

## **CENTRAL FLORIDA EXPRESSWAY AUTHORITY BOARD AUDIT COMMITTEE CHARTER**

### **PURPOSE**

The Audit Committee's primary function is to assist the CFX Board in fulfilling its oversight responsibilities by reviewing the financial information, systems of internal control which Management has established, the audit process, the process for monitoring compliance with laws and regulations and the Code of Ethics. In doing so, it is the responsibility of the Audit Committee to provide an open avenue of communication between the CFX Board, Management, the Internal Auditor, and external auditors. The Audit Committee is provided specific authority to make recommendations to the Chief Financial Officer, the Executive Director and the CFX Board.

### **ORGANIZATION**

The Audit Committee shall be composed of the following voting members:

1. Orange County staff member or citizen representative appointed by the Orange County Commission or in accordance with Orange County's policies providing for appointments to other governmental agencies;
2. City of Orlando staff member or citizen representative appointed by the City of Orlando Commission or in accordance with the City of Orlando's policies providing for appointments to other governmental agencies;
3. Lake County staff member or citizen representative appointed by Lake County Commission or in accordance with Lake County's policies providing for appointments to other governmental agencies;
4. Osceola County staff member or citizen representative appointed by the Osceola County Commission or in accordance with Osceola County's policies providing for appointments to other governmental agencies;
5. Seminole County staff member or citizen representative appointed by the Seminole County Commission or in accordance with Seminole County's policies providing for appointments to other governmental agencies.
6. Brevard County staff member or citizen representative appointed by the Brevard County Commission or in accordance with Brevard County's policies providing for appointments to other governmental agencies.
7. Up to three (3) citizen representatives appointed by the CFX governing Board after receiving nominations submitted by the gubernatorial Board appointees. The term for such appointments shall be for two years commencing upon appointment which term may be renewed. One nomination per gubernatorial appointee is allowed, but it shall not be mandatory that nominations be made.

Committee member appointments may not be delegated. The Committee members will serve at the pleasure of their respective jurisdictions. County and City appointments may include contract personnel currently providing services to the appointing entity. Notwithstanding the two year term, the citizen representatives shall serve at the pleasure of the CFX Board. Committee members should have financial expertise in general accounting principles and experience reviewing financial statements and audit reports.

## **CHAIRMAN SELECTION**

The Audit Committee will be chaired on an annual, rotating basis beginning September 1, 2017, in the following order:

- a.) Seminole County Representative
- b.) Osceola County Representative
- c.) One of Citizen Representatives
- d.) Lake County Representative
- e.) City of Orlando Representative
- f.) Brevard County Representative
- g.) Orange County Representative

The Audit Committee Chair shall serve as the Board Liaison and may be requested to attend CFX Board meetings.

In the event there is no available representative from the entity assigned to serve the role of Chairman, the next scheduled representative shall serve a one-year term with regular order of succession to resume thereafter.

## **SUPPORT STAFF**

The Internal Audit Director and the external auditors shall have direct and independent access to the Audit Committee and individually to members of the Audit Committee. The Committee shall have unrestricted access to employees and relevant information. The Committee may retain independent counsel, accountants or others to assist in the conduct of its responsibilities, subject to the CFX procurement policy.

## **MEETINGS**

The Audit Committee shall meet at least quarterly. Meetings may be called by the CFX Board Chairman, the Audit Committee Chair, or any two Committee members. Public notice shall be provided in accordance with State law.

The agenda will be prepared by the Internal Audit Director and approved by the Chair and provided in advance to members, along with appropriate briefing materials. In the absence of any objection, the Chair or any Committee member may add or subtract agenda items at a meeting. In the event of objection, a majority vote shall decide. The Committee meeting minutes and any Committee recommendations shall be submitted to the CFX Board for consideration.

## **QUORUM**

If all three gubernatorial Board members make nominations and the Board approves the appointments, the Committee shall consist of nine members and a quorum shall be five members present. If only two appointments are made the Committee shall consist of eight members and a quorum shall be five members present. If only one appointment is made the Committee shall consist of seven members and a quorum shall be four members present. In order for any action or recommendation to pass there must be a majority affirmative vote of the quorum based on the then current composition of the Committee.

Due to scheduling conflicts or illness a Committee Member may appear by telephone and vote on agenda items where a quorum is physically present not to exceed three meetings per calendar year. The participating absent member must be able to hear all participants in the meeting and be heard by all participants.

## **RESPONSIBILITIES**

### **Financial Reporting Oversight**

1. Review with Management and the external auditors:
  - The annual financial statements and related footnotes;
  - The external auditors' audit of the financial statements and their report;
  - Management's representations and responsibilities for the financial statements;
  - Any significant changes required in the audit plan;
  - Information from the external auditors regarding their independence;
  - Any difficulties or disputes with Management encountered during the audit;
  - The organization's accounting principles;
  - All matters required to be communicated to the Committee under generally accepted auditing standards.
2. Review with Management, the CFX's financial performance on a regular basis.

### **Internal Control and Risk Assessment**

3. Review with Management the effectiveness of the internal control system, including information technology security and control.
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.
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.

### **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 noncompliance.

### **Code of Ethics**

7. Review with Management and monitor adequacy, administration, and compliance with the CFX's Code of Ethics.
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.

### **Internal Audit**

9. Recommend to the Board the appointment or removal of the Internal Audit Director.
10. Review and approve the annual internal audit plan and all major changes to the plan.
11. Review the internal audit budget and submit to the Finance Committee.
12. Review and approve the Internal Audit Department Charter.
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.
14. Review annually the performance of the Internal Audit Director.
15. Review annually the effectiveness of the internal audit function.

External Audit

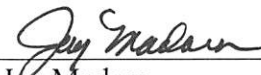
16. Appoint an Audit Committee Member to serve on the Selection Committee for all external audit services.
17. Recommend to the CFX Board the external auditors to be appointed and the related compensation.
18. Review and approve the discharge of the external auditors.
19. Review the scope and approach of the annual audit with the external auditors.
20. Approve all non-audit services provided by the external auditors.

Other Authority and Responsibilities


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

ADOPTED this 10<sup>th</sup> day of October, 2019.

ATTEST:   
Mimi Lamaute  
Board Services Coordinator

  
Jay Madara  
Board Chairman

Approved as to form and legality:

  
Diego "Woody" Rodriguez  
General Counsel