



# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Prior Audit Recommendations Follow-Up

October 15, 2019

# TABLE OF CONTENTS



- 3 Executive Summary**
- 5 Status of Past Due Recommendations**
- 6 Status of All Open Recommendations**

# EXECUTIVE SUMMARY



## Overview

As part of the Fiscal Year 2020 Internal Audit plan, Internal Audit performed a review of open audit recommendations from prior audit reports as of October 15, 2019 to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:



2013 Toll Revenue Audit	2019 Cybersecurity Incident Response
2017 Customer Service Center Performance Assessment	2019 Ransomware Review
2017 Change Management – Tolling System Replacement Audit	2019 Accounting and Financial Controls Review
2018 Penetration Test	2019 Customer Service Center Performance Review
2018 Pay by Plate Audit	2019 IT Project Management Review
2018 IT General Controls Review	2019 Toll Revenue Audit

Internal Audit last reviewed the status of open audit recommendations in February 2019. Results were reported to the Audit Committee at that time.



## Objectives, Scope, and Approach

This review was completed as of October 15, 2019 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 February 15, 2019, 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 February 15, 2019	New Action Plans	Completed as of October 15, 2019	In Progress as of October 15, 2019*	Past Due
2013 Toll Revenue Audit	1	0	0	1	0
2017 Customer Service Center Performance Assessment	1	0	1	0	0
2017 Change Management - Tolling System Replacement Audit	1	0	0	1	1
2018 Penetration Test	2	0	2	0	0
2018 Pay By Plate Audit	2	0	1	1	1
2018 IT General Controls Review	1	0	0	1	0
2019 Cyber Security Incident Response Review	0	2	1	1	0
2019 Ransomware Review	0	5	5	0	0
2019 Accounting and Financial Controls Audit	0	6	2	4	1
2019 Customer Service Center Performance Review	0	4	2	2	0
2019 IT Project Management Review	0	4	1	3	0
2019 Toll Revenue Audit	0	4	3	1	0
<b>Total</b>	<b>8</b>	<b>25</b>	<b>18</b>	<b>15</b>	<b>3</b>

\*15 recommendations are classified as "In Progress." 3 of these recommendations are considered "Past Due."

# STATUS OF PAST DUE RECOMMENDATIONS

Audit	Observation	Management Action Plan	Responsible Party	Summary of Status	Revised Due Date
<b>2017 Change Management - Tolling System Replacement Audit</b>	<p>Though the Critical and High vulnerabilities identified by the vulnerability scanner have been remediated, we recommend that CFX and Transcore continue plans to remediate the remaining vulnerabilities by using a risk-based approach, beginning with the remaining Medium vulnerabilities.</p>	<p>Management will remediate the Medium vulnerabilities near the completion of the TSR project.</p>	<p>Jim Greer, Chief of Technology and Operations</p>	<p>In Progress (Past Due)</p>	<p>12/31/20</p>
<b>2018 Pay by Plate Audit</b>	<p>There is no formal set of procedures that defines standardized parameters for the UTC report and no formal schedule that rotates when records from each set of parameters are reviewed. In addition, the criteria for deciding whether to issue an UTC/UTN is subjective and there is no formal guideline for making the determination.</p>	<p>The Director of Toll Operations, the Manager of E-PASS and Plaza Operations, and the Manager of VES and Special Projects will document written procedures for CFX's Pay By Plate program to address the clearly define the review and monitoring control activity. The procedures will be reviewed and updated at least annually and published on SharePoint.</p>	<p>David Wynne, Director of Toll Operations  Paul Schatz, Manager of VES and Special Projects</p>	<p>In Progress (Past Due)</p>	<p>12/31/19</p>
<b>2019 Accounting and Financial Controls Review</b>	<p>To create a new vendor or modify vendor information in the EDEN financial reporting system, the requesting party must submit a new/modify vendor request form to the Contract Compliance Analyst with the appropriate support documentation, W-9, and check request along with applicable management approvals. However, there is no secondary review of vendor additions or modifications by the Contract Compliance Analyst once the vendor is added to EDEN.</p>	<p>CFX will implement a review of new vendors into the Accounting Clerk's review of invoices to ensure the vendor was entered completely and accurately. CFX will further implement a review of vendor changed into the CFOs monthly review procedures.</p>	<p>Lisa Lumbard, CFO</p>	<p>In Progress (Past Due)</p>	<p>6/30/21</p>

# STATUS OF ALL OPEN RECOMMENDATIONS

# STATUS OF ALL OPEN RECOMMENDATIONS

## 2013 Toll Revenue Audit

Observation	Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Potential Revenue Leakage: Due to the manual nature of the Attendant's Shift Record used as a reconciling item during toll collections audits the third-party contractor auditors are required to make assumptions as to what is being communicated by the TSA.	CFX will automate certain aspects of the Toll Plaza Attendant's Shift Record Log by integrating tracking of unusual occurrences, violations, and insufficient fund transactions within system. This recommendation will be implemented as a function of the Tolling System replacement.	David Wynne, Director of Toll Operations	In Progress - Pending Completion of the Toll System Replacement Project	Per discussion with Dave Wynne, Director of Toll Operations, this recommendation will be implemented within the Toll System Replacement project. The new system is currently operational except for the manned cash lanes. The implementation of this system automation includes collector buttons that are pre-designated for specific occasions and vehicles that come through the tolls. This management action plan is expected to be implemented by the revised due date.	Original: 7/1/15 Revised: 12/31/17 Revised: 12/31/19

## 2017 Change Management - Tolling System Replacement Audit

Observation	Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Though the Critical and High vulnerabilities identified by the vulnerability scanner have been remediated, IA recommends that CFX and Transcore continue plans to remediate the remaining vulnerabilities by using a risk-based approach, beginning with the remaining Medium vulnerabilities.	<b>TSR Vulnerability Scans:</b> Management will remediate the Medium vulnerabilities near the completion of the TSR project.	Jim Greer, Chief of Technology and Operations	In Progress (Past Due)	Per discussion with Jim Greer, Chief of Technology and Operations, the remediation of these vulnerabilities is contingent upon the Toll System Replacement project completion. Due to external factors affecting the priorities of IT project completion, this management action plan is expected to be implemented by the revised due date.	Original: 6/30/19 Revised: 12/31/20

# STATUS OF ALL OPEN RECOMMENDATIONS

## 2018 Pay By Plate Audit

Observation	Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
There is no formal set of procedures that defines standardized parameters for the UTC report and no formal schedule that rotates when records from each set of parameters are reviewed. In addition, the criteria for deciding whether to issue an UTC/UTN is subjective and there is no formal guideline for making the determination.	The Director of Toll Operations, the Manager of E-PASS and Plaza Operations, and the Manager of VES and Special Projects will document written procedures for CFX's Pay By Plate program to address the clearly define the review and monitoring control activity. The procedures will be reviewed and updated at least annually and published on SharePoint.	David Wynne, Director of Toll Operations  Paul Schatz, Manager of VES and Special Projects	In Progress (Past Due)	Per discussion with David Wynne, Director of Toll Operations, and Paul Schatz, Manager of VES and Special Projects, the algorithms for the new system are complete. CFX is in the process of documenting the process by which tolling transactions are reviewed and monitored. This management action plan is expected to be implemented by the revised due date.	Original: 6/30/19  Revised: 12/31/19

## 2018 IT General Controls Review Exempt F.S.282.318

## 2019 Cybersecurity Incident Response Review Exempt F.S.282.318

## 2019 Ransomware Review Exempt F.S.282.318

# STATUS OF ALL OPEN RECOMMENDATIONS

## 2019 Accounting and Financial Controls Review

Observation	Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>To create a new vendor or modify vendor information in the EDEN financial reporting system, the requesting party must submit a new/modify vendor request form to the Contract Compliance Analyst with the appropriate support documentation, W-9, and check request along with applicable management approvals.</p> <p>Proper segregation of duties exists between the employees requesting vendor additions and changes and the Contract Compliance Analyst that enters the vendor into EDEN. However, there is no secondary review of vendor additions or modifications by the Contract Compliance Analyst once the vendor is added to EDEN.</p>	<p>CFX will implement a review of new vendors into the Accounting Clerk's review of invoices to ensure the vendor was entered completely and accurately. CFX will further implement a review of vendor changed into the CFOs monthly review procedures.</p>	<p>Lisa Lumbar, CFO</p>	<p>In Progress (Past Due)</p>	<p>Per discussion with the CFO, the EDEN accounting system recognizes every invoice paid as an update to the vendor within the AP module. As such, it is not possible to review monthly vendor changes as part of the current review process. The Authority is currently undergoing the RFP process to implement a new ERP system which, among other things, will allow management to review actual vendor changes in the AP module. In the meantime, the invoice review process has been updated to include a review of vendor information per EDEN against the invoice received to ensure appropriateness of the payee. The implementation of the new ERP system is expected to be completed by the revised due date.</p>	<p>Original: 8/31/19</p> <p>Revised: 6/30/21</p>
<p>A year-end accounting checklist is maintained electronically to track the performance of all tasks essential to the compilation of the financial statements. However, there is no evidence of a final review of the checklist by management to ensure the completion of all tasks included on the checklist.</p>	<p>CFX will implement a review of the year-end accounting checklist by the Director of Accounting and Finance prior to publishing the CAFR to ensure that all procedures have been completed. The review will be evidenced through electronic sign-off on the year-end annual checklist.</p>	<p>Mike Carlisle, Director of Accounting</p>	<p>In Progress</p>	<p>Per discussion with the Director of Accounting and Finance and inspection of the revised checklist, this management action plan is on target to be implemented by the original due date.</p>	<p>Original: 12/31/19</p>

# STATUS OF ALL OPEN RECOMMENDATIONS

## 2019 Accounting and Financial Controls Review (Continued)

Observation	Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
There is no defined process or mechanism, such as a checklist, to track new accounting pronouncements or required disclosures and the corresponding implementation dates.	CFX will implement a formalized review of the GFOA comments from the prior year's CAFR to ensure accounting and disclosure requirements are appropriately reflected in the current year CAFR. The review will be evidenced by initial on the GFOA comments by the Director of Accounting and Finance.	Mike Carlisle, Director of Accounting	In Progress	Per discussion with the Director of Accounting and Finance and inspection of the revised year-end checklist which will be used to evidence review and comments, this recommendation is on target to be implemented by the original due date.	Original: 12/31/19
At the close of the external audit, the draft CAFR is reviewed by the Accounting Supervisor, Manager of Accounting and Finance, the Director of Accounting and Finance, the CFO, and the Chief of Staff. However, evidence of each party's final review is not documented except for the CFO's sign-off on the final CAFR.	CFX will enhance the year-end accounting checklist to include sign-off procedures for the review of the financial data within the final CAFR.	Mike Carlisle, Director of Accounting	In Progress	Per discussion with the Director of Accounting and Finance and inspection of the revised year-end checklist which will be used to evidence review and comments, this recommendation is on target to be implemented by the original due date.	Original: 12/31/19

# STATUS OF ALL OPEN RECOMMENDATIONS

## 2019 Customer Service Center Performance Review

Observation	Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
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. The current reporting makes it difficult to ascertain how calls are flowing through the IVR, what paths these calls are taking and where improvements could be made to the IVR to increase service automation.	CFX will develop a roadmap or strategy to update and modernize the IVR as it is integrated with the new tolling operations system.	Jim Greer, Chief of Technology and Operations  David Wayne, Director of Toll Operations	In Progress	Per discussion with the Chief of Technology and Operations, as a part of the Microsoft development for IVR, "screen pops" have been added which alert CSRs servicing customers of any data that has been already captured by the system, based on account or phone number, so that the CSR is more readily able to address the customers' needs. This process is ongoing and will be completed as part of the updates to the tolling operations system. The management action plan is expected to be completed by the revised due date.	Original: 12/31/19  Revised: 6/30/20
Through the changes and improvements CFX has made to its organizational structure, QA programs, and Workforce management, CFX currently has easy access to accurate and complete historical data related to performance as well as real-time data from its various platforms. While this complete data is available via various historical reports, it is not generally available to the broader contact center team or to the management team.	As CFX pursues the new tolling operations system, CFX will perform a cost analysis to evaluate the cost of capturing detailed level data for 13 months. In addition, CFX will develop a roadmap for designing dashboards and reports that contain pertinent information, performance indicators and trend analysis in a user-friendly presentation.	Jim Greer, Director of Information Technology, and David Wayne, Director of Toll Operations	In progress	Per discussion with the Chief of Technology and Operations, while dashboards are being enhanced on an ongoing basis, the inputs require manual loading and manipulation. To implement this finding, the Authority will continue to explore more options around how to optimize data through further project planning and development. The management action plan is expected to be completed by the revised due date.	Original: 12/31/19  Revised: 12/31/20

# STATUS OF ALL OPEN RECOMMENDATIONS

## 2019 IT Project Management Review

Observation	Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
CFX has not formalized a project management framework to aid in a structured and repeatable approach to projects. This had led to inconsistent performance and results across projects within the organization.	Management will develop a plan for implementing a formalized project management framework that includes policies, procedures and templates to facilitate project management life cycles at CFX. ITIL will be considered as this framework is developed.	Jim Greer, Chief Technology and Operations Officer	In Progress	Per discussion with the Chief of Technology and Operations, remediation of this finding is in progress and expected to be completed by the original due date.	Original: 7/31/20
CFX has not implemented a formal portfolio management function within the environment. This has led to challenges surrounding management of resources, prioritizing projects, and risk management of projects.	Management will formalize resourcing practices regarding projects at CFX based on requirements and budgets defined in the project intake process (see Observation 2). CFX will integrate these practices within the ERP system planned for 2020.	Jim Greer, Chief Technology and Operations Officer	In Progress	Per discussion with the Chief of Technology and Operations, remediation of this finding is in progress and expected to be completed by the original due date.	Original: 7/31/20
CFX has not yet formalized the resource management processes in place to track internal and external resources as they work on projects. This has led to CFX on- and off-boarding internal and external resources throughout the project lifecycle due to project requirements, scheduling conflicts, and project prioritization.	Management will continue plans to enhance and leverage the Cherwell deployment to support the portfolio management function at CFX.	Jim Greer, Chief Technology and Operations Officer	In Progress	Per discussion with the Chief of Technology and Operations, remediation of this finding is in progress and expected to be completed by the original due date.	Original: 3/31/20

# STATUS OF ALL OPEN RECOMMENDATIONS

## 2019 Toll Revenue Audit

Observation	Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
As errors and outages occur, tickets are submitted for resolution to the Maintenance Monitoring Center operated by TransCore. For six of the 28 system errors tested, at least one of the metrics exceeded the threshold of four hours to solution as defined within maintenance and support service level agreements. Additionally, one instance was identified where no support ticket had been created for an observed issue.	CFX will continue to monitor vendor performance and benchmark according to defined service level agreements.	Joann Chizlett, Director of Special Project	In progress	Per discussion with the Director of Special Projects, this recommendation is on target to be implemented by the original due date.	Original: 12/31/20

*Face the Future with Confidence*

© 2019 Protiviti Inc. All Rights Reserved. This document has been prepared for use by CFXs management, audit committee, and board of directors. This report provides information about the condition of risks and internal controls at one point in time. Future events and changes may significantly and adversely impact these risks and controls in ways that this report did not and cannot anticipate.

protiviti®