System Access Review
- 2017 Change Management - Tolling System Replacement Audit
- 2017 Human Resources Process Review
- 2017 Discount/Rebate Program Audit
- 2017 Business Continuity Management Review

Internal Audit last reviewed the status of open audit recommendations in January 2017. Results were reported to the Audit Committee at that time.



Objectives, Scope, and Approach

This review was completed as of August 31, 2017, and consisted of meetings with management to determine the status of open audit recommendations and testing of management's response and status. 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 January 15, 2017, no further work was performed and the recommendation was not included for review.

Testing performed included inquiry with the employees responsible for completing the recommendations and/or review of 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 Internal Audit did not come to an agreement on the status of a prior audit recommendation.

EXECUTIVE SUMMARY



Recommendations Summary

Audit	Open as of January 15, 2017	New Action Plans	Completed as of August 31, 2017	In Progress as of August 31, 2017*	Past Due
2013 Toll Revenue Audit	1	0	0	1	1
2015 Intelligent Transportation Security (ITS) Systems Security Review	1	0	1	0	0
2016 Toll Revenue Audit	1	0	0	1	1
2017 Vendor Security Review	0	1	1	0	0
2017 Public Records Review	6	0	1	5	1
2017 Purchasing Spend Data Review	0	2	2	0	0
2017 Procurement and Contract Billing Audit	0	1	0	1	0
2017 Customer Service Center Performance Assessment	0	3	0	3	0
2017 Accounting Segregation of Duties and EDEN System Access Review	0	1	1	0	0
2017 Change Management - Tolling System Replacement Audit	0	1	0	1	0
2017 Human Resources Process Review	0	1	0	1	0
2017 Discount/Rebate Program Audit	0	2	2	0	0
2017 Business Continuity Management Review	0	5	1	4	0
Total	9	17	9	17	3

*17 recommendations are classified as "In Progress." 3 of these recommendations are considered "Past Due."

STATUS OF PAST DUE RECOMMENDATIONS

#	Audit	Management Action Plan	Responsible Party	Summary of Status	Due Date
1	2013 Toll Revenue Audit	<p>Potential Revenue Leakage/Toll Collections Audit:</p> <p>CFX is automating certain aspects of the Attendant's Shift Record by integrating the unusual occurrence, violations, and insufficient fund transactions as a function in the Toll System Replacement project that is currently ongoing.</p>	David Wynne, Director of Toll Operations	The new system is currently in the system testing phase but has not yet been deployed to operational status. Management expects the system to be completely implemented by the end of the year.	<p>Original: 7/1/2015</p> <p>Revised: 12/31/2017</p>
2	2016 Toll Revenue Audit	<p>Video Monitoring of Counting Room:</p> <p>CFX will procure and deploy surveillance equipment and EGIS will perform monitoring of the cameras at least weekly. The procurement of the system will be included in the upcoming camera installation project.</p>	Fred Nieves, Manager of E-PASS & Plaza Operations	The procurement of new surveillance equipment was recently combined with the CFX Headquarters Building Security System Upgrades Project. The project will include installation of two cameras for the mailroom and counting room, and is due to begin in October or November 2017, with a duration of 100 days ending in February 2018.	<p>Original: 12/31/2016</p> <p>Revised: 2/28/2018</p>
3	2017 Public Records Review	<p>Text Message Collection:</p> <p>Management will implement a revised mobile mobile device procedure requiring users to keep iMessage turned off. Additionally, CFX will consider implementing a Mobile Device Management (MDM) tool to monitor compliance with revised procedures.</p>	Corey Quinn, Chief of Technology/ Operations	The revised procedure has been implemented and compliance is currently being monitored manually. Research into the MDM capabilities is ongoing in order to reduce the manual effort required by the IT team. If such a solution is implemented, it would be deployed prior to the end of Q1 2018.	<p>Procedure Updates: 6/30/2017 (Complete)</p> <p>Review Vendor MDM Capabilities: Original: 3/31/17</p> <p>Revised: 3/31/2018</p>

STATUS OF ALL OPEN RECOMMENDATIONS

STATUS OF ALL OPEN RECOMMENDATIONS

2013 Toll Revenue Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Potential Revenue Leakage/Toll Collections Audit:</p> <p>CFX is automating certain aspects of the Attendant's Shift Record by integrating the unusual occurrence, violations, and insufficient fund transactions as a function in the Toll System Replacement project that is currently ongoing.</p>	David Wynne, Director of Toll Operations	In Progress (Past Due)	The new system is currently in the system testing phase but has not yet been deployed to operational status. Management expects the system to be completely implemented by the end of the year.	<p>Original: 7/1/2015</p> <p>Revised: 12/31/2017</p>

2015 ITS Security Systems Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Log Configuration:</p> <p>CFX will implement a log aggregation tool as part of the Secure Information and Event Management solution.</p>	Corey Quinn, Chief of Technology/Operations	Complete	A log aggregation tool has been deployed by management as of 8/31/2017	<p>Original: 6/30/2015</p> <p>Revised: 11/30/2017</p>

STATUS OF ALL OPEN RECOMMENDATIONS

2016 Toll Revenue Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Video Monitoring of Counting Room:</p> <p>CFX will procure and deploy surveillance equipment and EGIS will perform monitoring of the cameras at least weekly. The procurement of the system will be included in the upcoming camera installation project.</p>	Fred Nieves, Manager of E-PASS & Plaza Operations	In Progress (Past Due)	The procurement of new surveillance equipment was recently combined with the CFX Headquarters Building Security System Upgrades Project. The project will include installation of two cameras for the mailroom and counting room, and is due to begin in October or November 2017, with a duration of 100 days ending in February 2018.	<p>Original: 12/31/2016</p> <p>Revised: 2/28/2018</p>

2017 Vendor Security Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Log Configuration:</p> <p>ITS is currently in a collaborative effort with CFX IT to implement a log aggregation tool. This tool will assist in securing, managing, correlating, and alerting upon necessary logs.</p>	Bryan Homayouni, Manager of Traffic Operations	Complete	A log aggregation tool has been deployed by management as of 8/31/2017	11/30/2017

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Public Records Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Records Management Policy and Procedures:</p> <p>CFX will develop a revised policy and desktop procedures to clearly state the direction of the Records Management function and clearly define and document key aspects of CFX's records management activities currently in place.</p>	Michelle Maikisch, Chief of Staff	In Progress	The revised policy has been approved by the Board. Desktop procedures are in development and are expected to be completed by the original due date.	Policy revision: 6/30/2017 (Complete) Desktop procedures: 6/30/2018
<p>Record Coordinator Training:</p> <p>CFX will develop a formalized training process for the Record Coordinators with assistance of the records management consultant. Training will be in addition to the basic public records training for all employees and will include detail specific to their role and responsibilities as Record Coordinators.</p>	Michelle Maikisch, Chief of Staff	In Progress	The formalized training process for Record Coordinators is currently under development and is expected to be implemented by the due date.	12/31/2017
<p>Records Management Database:</p> <p>CFX will research solutions to replace the records management database and will include the procurement of a new database in the budget for the next fiscal year.</p>	Michelle Maikisch, Chief of Staff Corey Quinn, Chief of Technology/Operations	In Progress	Research for solutions to replace the records management database is being conducted by the Records Administrator. Purchase and implementation of the new product is on track and is expected to be completed by the due date.	6/30/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Public Records Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Text Message Collection:</p> <p>Management will implement a revised mobile device procedure requiring users to keep iMessage turned off. Additionally, CFX will consider implementing a Mobile Device Management (MDM) tool to monitor compliance with revised procedures.</p>	Corey Quinn, Chief of Technology/Operations	In Progress (Past Due)	The revised procedure has been implemented and compliance is currently being monitored manually. Research into the MDM capabilities is ongoing in order to reduce the manual effort required by the IT team. If such a solution is implemented, it would be deployed prior to the end of Q1 2018.	<p>Procedure Updates:</p> <p>6/30/2017 (Complete)</p> <p>Review Vendor MDM Capabilities:</p> <p>Original: 3/31/2017</p> <p>Revised: 3/31/2018</p>
<p>Electronic Public Records Destruction:</p> <p>CFX will establish a systematic destruction process for each type of electronic technology. The process will be documented in the policies and desktop procedures. CFX will explore e-mail management tools available to assist with the destruction process.</p>	Michelle Maikisch, Chief of Staff	In Progress	<p>Research into e-mail management tools is ongoing and is expected to be completed by the original due date.</p> <p>The systematic destruction process has been completed and implemented.</p>	6/30/2018
<p>Offsite Public Records Destruction:</p> <p>CFX will review the contractual requirements with the offsite storage vendor and will review future certificates to ensure the person performing destruction and the name of the witness are included</p>	Michelle Maikisch, Chief of Staff	Complete	The contractual requirements for the offsite storage vendors have been reviewed, and future certifications will include the name of the person performing the destruction and the witness.	3/31/2017

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Purchasing Spend Data Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Vendor Master File Maintenance:</p> <ol style="list-style-type: none"> CFX will update each vendor account's vendor type identifier to enable management to perform more efficient reviews of the vendor master file. 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. 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 cannot be deactivated until the contracts are complete. 	Lisa Lumbard, Chief Financial Officer	Complete	<ol style="list-style-type: none"> CFX has added three additional vendor types to enable management to perform more efficient reviews of the vendor master file. CFX has updated the Accounts Payable policy with revised search parameters for detecting and reviewing inactive vendors. CFX has implemented a procedure to review the W-9 for each new vendor for current information and completeness, and to search for duplicate vendors prior to finalizing a new vendor account in EDEN. 	<ol style="list-style-type: none"> Vendor type identifier: 9/30/2017 Inactive vendor search: 7/31/2017 New vendor account verification: Upon the creation of a new vendor
<p>Open Purchase Orders:</p> <p>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</p>	Lisa Lumbard, Chief Financial Officer	Complete	The review of open purchase orders was conducted at fiscal year-end to identify POs by department that were open or partially open as of fiscal year-end. The resulting report was provided to the department heads for comment or closing, as appropriate.	6/30/2017

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Procurement and Contract Billing Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Contractor Compliance with Insurance Requirements</p> <p>CFX will perform a retrospective review for the A.M. Best Ratings and financial size categories for insurance carriers currently utilized by vendors for all active construction and maintenance contracts retroactive to July 1, 2016. CFX will also perform a review when new insurance certificates are submitted for review.</p>	Aneth Williams, Director of Procurement	In Progress	The Procurement Department has taken on an additional staff member to perform the review. The review is ongoing and expected to be completed by the original due date.	12/31/2017

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Customer Service Center Performance Assessment

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Business Analytics/Performance Monitoring:</p> <p>CFX Toll Operations will identify a number of Key Performance Indicators (KPIs) 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 dashboards.</p>	<p>David Wynne, Director of Toll Operations</p> <p>Corey Quinn, Chief of Technology/Operations</p>	In Progress	<p>CFX Toll Operations is currently refining a list of Key Performance Indicators (KPIs) but does not consider the list ready to display on the dashboards at this time. The action plan is expected to be completed by the original due date.</p>	4/30/2018
<p>Intelligent Voice Response (IVR) Solution:</p> <p>CFX has identified a Call Path Report within IVR that consists of historical graphs, 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.</p>	<p>Corey Quinn, Chief of Technology/Operations</p>	In Progress	<p>CFX is currently working with the third party contact to provide IVR reporting/monitoring data. Work is on track to be completed by the original due date.</p>	4/30/2018
<p>Quality Assurance Processes:</p> <p>Screen captures are scheduled to be recorded for each call to allow QA to monitor an agent's use of the system during a call. However, the data is not being captured. CFX will review and work on a fix for this issue.</p>	<p>David Wynne, Director of Toll Operations</p> <p>Corey Quinn, Chief of Technology/Operations</p>	In Progress	<p>CFX has been working with the vendor and has largely resolved the issue. However, the data is still not being captured consistently for about four users. Management expects the issue to be resolved by the original due date.</p>	4/30/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Accounting System Access and SOD Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>EDEN User Access:</p> <p>CFX will pursue a password change for accounts with administrator access, or determine if the accounts can be deactivated without negatively impacting the business processes.</p>	<p>Corey Quinn, Chief of Technology/Operations</p>	<p>Complete</p>	<p>Administrator accounts are managed by EDEN to assist CFX during any calls. To safeguard against anything happening without management's knowledge, CFX has set up an automatic e-mail to be generated and sent to Lisa Lumbard, CFO, if anyone logs into the administrator accounts. The administrator accounts are utilized by the EDEN application in the background of several processes, and deactivating the accounts may negatively impact business processes. However, CFX feels that the e-mail alerts are reasonable safeguards against the two accounts being used maliciously.</p>	<p>7/31/2017</p>

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Change Management – Tolling System Replacement Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>TSR Vulnerability Scans:</p> <p>Though the Critical and High vulnerabilities identified by the vulnerability scanner have been remediated, CFX will continue plans to remediate the Medium vulnerabilities near the completion of the TSR project.</p>	Corey Quinn, Chief of Technology/Operations	In Progress	The remediation of these vulnerabilities is contingent upon the Toll System Replacement project completion. As such, the due date for remediation should be after the project is complete (estimated June 2019), which is consistent with the original due date.	6/30/2019

2017 Human Resources Process Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Document HR Redundancy Plan:</p> <p>CFX 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.</p>	Michelle Maikisch, Chief of Staff	In Progress	The organizational chart has been reviewed to begin identifying positions requiring similar expertise to department head and executive positions. The HR department is performing further analysis to refine and formally document the redundancy plan. Analysis is ongoing and is expected to be completed by the original due date.	7/1/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Human Resources Process Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Merit-Based Compensation:</p> <ol style="list-style-type: none"> CFX will define which performance evaluation scores are considered above average, average, and below average. 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. 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. 	<p>Evelyn Wilson, Director of HR</p> <p>Michelle Maikisch, Chief of Staff</p>	In Progress	<ol style="list-style-type: none"> CFX has informally defined a range of performance evaluation scores considered above average, average, and below average. Ranges are due to be formally communicated to employees when merit adjustment percentages are assigned to each range at the end of the current fiscal year. CFX will define the merit adjustment to be assigned to each range of performance evaluation scores as part of the budgeting process at the end of the current fiscal year. The CFX executive team will review all performance evaluations before results are distributed to employees, which is generally at the end of the fiscal year. 	7/1/2018
<p>Knowledge Management Plan:</p> <p>Based on the most recent entity-wide risk assessment performed in FY2017, CFX will focus initial knowledge management efforts, including the development of a knowledge management plan, on the Information Technology (IT) department. Additionally, knowledge sharing will be included in the teamwork aspect of annual performance evaluations.</p>	<p>Michelle Maikisch, Chief of Staff</p> <p>Corey Quinn, Chief of Technology/Operations</p> <p>Jim Greer, Director of IT</p>	In Progress	<p>The creation of a knowledge management plan is in progress and is expected to be completed by the due date. Additionally, IT will include knowledge sharing in the teamwork aspect of the next round of annual performance evaluations.</p>	7/1/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Discount/Rebate Program Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Revenue Projection Report:</p> <p>Management will implement a monthly review of the Projection Discount Rebate Tracking Schedule to verify the accuracy of inputs and calculations before determining whether revenue thresholds have been met to authorize the Beltway Discount and School Bus Toll Rebate.</p>	Lisa Lumbard, Chief Financial Officer	Complete	The review of the Projection Discount Rebate Tracking Schedule is performed by the Finance Department as part of the monthly review schedule.	8/31/2017
<p>Discount Publication on CFX Website:</p> <p>Management will implement and document a quarterly review of the rate, discount, and rebate information posted to the CFX website for accuracy.</p>	Michelle Maikisch, Chief of Staff	Complete	A website discount review procedure has been implemented to review applicable language relating to the customer discount program, including quarterly review dates and deadlines to submit reports to the Chief of Staff.	7/31/2017

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Business Continuity Management Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Infrastructure for Key Applications: CFX will research the feasibility of modifying internal applications to remain available during outages.	Corey Quinn, Chief of Technology/Operations	Complete	CFX has completed research and selected appropriate solutions to maintain availability of key applications during outages.	9/30/2017
Disaster Recovery Testing Plan: CFX will formalize a Disaster Recovery testing plan.	Corey Quinn, Chief of Technology/Operations	In Progress	The documentation is in progress and is expected to be completed by the original due date.	12/31/2017
Crisis Management Testing: Management will create a crisis management testing program.	Evelyn Wilson, Director of HR Michelle Maikisch, Chief of Staff	In Progress	CFX recently hired a Facilities Maintenance Supervisor who will assume responsibility for crisis management testing, business continuity plan development, and evacuation plans.	12/31/2017
Crisis Management Plan: Management will formally document a Crisis Management Plan.	Evelyn Wilson, Director of HR CFX Crisis Management Team ("CMT") CFX Executive Management	In Progress	CFX recently hired a Facilities Maintenance Supervisor who will assume responsibility for crisis management testing, business continuity plan development, and evacuation plans. Additionally, CFX has hired an armed security guard to survey the front desk area and address security concerns within the building. The Crisis Management Plan will be documented and communicated by the Facilities Maintenance Supervisor.	4/1/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Business Continuity Management Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Business Continuity Plan:</p> <p>Each department will develop business continuity documentation.</p>	<p>Lisa Lumbar, Chief Financial Officer</p> <p>Joe Berenis, Chief of Infrastructure</p> <p>Corey Quinn, Chief of Technology/Operations</p> <p>Aneth Williams, Director of Procurement</p>	<p>In Progress (Accounting)</p> <p>Complete (Infrastructure)</p> <p>In Progress (IT)</p> <p>Not Started (Procurement)</p>	<p>Accounting business continuity documentation is in progress and is scheduled to be completed by the original due date.</p> <p>Infrastructure business continuity documentation is complete and has been provided to the Chief of Staff.</p> <p>IT business continuity documentation is in progress and is scheduled to be completed by the original due date.</p> <p>Procurement business continuity documentation has not yet been started but is scheduled to be completed by the original due date. The Director will contact Protiviti personnel for relevant templates and guidance.</p>	<p>12/31/2017</p>

Face the Future with Confidence

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