CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Prior Audit Recommendations Follow-Up

September 30, 2020

Internal Audit, Risk, Business & Technology Consulting

TABLE OF CONTENTS

protiviti

EXECUTIVE SUMMARY

Overview

As part of the Fiscal Year 2021 Internal Audit plan, Internal Audit performed a review of open audit recommendations from prior audit reports as of September 30, 2020 to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:

2013 Toll Revenue Audit	2019 LENS Access Control Review
2017 Change Management – Tolling System Replacement Audit	2020 Secure Code Review
	2020 Procurement and Contract Billing Audit
2018 IT General Controls Review	2020 COSO ERM Governance Review
2019 Accounting Financial Controls Review	2020 Marketing and Social Media Audit
2019 Customer Service Center Performance Review	2020 P-Card and Gas Card Audit
2019 IT Project Management Review	2020 Retail Transponder Sales Review

Internal Audit last reviewed the status of open audit recommendations in January 2020. Results were reported to the Audit Committee in February 2020.

Objectives, Scope, and Approach

This review was completed as of September 30, 2020 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 31, 2020, 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.

protiviti

EXECUTIVE SUMMARY

Recommendations Summary

Audit	Open as of January 31, 2020	New Action Plans	Completed as of September 30, 2020	In Progress as of September 30, 2020*	Past Due*
2013 Toll Revenue Audit	1	0	0	1	0
2017 Change Management - Tolling System Replacement Audit	1	0	0	1	0
2018 IT General Controls Review	1	0	0	1	0
2019 Accounting and Financial Controls Audit	1	0	0	1	0
2019 Customer Service Center Performance Review	1	0	0	1	0
2019 IT Project Management Review	2	0	1	1	0
2019 LENS Access Control Review	0	1	0	1	0
2020 Secure Code Review	0	8	6	2	1
2020 Procurement and Contract Billing Audit	0	3	3	0	0
2020 COSO ERM Governance Review	0	5	0	5	0
2020 Marketing and Social Media Audit	0	4	0	4	0
2020 P-Card and Gas Card Audit	0	6	2	4	0
2020 Retail Transponder Sales Review	0	4	0	4	1
Total	**7**	**31**	**12**	**26***	**2***

*26 recommendations are classified as "In Progress." **Seven** of the 26 recommendations are past the initial agreed-upon due date; however, **five** these seven recommendations are pending completion of a new system implementation or a procurement/vendor selection event, so the due date has been revised to match the estimated timing of the necessary event. **Two** of the 26 recommendations are past the initial agreed-upon due date and have been assigned a revised due date as of September 30, 2020. The other remaining "In Progress" recommendations are within the original, agreed-upon due date.

protiviti

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
Potential Revenue Leakage/Toll Collections Audit: 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 - Contingent upon Full Implementation of New Tolling System	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. Management expects the automated collector buttons to be implemented in the manned cash lanes by the revised due date of 12/31/2020.	Original: 7/1/15 Revised: 12/31/17 Revised: 12/31/19 Revised: 12/31/20

2017 Change Management - Tolling System Replacement Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
TSR Vulnerability Scans: Management will remediate the Medium vulnerabilities near the completion of the TSR project.	Jim Greer, Chief of Technology and Operations	In Progress - Contingent upon Full Implementation of New Tolling System	Per discussion with Jim Greer, Chief of Technology and Operations, CFX has determined that remediation of these vulnerabilities will be performed prior to completion of the Toll System Replacement Project. Management expects the Medium vulnerabilities related to the Tolling System Replacement to be completed by the revised due date of 12/31/2020.	Original: 6/30/19 Revised: 9/30/20 Revised: 12/31/20

2018 IT General Controls Review (1 – In Progress – Contingent on System Implementation)
Exempt F.S.282.318

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2019 Accounting and Financial Controls Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Vendor Master File Management: 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 changes into the CFOs monthly review procedures.	Lisa Lumbard, CFO	In Progress - Contingent on Implementation of New ERP System	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. As of the date of testing, the Authority is currently in the beginning stages of implementing 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 of 12/31/2021.	Original: 8/31/19 Revised: 12/31/21

2019 Customer Service Center Performance Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Intelligent Voice Response (IVR) Solution: 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 - Contingent on System Implementation	Per discussion with the Director of Toll Operations and Chief of Technology and Operations, CFX has recently contracted with Nice in Contact for telephony solutions for the agency. As part of the contracted services, CFX will also be taking advantage of the company's integrated IVR offerings as opposed to contracting the services out to a different IVR provider to increase capabilities and minimize incompatibilities between systems. The departments are currently in the process of designing workflows to integrate the IVR with the new tolling system. The recommendation is expected to be completed by the revised due date of 12/31/20.	Original: 12/31/19 Revised: 6/30/20 Revised: 12/31/20

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2019 IT Project Management Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Project Management Framework: 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	Complete	Per discussion with the Chief of Technology and Operations, CFX has completed a preliminary framework that it expects to modify as needed to meet the needs and structure of the agency as it evolves. Internal Audit obtained a copy of the framework as support for the completion of the action plan by the prescribed due date.	Original: 7/31/20
Resource Planning: Management will formalize resourcing practices with regard to 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 2021.	Jim Greer, Chief Technology and Operations Officer	In Progress - Contingent on Implementation of New ERP System	Per discussion with the Chief of Technology and Operations, remediation of this finding will involve integration of CFX's timekeeping ERP system within Cherwell. As EDEN is slated to be replaced in 2021 by a new ERP system, remediation of this finding is contingent upon new ERP system implementation; the revised due date reflects this contingency. This recommendation is expected to be completed by the revised due date.	Original: 7/31/20 Revised: 12/31/21

2019 LENS Access Control Review (1 – In Progress) Exempt F.S.282.318

2020 Secure Code Review (6 – Complete, 1 – In Progress, 1 – In Progress (Past Due)) Exempt F.S.282.318

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Procurement and Contract Billing Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Contract Terms and Dispute Resolution: CFX will review selected contract terms to identify areas for increased clarity in future contracts. Additionally, CFX will implement an internal procedure to guide the documentation and resolution of disputes with vendors by designating responsible independent parties on the Executive Team and/or Legal to act as the final decision-making authority in contractual disputes.	Lisa Lumbard, CFO	Complete	Per discussion with the CFO, the contract terms have been updated since the initial observation. Additionally, internal procedures for dispute resolution have been established and documented. Internal Audit obtained an updated contract and a copy of the dispute resolution procedures as support for the completion of the action plan.	Original: 6/30/20
Contract Compliance Checklist: CFX will ensure the Contract Support Specialist utilizes a contract compliance checklist to document the review of contractor invoices. CFX will leverage the contract compliance checklists already developed in the construction and engineering departments as a template. Additionally, CFX will ensure that detailed documentation is retained for any invoices approved despite containing instances of noncompliance per the checklist (detailed notes, email attachments, etc.).	Claritza Yeagins, Contract Support Specialist	Complete	Per discussion with the Contract Support Specialist, a checklist has been implemented which involves steps such as verifying the invoice is for the correct time frame based on the attached support, verifying that contractors are billing for services at the appropriate rates, and checking for personnel addition requests to ensure new contractors have been appropriately authorized. Internal Audit obtained an example checklist to confirm completion of the action plan.	Original: 6/30/20

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Procurement and Contract Billing Audit (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Subcontractor Reconciliations: CFX has implemented a reconciliation of expenses allocated to subcontractors in each invoice against EDEN as part of the invoice review performed by the Manager, Contract Compliance, and will begin evidencing review through signature on the billing checklist (upon implementation). Additionally, the Supervisor of Quality Control--Toll Operations, is performing a historical audit of all subcontractor-related expenses for the selected contract and will update EDEN data upon completion.	Carrie Baker, Manager of Contract Compliance	Complete	Per discussion with Manager of Contract Compliance, all expenses for subcontractor are being manually logged in an excel sheet and reviewed against amounts invoiced to CFX. Additionally, all outstanding expenses for the selected EGIS contract have been updated in the contract module in EDEN and provided to the contractor for payment. As of September 30, 2020, all outstanding expenses have been billed and one final invoice is awaiting payment. Internal Audit obtained related support to confirm completion of the action plan.	Original: 6/30/20

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 COSO ERM Governance Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Business Continuity Documentation: CFX will develop business continuity documentation for each component of the Infrastructure department (and validate that third parties have one in place) that outlines the expectations for resuming business operations after a crisis.	Glenn Pressimone, Chief of Infrastructure	In Progress	Per the Chief of Infrastructure, the outlines for resuming business operations following a crisis are currently in draft format and are on target to be finalized by the original due date of 12/31/20.	12/31/20
Risk Management Working Group: CFX will organize a Risk Management Working Group with the following features: Responsible Party/Organizer – Risk Manager Members - Chief Finance Officer, Chief of Technology/Operations, Risk Manager, others may be added as needed Frequency – At the discretion of the Group, or at least semi-annually Agenda – Agenda topics should be determined by the responsible party and may include risks from the Strategic Plan or Risk Model, prior audit recommendations, risk monitoring needs, and other topics.	Lisa Lumbard, Chief Financial Officer	In Progress	Per the CFO, a Risk Manager has recently been hired and tasked with establishing a risk management framework with pre-determined features as prescribed by management. The enhancement opportunity is on track to be implemented by the original due date of 12/31/20.	12/31/20

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 COSO ERM Governance Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Risk Management Feedback: The Risk Management Working Group will include an agenda item to solicit feedback from each relevant department regarding key strategic risks. The Risk Management Working Group, in coordination with management, will update the Three-Year Strategic Plan with the strategic risks for each strategic goal.	Lisa Lumbard, Chief Financial Officer	In Progress	Per the CFO, a meeting will be held with the Risk Management Working Group following the establishment of a risk management framework as mentioned above which will cover feedback from each department. The enhancement opportunity is on track to be implemented by the original due date of 3/31/21.	3/31/21
Vendor Insurance Requirements: The Risk Management Working Group will include an agenda item to solicit feedback from each relevant department, and, in coordination with the Procurement Department, will propose updates to current vendor insurance requirements to incorporate risk-based vendor management concepts.	Lisa Lumbard, Chief Financial Officer	In Progress	Per the CFO, the newly hired Risk Manager will be responsible for assessing contractual requirements on a contract by contract basis as part of his regular duties to ensure that vendors have optimal coverage. The enhancement opportunity is on track to be implemented by the original due date of 3/31/21.	3/31/21

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 COSO ERM Governance Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Data Requests: The Risk Management Working Group will include an agenda item to monitor status of each of the above data requests and follow up as needed. Additionally, the Risk Management Working Group will coordinate with the Technology / Operations Department to refine the ticketing system by which reporting requests are made and will support development of that system towards capture of relevant cost / benefit information.	Lisa Lumbard, Chief Financial Officer	In Progress	Per the CFO, the risk management group is working with IT to develop a template for procedures for monitoring data requests until such time that ticketing system improvements can be implemented. The enhancement opportunity is on track to be implemented by the original due date of 6/30/21.	6/30/21

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Marketing and Social Media Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Contractor Use Guidelines: Management will develop a social media use guideline or policy for CFX contractor and subcontractor employees. Management will also incorporate an annual social media policy acknowledgement for all CFX employees. Finally, management will implement periodic social media continuing education for employees that work directly with social media platforms and tools.	Michelle Maikisch, Chief of Staff/Public Affairs Officer	In Progress	Per the Manger of Communication and Marketing, a new employee has recently been hired who will be tasked with compiling the recommended topics as an update to the current Social Media Procedures Manual. This recommendation is in progress and on target to be implemented by the original due date of 1/31/21..	1/31/21
Social Media Password Controls: Management will review the recommendation and work collaboratively to develop an approach that improves social media password and user access provisioning controls and aligns with CFX and social media capabilities.	Michelle Maikisch, Chief of Staff/Public Affairs Officer Jim Greer, Chief of Technology and Operations	In Progress	Per the Chief of Staff/Public Affairs Officer, the communications team is working in conjunction with IT to implement the recommendation as prescribed. The recommendation is in progress and on target to be implemented by the prescribed due date of 1/31/21.	1/31/21
User Access Review: Management will establish and document a periodic independent review of social media user access lists across all social media tools or platforms.	Michelle Maikisch, Chief of Staff/Public Affairs Officer	In Progress	Per the Chief of Staff/Public Affairs Officer, the Manager of Communications is currently drafting a guideline for a periodic user access review. The recommendation is in progress and on target to be implemented by the prescribed due date of 12/31/20.	12/31/20

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Marketing and Social Media Audit (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Social Media Procedures: Management will consider the recommended topics as an update to the Social Media Procedures Manual.	Angela Melton, Manager of Communications and Marketing	In Progress	Per the Chief of Staff/Public Affairs Officer, preliminary discussion around a policy are underway as of the date of testing. The recommendation is in progress and on target to be implemented by the prescribed due date of 6/30/21.	6/30/21

2020 P-Card and Gas Card Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Gas Card Policy: Management will update the Procurement Policy to incorporate a Gas Card policy. Management will update the P-Card Manual to reflect current procedures as recommended and will develop Gas Card procedures to supplement the documentation set.	Aneth Williams, Director of Procurement	In Progress	Per discussion with Director of Procurement, the updates are on track to be made to the Gas Card procedure within the Gas Card policy with Board approval by the prescribed due date of 12/31/20.	12/31/20
Digital Approval Workflow: Procurement will work with the IT team to determine the best workflow option for each part of the recommendation (Adobe Sign, SharePoint, or others). Management will develop and implement the digital workflow(s) in accordance with the recommendation.	Aneth Williams, Director of Procurement	In Progress	Per discussion with Director of Procurement, IT personnel are currently being consulted to determine the best workflow option in accordance with the recommendation. This item is on track to be completed by the prescribed due date of 12/31/20.	12/31/20

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 P-Card and Gas Card Audit (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Active Card User Review: Management will implement a review of active card users to be performed twice per year by the CFO.	Lisa Lumbard, Chief Financial Officer	Complete	Per discussion with the CFO, a bi-annual review has been implemented, to be performed in June, prior to the end of the fiscal year, and in December, prior to the end of the calendar year. Internal Audit obtained documentation of the June 2020 review as support for the completion of the action plan.	6/30/20
Gas Card Storage: Management will remove the Gas Cards from the Pool Vehicles and will implement a standard tracking log to be used consistently for all Pool Vehicles. Management will improve the monthly review of Gas Card spend through use of the tracking logs to assign and document the employee responsible for each charge.	Lisa Lumbard, Chief Financial Officer	Complete	Per the CFO, the fuel cards are now securely stored with the vehicle keys, which are controlled by Mimi Lamaute, Executive Assistant, or Sherry Gibson-Taylor, Front Office Administrator, who are responsible for updating the tracking log as well. The log details which vehicles are in use and who has possession of the gas card. Internal Audit obtained a copy of the log as support for completion of the action plan.	7/31/20

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 P-Card and Gas Card Audit (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Review Checklist: Management will develop a checklist for supervisors to be used during their monthly review of P-Card transactions. P-Card/Gas Card integrations and process improvements will be included in the ERP requirements during RFP development.	Aneth Williams, Director of Procurement	In Progress	Per discussion with the Director of Procurement, a draft checklist is in the process of being reviewed and modified. Once the checklist has reached its final draft, it will be provided to the CFO for review and final approval. This item is on track to be completed by the prescribed due date of 9/30/20	9/30/20
Vendor Reporting Capabilities: Management will review P-Card vendor reporting capabilities to extract transaction data. The Manager of Contract Compliance will implement a process to review transaction data and sample P-Card monthly statements for the quarterly audit. Procedures will be updated as the process is developed.	Carrie Baker, Manager of Contract Compliance	In Progress	Per the Manager of Contract Compliance, once the checklist referenced in the above observation has been fully reviewed and approved, the Manager of Contract Compliance will implement the review on a quarterly basis. The recommendation is on target to be implemented by the prescribed due date of 10/31/20.	10/31/20

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Retail Transponder Sales Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Reporting Capabilities: CFX will organize a working group comprised of stakeholders involved in retail transponder sales and inventory management processes and IT to discuss fulfillment of key reporting needs through current CRM implementation.	Mike Carlisle, Director of Accounting and Finance	In Progress	Per the Director of Accounting and Finance, stakeholders involved in retail transponder sales and inventory management processes are evaluating CRM capabilities gradually, in line with CRM implementation status. This recommendation is in progress and on target to be completed by the original due date of 3/31/21.	3/31/21
Inventory Documentation: Management will review all inventory management and transponder sales documentation (including retail sales) to ensure all procedures are adequately documented.	Mike Carlisle, Director of Accounting and Finance Angela Melton, Manager of Communications Fred Nieves, Manager of E-Pass and plaza Operations	In Progress	Per discussion with Director of Accounting and Finance, Manager of Communications, and Manager of E-Pass and Plaza Operations, all parties indicated that the reviews and documentation updates were currently underway and on target to be implemented by the original due date of 12/31/20.	12/31/20
Spreadsheet Access Review: Management will perform a review of access to key operational spreadsheets by the established due date in either the system folders or SharePoint depending on the status of the SharePoint migration.	Fred Nieves, Manager of E-Pass and Plaza Operations	In Progress (Past Due)	Per the Manager of E-Pass and Plaza Operations, this process is still ongoing amidst the transition from the former call center service provider (EGIS) to the new provider. This recommendation is currently past due the original due date but on track to be implemented by the revised due date of 12/31/20.	Original Due Date: 8/31/2020 Revised Due Date: 12/31/2020

protiviti

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Retail Transponder Sales Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Realignment of Retail Functions: Management will consider realignment of the order fulfillment and shipping function for the retail program as recommended. As realignment is considered, management will also develop documentation requirements for each retail shipment that includes evidencing the reconciliation between the original order, the shipping manifest verified by physical count of transponders, and the invoice prepared by Finance.	Lisa Lumbard, Chief Financial Officer	In Progress	Per the CFO, once all departments have established procedures related to inventory management, a meeting will be held with the responsible parties in the associated departments to determine where shipping costs are most appropriately applied. The recommendation is on track to be implemented by the original due date of 12/31/2020.	12/31/20

protiviti

Face the Future with Confidence

protiviti®