

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

AGENDA
AUDIT COMMITTEE MEETING
April 28, 2021
10:00 a.m.

Meeting location: Central Florida Expressway Authority
4974 ORL Tower Road
Orlando, FL 32807
Boardroom

A. CALL TO ORDER

B. PUBLIC COMMENT

Pursuant to Section 286.0114, Florida Statutes and CFX Rule 1-1.011, the Audit Committee provides for an opportunity for public comment at the beginning of each regular meeting. The Public may address the Committee on any matter of public interest under the Committee's authority and jurisdiction, regardless of whether the matter is on the Committee's agenda but excluding pending procurement issues. Each speaker shall be limited to 3 minutes. The Public may also submit written comments in advance of the meeting to be read into the record except that if the comments exceed 3 minutes in length, when read, they will only be attached as part of the minutes.

C. APPROVAL OF JANUARY 27, 2021 AUDIT COMMITTEE MEETING MINUTES (action item)

D. AGENDA ITEMS

1. **STATUS UPDATE: FISCAL 2021 INTERNAL AUDIT PLAN** – *Jeff Tecau, Managing Director, Protiviti* (info item)
2. **PROJECT UPDATE: ERP SELECTION SUPPORT**– *Emily Picard, Senior Manager, Protiviti* (info item)
3. **REVIEW AND ACCEPTANCE OF COMPLETED INTERNAL AUDITS** (action items)
 - a) Prior Audit Recommendations: Semi-Annual Follow Up
 - b) Customer Service Center Transition
 - c) Toll Revenue Audit
 - d) Crisis Management/Business Continuity Support
4. **ANNUAL REVIEW AND APPROVAL OF THE AUDIT COMMITTEE CHARTER** – *Woody Rodriguez, General Counsel* (action item)

(CONTINUED ON PAGE 2)

5. ANNUAL MANAGEMENT REVIEW OF INTERNAL CONTROL MATTERS (info items)

- a) Effectiveness of the Internal Control System, including IT Security and Control – *Lisa Lumbard, Chief Financial Officer*
- b) Process for Assessing, Monitoring and Controlling Significant Risks – *Lisa Lumbard, Chief Financial Officer*
- c) System for Monitoring Compliance with Laws and Regulations and Results of Investigation of Any Instances of Non-Compliance – *Woody Rodriguez, General Counsel*
- d) Adequacy, Administration and Compliance with the Central Florida Expressway Authority's Code of Ethics – *Woody Rodriguez, General Counsel*
- e) Procedures for Hotline Reporting – *Woody Rodriguez, General Counsel*

E. OTHER BUSINESS

F. ADJOURNMENT

This meeting is open to the public.

Section 286.0105, Florida Statutes states that if a person decides to appeal any decision made by a board, agency, or commission with respect to any matter considered at a meeting or hearing, they will need a record of the proceedings, and that, for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Persons who require translation services, which are provided at no cost, should contact CFX at (407) 690-5000 x5316 or by email at Iranetta.Dennis@cfxway.com at least three (3) business days prior to the event.

In accordance with the Americans with Disabilities Act (ADA), if any person with a disability as defined by the ADA needs special accommodations to participate in this proceeding, then they should contact the Central Florida Expressway Authority at (407) 690-5000 no later than two (2) business days prior to the proceeding.

Please note that participants attending meetings held at the CFX Headquarters Building are subject to certain limitations and restrictions in order to adhere to the CDC guidelines and to ensure the safety and welfare of the public.

C.
Approval Of
Minutes

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

DRAFT MINUTES

CENTRAL FLORIDA EXPRESSWAY AUTHORITY AUDIT COMMITTEE MEETING January 27, 2021

Location: Central Florida Expressway Authority
4974 ORL Tower Road
Orlando, FL 32807
Board Room

Committee Members Present:

Michelle McCrimmon, City of Orlando Representative, Chairman
Lorie Bailey Brown, Seminole County Representative
Kaye Dover, Osceola County Representative
Kristy Mullane, Lake County Representative
Ray Walls, Orange County Representative

Committee Members Not Present:

Kathy Wall, Brevard County Representative

Also Present:

Laura Kelley, Executive Director
Lisa Lumbard, Chief Financial Officer
Jim Greer, Chief Technology Officer
Woody Rodriguez, General Counsel
Michael Carlisle, Director of Accounting and Finance
Rita Moore, Recording Secretary/Executive Assistant
Jeff Tecau, Protiviti
Emily Picard, Protiviti
Chris Porter, Protiviti
David Taylor, Protiviti

A. CALL TO ORDER

The meeting was called to order at approximately 10:00 a.m. by Chairman McCrimmon.

B. PUBLIC COMMENT

There was no public comment.

C. APPROVAL OF THE OCTOBER 27, 2020 MINUTES

A motion was made by Mr. Walls and seconded by Ms. Mullane to approve the October 27, 2020 minutes as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. Ms. Wall was not present.

D. AGENDA ITEMS

1. STATUS UPDATE: FISCAL 2021 INTERNAL AUDIT PLAN

Mr. Jeff Tecau of Protiviti presented the Status Update: Fiscal 2021 Internal Audit Plan.

(This item was presented for information only. No committee action was taken.)

2. PROJECT UPDATES

a. ERP Requirements Support

Ms. Emily Picard of Protiviti presented an update on the ERP Requirements Support.

Committee Members asked questions which were answered by Ms. Picard.

(This item was presented for information only. No committee action was taken.)

b. Toll Revenue Audit Planning

Mr. Jeff Tecau of Protiviti presented an update on the Toll Revenue Audit Planning.

(This item was presented for information only. No committee action was taken.)

3. REVIEW AND ACCEPTANCE OF COMPLETED INTERNAL AUDIT REPORTS

a. DHSMV Data Security Assessment

Mr. Chris Porter of Protiviti presented the DHSMV Data Security Assessment.

Committee Members asked questions which were answered by Mr. Porter.

A motion was made by Ms. Dover and seconded by Ms. Mullane to accept the DHSMV Data Security Assessment as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. Ms. Wall was not present.

b. DAVID Data Security Assessment

Mr. Chris Porter of Protiviti presented the DAVID Data Security Assessment.

Committee Members asked questions which were answered by Mr. Porter.

A motion was made by Ms. Dover and seconded by Ms. Bailey Brown to accept the DAVID Data Security Assessment as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. Ms. Wall was not present.

c. PCI Assessment with Report on Compliance

Mr. David Taylor of Protiviti presented the PCI Assessment with Report on Compliance.

Committee Members asked questions which were answered by Mr. Taylor and Mr. Greer.

A motion was made by Ms. Mullane and seconded by Ms. Bailey Brown to accept the PCI Assessment with Report on Compliance as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote Ms. Wall was not present.

d. Ethics Policy Compliance Audit (action item)

Ms. Emily Picard of Protiviti presented the Ethics Policy Compliance Audit.

Committee Members asked questions which were answered by Ms. Picard and Mr. Tecau.

A motion was made by Ms. Dover and seconded by Mr. Walls to accept the Ethics Policy Compliance Audit as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. Ms. Wall was not present.

4. INTERNAL AUDIT BUDGET FOR FISCAL YEAR 2022

Ms. Lisa Lumbard, Chief Financial Officer presented the Internal Audit Budget for Fiscal Year 2022.

Committee Members asked questions which were answered by Ms. Lumbard, Ms. Picard, and Mr. Tecau.

A motion was made by Ms. Dover and seconded by Ms. Mullane to accept the Internal Audit Budget for Fiscal Year 2022. as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. Ms. Wall was not present.

E. OTHER BUSINESS

No other business was reported.

F. ADJOURNMENT

Chairman McCrimmon adjourned the meeting at approximately 11:37 a.m.

Minutes approved on _____, 2021.

Pursuant to the Florida Public Records Law and CFX Records Management Policy, audio tapes of all Board and applicable Committee meetings are maintained and available upon request to the Records Management Liaison Officer at publicrecords@CFXway.com or 4974 ORL Tower Road, Orlando, FL 32807.



D.1

**Status Update:
Fiscal 2021
Internal Audit
Plan**

INTERNAL AUDIT STATUS

As of April 28, 2021



 Plan
  Deferred to FY 2022
  Complete
  In-Process

D.2

ERP

Selection

Support

**THERE ARE
NO BACKUP
MATERIALS FOR
THIS ITEM**

D.3a

**Prior Audit
Recommendations
: Semi-Annual
Follow up**



CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Prior Audit Recommendations Follow-Up

March 31, 2021

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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 March 31, 2021 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
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
	2020 Public Records Review

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



Objectives, Scope, and Approach

This review was completed as of March 31, 2021 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 September 30, 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.

EXECUTIVE SUMMARY



Recommendations Summary

Audit	Open as of September 30, 2020	New Action Plans	Completed as of March 31, 2021	In Progress as of March 31, 2021*	Past Due*
2013 Toll Revenue Audit	1	0	1	0	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	1	0	0
2019 IT Project Management Review	1	0	0	1	0
2019 LENS Access Control Review	1	0	0	1	0
2020 Secure Code Review	2	0	1	1	0
2020 COSO ERM Governance Review	5	0	3	2	1
2020 Marketing and Social Media Audit	4	0	2	2	1
2020 P-Card and Gas Card Audit	4	0	2	2	1
2020 Retail Transponder Sales Review	4	0	3	1	0
2020 Public Records	0	3	1	2	1
Total	26	3	14	15*	4*

***15** recommendations are classified as "In Progress." **Ten** of the 15 recommendations are past the initial agreed-upon due date; however, **six** of these ten 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. **Four** of the ten recommendations are past the initial agreed-upon due date and have been assigned a revised due date. The other remaining "In Progress" recommendations are within the original, agreed-upon due date.

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	Complete	Per discussion with the Director of Toll Operations, this recommendation was implemented in the manned cash lanes as part of the Toll System Replacement project. The implementation of this system automation includes collector buttons that are pre-designated for specific occasions and vehicles that pass through the toll booths. Internal Audit obtained the most recent "Unusual Occurrences" report as support for completion of the action plan by the revised due date.	Original: 7/1/2015 Revised: 12/31/2017 Revised: 12/31/2019 Revised: 12/31/2020

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 the 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 12/31/2021.	Original: 6/30/2019 Revised: 9/30/2020 Revised: 12/31/2020 Revised: 12/31/2021

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

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 Lumbar, 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 12/31/2022.	Original: 8/31/2019 Revised: 12/31/2022

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	Complete	Per discussion with the Director of Toll Operations and Chief of Technology and Operations, CFX has contracted with Nice in Contact for telephone solutions for the agency. As part of the contracted services, CFX implemented the company's integrated IVR offerings to increase capabilities and minimize incompatibilities between systems. Internal Audit observed the Director of Toll operations navigate the Nice in Contact interface to demonstrate newly implemented capabilities in order to confirm completion of the action plan.	Original: 12/31/2019 Revised: 6/30/2020 Revised: 12/31/2020

STATUS OF ALL OPEN RECOMMENDATIONS

2019 IT Project Management Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
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: 7/31/2020 Revised: 12/31/2022

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

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

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	Complete	Per discussion with the Chief of Infrastructure, the necessary actions for resuming business operations following a crisis have been documented within the CFX Infrastructure Department's Business Continuity Plan. Internal Audit obtained the Business Continuity Plan as support for completion of the action plan.	12/31/2020
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 Lumbar, Chief Financial Officer	Complete	Per discussion with the CFO and Risk Manager, CFX has established a Risk Management Working Group with the features described in the management action plan. Internal Audit obtained screenshots of meeting invites and meeting minutes as support for completion of the action plan by the prescribed due date.	12/31/2020

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 Lumbar, Chief Financial Officer	In Progress (Past Due)	Per discussion with the Risk Manager, feedback regarding strategic risks is being collected from key individuals. Once all feedback has been consolidated, it will be provided to the Chief of Staff to update the 3-Year Strategic Plan. This enhancement opportunity is in progress and on track to be completed by the revised due date of 6/30/2021.	Original: 3/31/2021 Revised: 6/30/2021
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 Lumbar, Chief Financial Officer	Complete	Per discussion with the CFO, the newly hired Risk Manager is responsible for assessing contractual requirements on a contract-by-contract basis to ensure that vendors have optimal coverage. To support completion of the action plan, Internal Audit obtained documentation from the Risk Manager evidencing review and assessment of insurance requirements for contracts.	3/31/2021

STATUS OF ALL OPEN RECOMMENDATIONS

2020 COSO ERM Governance Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Data Requests:</p> <p>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.</p>	Lisa Lumbar, Chief Financial Officer	In Progress	Per discussion with the CFO, the risk management group is working with IT to develop 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 6/30/2021.	6/30/2021

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 (Past Due)	Per discussion with the Chief of Staff/Public Affairs Officer, the communications team is working in conjunction with Human Resources and Procurement to develop a social media use policy for contractor and subcontractor employees. This recommendation is in progress and on target to be implemented by the revised due date of 6/30/2021.	Original: 1/31/2021 Revised: 6/30/2021
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	Complete	Per discussion with the Chief of Staff/Public Affairs Officer and the Chief of Technology and Operations, CFX has completed a procedures manual to direct social media password security and user access provisioning. Internal Audit obtained the procedures as support for completion of the action plan by the prescribed due date.	1/31/2021
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	Complete	Per discussion with the Chief of Staff/Public Affairs Officer, CFX has completed a procedures manual to direct independent, periodic user access reviews for all social media platforms. Internal Audit obtained the procedures as support for completion of the action plan by the prescribed due date.	12/31/2020

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 discussion with the Manager of Communications and Marketing, development of the procedures are underway. The recommendation is in progress and on target to be implemented by the prescribed due date of 6/30/2021.	6/30/2021

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	Complete	Per discussion with the Director of Procurement, the Procurement Procedures Manual was updated to incorporate Gas Card procedures. Internal Audit obtained a copy of the documented Gas Card procedures as support for completion of the action plan by the prescribed due date.	12/31/2020
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 - Contingent on Implementation of New ERP System	Per discussion with the CFO and Director of Procurement, implementation of a digital approval workflow will involve integration with CFX's new ERP system. As completion of this action plan is contingent upon implementation of the new ERP system in 2021, the revised due date reflects this contingency. This recommendation is expected to be completed by the revised due date.	Original: 12/31/2020 Revised: 12/31/2022

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	Complete	Per discussion with the Director of Procurement, a checklist was implemented for supervisor use during monthly review of P-Card Transactions. Internal Audit obtained the checklist as support for completion of the action plan by the prescribed due date.	9/30/2020
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 (Past Due)	Per discussion with the Manager of Contract Compliance, CFX received P-Card transaction data from the vendor and is designing a periodic analytical review process. As this process is designed and implemented, procedures will be drafted to direct management review. This recommendation is in progress and expected to be completed by the revised due date of 6/30/2021.	Original: 10/31/2020 Revised: 6/30/2021

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 – Contingent on Implementation of CRM System	Per discussion with the Director of Accounting and Finance, stakeholders involved in retail transponder sales and inventory management processes have begun meeting to evaluate CRM capabilities. As completion of this action plan is contingent upon implementation of the new CRM system in 2022, the revised due date reflects this contingency. This recommendation is expected to be completed by the revised due date.	Original: 3/31/2021 Revised: 12/31/2022
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	Complete	Per discussion with Director of Accounting and Finance, Manager of Communications, and Manager of E-Pass and Plaza Operations, CFX completed documentation to direct inventory management and transponder sales procedures. Internal Audit obtained the finalized documentation as support for completion of the action plan by the prescribed due date.	12/31/2020
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	Complete	Per discussion with the Manager of E-Pass and Plaza Operations, a review of access to key operational spreadsheets was completed. Internal Audit obtained screenshots of updated permission levels for various users and domain groups within SharePoint as support for completion of the action plan by the revised due date.	Original: 8/31/2020 Revised: 12/31/2020

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 Lumbar, Chief Financial Officer	Complete	Per discussion with Director of Accounting and Finance, Manager of Communications, and Manager of E-Pass and Plaza Operations, CFX has completed documentation for inventory management and transponder sales procedures, including realignment of the order fulfillment process. Internal Audit obtained the finalized procedural documentation as support for completion of the action plan by the prescribed due date.	12/31/2020

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Public Records Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Smarsh Enrollment:</p> <p>Management will require enrollment of all CFX-issued devices into the Smarsh application (or similar software) and will develop a procedure to enroll all devices into Smarsh automatically when the device is configured and issued to the assigned user.</p> <p>Management will offer solutions to address “bring your own device” scenarios to ensure all business-related text messages are captured in accordance with statutory obligations</p> <p>Management will also ensure all existing devices are enrolled into the Smarsh application by the end of the calendar year.</p>	Rafael Millan, Director of Information Technology	Complete	Per discussion with the Director of Information Technology, the Cherwell ticketing system was updated to ensure that CFX devices are enrolled into the Smarsh application upon issuance. A dual-SIM card option was also implemented to offer a “bring your own device” solution to users who do not have a CFX-issued device. Further, management has ensured that all existing devices are enrolled into the Smarsh Application. Internal Audit obtained documentation evidencing that all CFX-issued devices are enrolled in Smarsh as support for completion of the action plan by the prescribed due date.	12/31/2020
<p>Public Records Destruction:</p> <p>Management will develop and document a road map to achieve a future-state process that includes systematic and periodic disposal of electronic and hardcopy records in accordance with policy and statutory obligations. The road map will help document dependencies, challenges, resource needs, management decision points, etc.</p>	Tim O’Toole, Director of Records Management	In Progress	Per discussion with the Director of Records Management, a road map was developed and documented as prescribed; however, discussions are currently underway to draft supplemental policies and procedures to direct future-state processes. This recommendation is in progress and on target to be completed by the original due date.	6/30/2021

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Public Records Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Offsite Public Records Destruction: Management will coordinate with Access Records Storage to amend the contract terms to better align the information disclosed on the Certificates of Destruction with what is required to comply with Florida Public Records Law.	Tim O'Toole, Director of Records Management	In Progress (Past Due)	Per discussion with the Director of Records Management, an addendum to the contract terms was drafted and provided to Access Records Storage. The addendum is being reviewed by the vendor's legal department and is on target to be finalized by the revised due date of 6/30/2021.	Original: 12/31/2020 Revised: 6/30/2021



Face the Future with Confidence

© 2021 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®

D.3b

**Customer
Service
Transition**

Central Florida Expressway Authority

Contact Center Transition Review – March 2021

Memo Description and Objective:

This memo provides a summary of the validation efforts Internal Audit ("IA") conducted to confirm that the contact center transition was completed by AllianceOne and PPT Solutions according to initial plans.

Background:

In August 2020, the contract for contact center support services with EGIS expired and CFX awarded a new five-year contract to AllianceOne. Under the previous contract, EGIS provided staffing services for the contact center. Under the new contract, AllianceOne provides staffing services for the contact center, and is also supporting the contact center systems, including the workstations, network devices, and call management application. The technology supporting the contact center is currently owned by CFX and is being transitioned to AllianceOne's ownership under the new vendor agreement. Currently, AllianceOne systems are part of the CFX network, although after the transition of systems to AllianceOne is complete, AllianceOne's agents will connect to the CFX network through a site-to-site VPN from the AllianceOne network. Additionally, throughout the transition of services PPT Solutions is providing management consultation services to AllianceOne and CFX.

Throughout the COVID-19 pandemic, CFX has adjusted the contact center operations hours to continuously align agent staffing to call demand while maintaining a safe and healthy working environment for the agents. In March 2020, due to CDC guidance and restrictions placed on capacity for on-site employees and contractors, the contact center's hours of operation were expanded. This expansion of hours allowed for fewer on-site personnel to be in the contact center, while simultaneously providing capacity to meet the customer demands of normal contact center operations. Specifically, the hours were extended from 8:00am – 5:00pm Monday through Friday to 7:30am – 7:00pm Monday through Friday and 8am – 4:30pm on Saturday. Additionally, contact center agents were relocated to different areas of the CFX headquarters and the Goldenrod Service Center (e.g. conference rooms) to meet social distancing requirements. Since February 2021, to continually align to CDC guidelines and help with the transition from CFX to AllianceOne ownership of systems, a limited number of AllianceOne employees have the capability to work from home. Existing technologies in place in the CFX environment were utilized to facilitate work from home capabilities. Upon full completion of the transition of services and systems to AllianceOne, those existing technologies will no longer be used.

NICE InContact provides contact center services, including call management software, call recording solutions, and reports with statistical data for the contact center. The NICE InContact services and software have been recently integrated into the contact center and will be managed by AllianceOne once the ownership transition has been completed. This will allow agents to work remotely and maintain secure connectivity to the CFX network.

Scope and Approach:

As part of this review, IA reviewed the transition plan created by AllianceOne/PPT Solutions, developed a checklist to capture and track the specific transition activities and project milestones, and to track any deviations from the plan.

The checklist to track the project tasks and actual completion dates listed below:

<u>Task</u>	<u>Target Date</u>	<u>Completion Date</u>
Conduct Business Requirements Documentation	9/23/2020	10/26/2020
Train the trainer	9/29/2020	09/30/2020
Train the agents	10/8/2020	01/22/2021
Cutover to Contact Center as a Service	10/15/2020	02/02/2021
Finalize Go-No Go Decision	10/16/2020	02/03/2021
Go live	10/16/2020	02/03/2021

Results:

Throughout the Contact Center as a Service (CCaaS) transition, constraints were identified due to the availability of vendor services, which resulted in the project completion date being delayed.

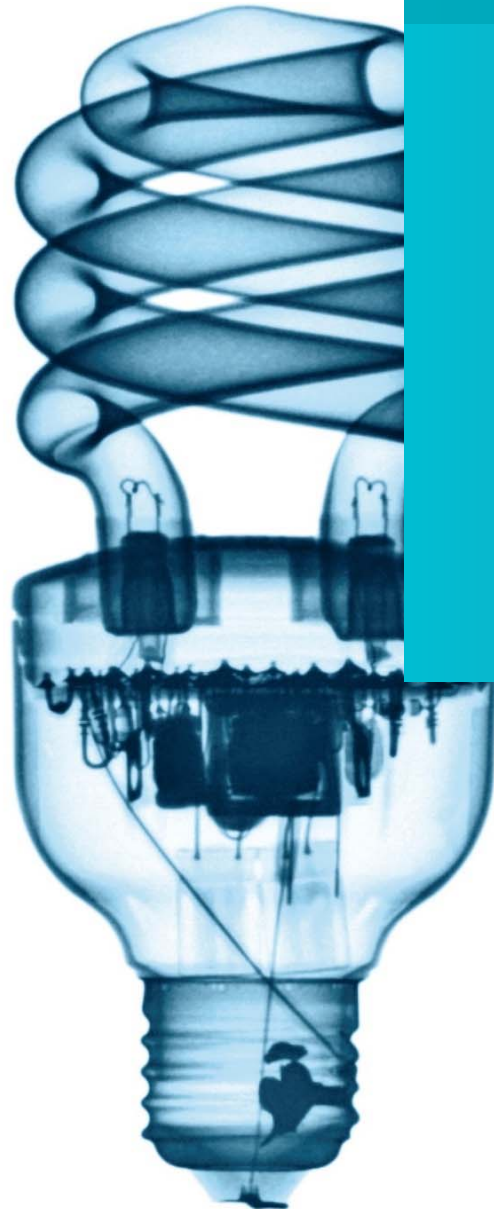
The project team (CFX, AllianceOne and PPT Solutions) identified delays from the vendor (initially AT&T) to provide the network circuit services needed to establish connectivity from the CFX HQ location to the call monitoring and recording application service (NICE InContact). This delay from the vendor resulted in:

- A delay in connecting networking infrastructure from CFX HQ to NICE InContact
- A delay of connecting the contact center systems/workstations to NICE InContact for call monitoring, statistics, and call recording
- A delay in providing services to support work from home capabilities for contact center personnel
- A delay in project milestones leading to an overall project completion delay
- Additional delays in the transition of responsibilities for supporting and maintaining the contact center systems from CFX to AllianceOne.

Recommendations:

Complete the migration of the contact center systems support transition to AllianceOne.

D.3c
Toll
Revenue
Audit



2021 TOLL REVENUE AUDIT

April 2021

**CENTRAL
FLORIDA
EXPRESSWAY
AUTHORITY**

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EXECUTIVE SUMMARY



Overview

The Central Florida Expressway Authority (“CFX”) currently owns and operates 125 centerline miles of roadway in Orange County. The roadways include 22 centerline miles on State Road (SR) 408 (Spessard L. Holland East-West Expressway), 23 centerline miles on SR 528 (Martin B. Andersen Beachline Expressway), 33 centerline miles on SR 417 (Central Florida GreeneWay), 30 centerline miles on SR 429 (Daniel Webster Western Beltway), six centerline miles on SR 414 (John Land Apopka Expressway), two centerline miles on SR 451, two centerline miles on SR 453, and seven centerline miles on SR 538 (Poinciana Parkway).

In accordance with the 2021 Internal Audit Plan, Internal Audit reviewed and tested key controls of the two primary components of Toll Revenue in CFX's Comprehensive Annual Financial Report: Electronic Toll Collections (consisting of E-PASS and Pay By Plate) and Cash Toll Collections. Toll revenue collections for fiscal year 2021, from July 1, 2020 through February 28, 2021 totaled \$224 million for E-PASS (74%), \$65 million for Pay By Plate (21%), and \$15 million for cash (5%) for a combined total of \$304 million at the time of audit.

Cash Toll Collections

The CFX system includes manned lane terminals (MLT) and Automatic Coin Machines (ACM) lanes at most mainline plazas. Ramp toll plazas are not manned and cash collected at these plazas is limited to ACM lanes. The number of manned lanes and ACM lanes at each plaza vary based on traffic patterns, construction, and other factors influencing plaza operations.

CFX engages a third-party contractor (Shimmick) to manage day-to-day lane operations and cash toll collections. The contractor is responsible for the following:

- Staffing the toll plazas, including hiring, training, and monitoring employees,
- All controls around the physical security of cash maintained at the plazas from the point of collection through the time of deposit,
- Monitoring of the electronic tolling system, and
- Audit procedures to identify variances between tolls collected, expected revenue, and cash deposited.

The third-party contractor has been performing this function for CFX since 1995 (under varying company names). The contract was rebid in 2005 and 2015. On-site management of the contract has remained greatly the same despite name and ownership changes.

EXECUTIVE SUMMARY



Overview

Electronic Toll Collections

E-PASS

Customers who drive on CFX's roadways have the option of utilizing a prepaid E-PASS account via a transponder. Each time customers use a toll facility where E-PASS is accepted, devices at the toll plaza (Automatic Vehicle Identification, or "AVI") read the transponder and identify the customer's account. The appropriate toll is electronically deducted from the prepaid account. CFX has entered into interoperability agreements with other agencies that allow transponders maintained with SunPass, LeeWay, and E-ZPass, among others, to be utilized on CFX's roadways. In addition, CFX has interoperability agreements that allow E-PASS customers to use transponders in certain parking facilities in the Central Florida area, including the Orlando International Airport.

The day-to-day operations associated with E-PASS accounts are outsourced to a third-party contractor (Alliance One). The contractor is responsible for providing the personnel necessary to operate the E-PASS Customer Service Centers, including servicing customers and processing account maintenance through walk-in service centers, a call center, mail, email, fax and the E-PASS website. Operations include other back-office activities and reconciliation activities.

The contract was rebid in 2020 and day-to-day operations transitioned to a new third-party contractor as of September 1, 2020. Many key personnel transitioned to the new third-party contractor and remain engaged in daily operations with the new contractor.

Pay By Plate Toll Collections

Pay By Plate (PBP) toll invoicing is an option for customers to "pay as you go" and forego the benefits of discounted E-PASS toll rates. With Pay By Plate, an image of the driver's license plate is captured as they pass through the toll plaza. Pay By Plate rates are twice the E-PASS rates and are assessed via the vehicle owner's account in TRIMS. For Pay By Plate transactions, a monthly toll invoice is generated and mailed to the registered owner of the vehicle. The vehicle owner can pay over the phone, online, or through a Touch-n-Buy kiosk powered by Blackstone, located throughout the state in check-cashing stores, local grocery stores, and gas stations.

When a Pay By Plate account becomes delinquent and meets the established timing and dollar thresholds, the vehicle owner is assessed a citation, which must be paid through the Clerk of Courts. Also, CFX may issue a vehicle registration hold if the vehicle owner's account becomes delinquent for unpaid tolls.

EXECUTIVE SUMMARY



Overview

Infinity System Implementation

CFX is nearing the completion of an \$85 million project with a third-party contractor (Transcore) to design, install and maintain a new, innovative electronic toll collection system for over 300 toll lanes. The new system, Infinity Digital Lane System, supports improved accuracy, reliability and automation of electronic and Pay By Plate tolling operations.

This technology upgrade includes advanced vehicle classification and identification systems combined with a digital video audit module called Q-Free, designed to enhance the system's precision and auditability. The contractor working with CFX on the design and install also established a Maintenance Monitoring Center (MMC) to track performance of the new toll collection system in real time, 24 hours a day, 365 days a year. The contractor is responsible for the ongoing maintenance of the toll system and will use the MMC to monitor, respond to and prevent system equipment issues before they occur. System implementation and go-live continues to proceed in a phased approach, with the remaining lanes and plazas to be converted near the end of fiscal year 2021.

The toll revenue capture process is highly dependent on various electronic systems to capture, process, and report toll revenue. The systems that significantly impact the toll revenue process are as follows:

- **Advanced Revenue Collection System (ARCS)** – The ARCS database stores transactional data generated and transmitted by the respective toll plazas. For this database, Internal Audit tested the effectiveness of controls in place around Computer Operations (e.g., data backups, job scheduling, and batch processing).
- **Toll Revenue Information Management System (TRIMS)** – TRIMS supports customer service center operations including the maintenance of customer account information and processing of payments.
- **EDEN** – EDEN is CFX's general ledger system provided by a third-party vendor, Tyler Technologies, Inc.
- **Infinity Digital Lane System** – Infinity is the new electronic tolling system currently being implemented across CFX's network of plazas and ramp gantries.
- **Q-Free Image Review Software** – Q-Free is a component of the newly installed Infinity system, which captures images of vehicles passing through Pay By Plate toll lanes.

EXECUTIVE SUMMARY



Objectives, Scope, and Approach

The objectives of the toll revenue audit were to review that the following processes and internal controls are in place and operating effectively:

1. Processes and internal controls to verify that revenue data captured at the point of origin is completely and accurately recorded to the financial statements,
2. Physical safeguarding controls around cash (including the use of security and surveillance, data analytics, monitoring and reporting, counts, and other reconciling activities),
3. Controls around processing revenue adjustments to customer accounts,
4. Controls related to Pay By Plate billing, collection, and monitoring,
5. Reconciliation controls to monitor revenue related to interoperability agreements, and
6. IT general controls around supporting systems and information technology.

The scope of work included documenting current state processes, identification of internal controls and review of control design, and testing of key controls for cash toll collections, electronic toll collections, and supporting IT general controls. The timeframe for processes and testing of transactions in scope for this audit was July 1, 2019 through December 31, 2020, with the exception that vendor (E-Pass Customer Contact Center) services performed by Alliance One were evaluated as of September 1, 2020.

The audit approach included the following:

1. Conducting interviews with key CFX and subcontractor personnel to gain an understanding of current-state processes and updating of existing audit process documentation where applicable,
2. Identifying key risks and internal controls, and reviewing for gaps in internal control,
3. Evaluating key controls for design effectiveness, and
4. Performing procedures to evaluate the operating effectiveness of key controls related to the objectives above.

EXECUTIVE SUMMARY



Summary of Procedures Performed and Results

Internal Audit reviewed the revenue capture processes, supporting technology, key controls identified within the cash toll and electronic toll collection processes for the period of July 1, 2019 through December 31, 2020.

Internal Audit reviewed and evaluated approximately 54 internal controls specific to cash toll collections, electronic toll collections, and the IT supporting systems. Overall, the results of this audit confirmed that numerous internal controls are in place and operating effectively and as intended to ensure revenue capture completeness and accuracy. As a result of the audit procedure performed, Internal Audit identified four audit observations that create opportunity for CFX to further strengthen its control environment. An overview of these findings is provided in the table below:

Area	# of Controls Tested	Number of Observations	Observation Reference	Relative Priority
Toll Operations and IT (CFX)	6	1	1	High
E-PASS (Alliance One)	16	2	2, 3	Moderate
Accounting (CFX)	12	1	4	Moderate
Pay By Plate and Image Review	2	-	-	
Toll Plaza Operations (Shimmick)	18	-	-	
TOTALS:	54	4	-	

DETAILED OBSERVATIONS

DETAILED OBSERVATIONS

Observation 1 – Toll System Performance Monitoring

Relative Priority

High

Toll Operations and IT
(CFX)

E-PASS (Alliance One)

Accounting (CFX)

Pay By Plate and
Image Review

Toll Operations
(Shimmick)

Observation

The Infinity tolling system is designed to identify duplicate transactions captured at the source equipment through a series of business rules. Transactions meeting the duplicate criteria are “flushed” or halted from further processing and billing (e.g., system detects multiple transponders in one vehicle and flushes one to avoid duplicate billing). This represents a significant enhancement in duplicate transaction handling compared to the Legacy toll system. However, while CFX monitors the volume of flushed transactions by plaza and lane, no reporting mechanism currently exists to efficiently validate the appropriateness of flushed transactions at large volumes. Additionally, no mechanism exists to efficiently identify failures to appropriately flush duplicate transactions. Individual transactions may be reviewed manually to verify the appropriateness of the transaction handling. Without a process to evaluate flush handling at scale, CFX is unable to assess the impact of improper flush treatment and determine the extent of potentially lost or improperly collected revenue.

Recommendation

Management should consider a phased approach to identify and monitor flush transaction errors:

- Short-term:
 - Perform a manual review of transaction handling for a sample of transactions within the population of flushes with the highest estimated frequency and material impact to determine the rate and impact of error;
 - Perform the above review monthly until a long-term solution is developed
- Long-term:
 - Catalogue all known scenarios for flush handling failure (i.e., improper flush and failure to flush);
 - Define criteria for each scenario; identify characteristics which can be used to identify;
 - Perform manual review of a sample of transactions in each scenario to determine relative material impact;
 - Prioritize development of monitoring mechanisms (for each scenario according to relative material impact) to facilitate real-time identification of issues utilizing thresholds and alerts;
 - Perform periodic manual review of transactions in each scenario to validate monitoring mechanisms.

DETAILED OBSERVATIONS

Observation 1 – Toll System Performance Monitoring

Relative Priority

High

Toll Operations and IT (CFX)

E-PASS (Alliance One)

Accounting (CFX)

Pay By Plate and Image Review

Toll Operations (Shimmick)

Management Response

Management concurs.

Management Action Plan

Management will pursue the following phased approach:

- Short-term: Management has identified a population of flushes having the highest combined expected rate of error and materiality and will coordinate with Internal Audit to establish a sampling methodology for use in a manual review of transactions to be performed periodically until a permanent solution enables review of the full population.
- Long-term: Management will implement the solution as described.

Action Plan Owner / Due Date

David Boston, Manager of Toll Technical Systems

- Short-term: June 30, 2021
- Long-term: June 30, 2022

DETAILED OBSERVATIONS

Observation 2 – Logical Access to TRIMS

Relative Priority

Moderate

Toll Operations and IT
(CFX)

E-PASS (Alliance One)

Accounting (CFX)

Pay By Plate and
Image Review

Toll Operations
(Shimmick)

Observation

Upon the termination of any employee or contractor, the responsible manager is required to submit a ticket through the IT Help Desk to request access removal for relevant applications. Management is also required to perform periodic review of users' access to key applications. Access to the Toll Revenue Information Management System (TRIMS) is reviewed by Alliance One management on a monthly basis.

Although a TRIMS access review control is in place, 37 terminated employees were identified as still having access to TRIMS as of the time of the audit. Nineteen of the terminated employees identified also retained access to Active Directory, which is a prerequisite for logging into TRIMS.

The failure to remove terminated employees' access to sensitive applications in a timely manner increases risk of unauthorized use of the application or unauthorized access to confidential information.

Recommendation

Management should consider the following:

- Perform an impact assessment to confirm potential instances of terminated users having access to TRIMS and enabled Active Directory accounts.
- Remove TRIMS access and disable Active Directory for all terminated employees.
- As part of the monthly user access review process, incorporate a review of users with last login dates that suggest possible termination in order to detect users not removed during the normal termination process.

DETAILED OBSERVATIONS

Observation 2 – Logical Access to TRIMS

Relative Priority

Moderate

Toll Operations and IT
(CFX)

E-PASS (Alliance One)

Accounting (CFX)

Pay By Plate and
Image Review

Toll Operations
(Shimmick)

Management Response

Management concurs.

Management Action Plan / Owner / Due Date

Management will perform the following:

- Perform an impact assessment to confirm instances of inappropriate access and removed access where needed
- Coordinate with Alliance One to realign responsibilities related to personnel changes to ensure timely notification of CFX IT for any terminations and personnel changes
- Enhance procedures around periodic user access review to ensure sufficient coverage

Owners / Due Date

Dave Wynne, Director of Toll Operations / June 30, 2021

Rafael Milan, Director of Information Technology / June 30, 2021

DETAILED OBSERVATIONS

Observation 3 – Review of Badge Access

Relative Priority

Moderate

Toll Operations and IT
(CFX)

E-PASS (Alliance One)

Accounting (CFX)

Pay By Plate and
Image Review

Toll Operations
(Shimmick)

Observation

Upon the termination of any employee or contractor, the responsible manager is required to submit a ticket through the IT Help Desk to request the deactivation of badges which grant physical access to the building. Alliance One management performs a monthly review of users with active badges.

For the two months tested, the badge access report distributed for review contained only users with inactive badges; therefore, a review of active badges for reasonableness was not possible. Additionally, no evidence exists to demonstrate that the reviewer detected the error and pursued resolution.

After further evaluation of the current badge access listing for Alliance One employees, no terminated employees were found to have badge access.

Lack of a regular, sufficiently detailed review of badge access increases the likelihood that terminated employees retain inappropriate access to physical assets, increasing the risk of unauthorized acquisition, use, theft or damage to company assets. While current procedures include recovery of badges from terminated employees by Building Security, badge access should be deactivated immediately upon termination.

Recommendation

Management should ensure that review of badge access is performed with a degree of detail sufficient to uncover errors in report parameters which may hinder the efficacy of the review.

Management Response

Management concurs.

Management Action Plan

- Management revised the badge access report parameters to permit effective review as of February 2021
- Management will implement enhanced procedures around periodic user access review to ensure sufficient coverage

Owner / Due Date

Dave Wynne, Director of Toll Operations / June 30, 2021

DETAILED OBSERVATIONS

Observation 4 – Negative Discrepancy Billing

Relative Priority

Moderate

Toll Operations and IT
(CFX)

E-PASS (Alliance One)

Accounting (CFX)

Pay By Plate and
Image Review

Toll Operations
(Shimmick)

Observation

CFX is contractually entitled to reimbursement from the third-party toll collections contractor (Shimmick) for lost revenue due to toll collector error within the manned lane terminals (MLT). The CFX Accountant performs a monthly review of actual-to-expected toll collections to review variances meeting the criteria for reimbursement and bills the contractor for the “negative discrepancies” identified. The criteria used by the Accountant to calculate the negative discrepancy billing each month is not documented, which increases the risk of billing disputes and loss of historical knowledge with employee turnover.

Recommendation

Documented criteria should exist to facilitate consistent and efficient review, reduce the likelihood of billing disputes, and allow other CFX personnel to perform the process in the absence of the assigned Accountant. Management should coordinate with the toll collections contractor to mutually document and approve the criteria governing negative discrepancy billing.

Management Response

Management concurs.

Management Action Plan

Management has established a plan to document the negative discrepancy billing review criteria and will update the documentation periodically along with other Accounting procedures.

Action Plan Owner / Due Date

Michael Carlisle, Director of Accounting and Finance / December 31, 2021

APPENDIX

Opportunities for Digitalization

APPENDIX

Additional Procedures – Digitizing Toll Collection Operations

Toll Operations and IT
(CFX)

E-PASS (Alliance One)

Accounting (CFX)

Pay By Plate and
Image Review

Toll Operations
(Shimmick)

Procedures Performed

Internal Audit reviewed physical paper documentation generated through the following daily processes to identify opportunities for reduction paper:

- Toll Operations
 - Manned lane terminal (MLT)
 - Automated Coin Machine (ACM) operations
 - Plaza operations, including cash deposits and movements
- Daily and monthly audit processes
- Bank deposit processes and reporting
- E-PASS deposit and adjustment processes

Internal Audit reviewed 22 reports in total through review of the daily operations, audit, banking, and E-PASS processes, and identified ten (10) potential candidates for digitization.

Recommendation

Management has begun efforts to reduce paper reporting by identifying relevant reports generated in the toll operations processes. Management should coordinate with representatives from third-party contractors responsible for daily toll operations processes and E-PASS customer service processes, and with representatives from the bank to evaluate opportunities to reduce paper through increased reliance on electronic reporting of key information.

Management Response

Management concurs.

Face the Future with Confidence

© 2021 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.

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D.3d

**Crisis
Management/
Business
Continuity
Support**



2021 BUSINESS CONTINUITY MANAGEMENT REVIEW

AUDIT COMMITTEE SUMMARY

April 2021

**CENTRAL
FLORIDA
EXPRESSWAY
AUTHORITY**

BUSINESS CONTINUITY MANAGEMENT REVIEW



Summary

Overview

The scope of the “Crisis Management and Business Continuity Management Support” engagement focused on reviewing how changes to the new third-party vendor (AllianceOne) and go-live of the NICE InContact platform impact the Call Center operations business continuity plan, as the new vendor provides better capabilities to allow agents to work from home.

Approach

- Reviewed existing business continuity documentation for Call Center operations and performed interviews with AllianceOne personnel to understand the procedures in place for disaster preparedness.
- Worked with CFX Management to outline the top priority changes to be reflected in the business continuity plan and to understand how changes to applications impact the approach that CFX takes to communicate with customers during downtimes or when operating in a remote work capacity.
- Documented a Business Resumption Plan.
- Enhanced the Business Impact Analysis for the Toll Operations department by providing suggested revisions to key stakeholders for approval.

Deliverables

Business Resumption Plan

- Created a Business Resumption Plan to be used in the event of a disaster or business disruption impacting Call Center operations or critical technologies to help minimize the impact of the disaster on the business. This includes scenarios such as:
 - Loss of access or ability to operate information technology.
 - Loss of a key physical location and contents contained therein – internal or external.
 - Loss or inability to execute a business process in a normal manner because of loss or disruption to key vendor(s), personnel, accessibility issues, information, system functionality, etc.
- The Business Resumption Plan includes contact information for key personnel, recovery objectives, and specific procedures to follow during a disaster event.

Business Impact Analysis

- The suggested revisions to the Business Impact Analysis include key process overviews for Toll Operations and how they could be impacted during a disaster or other type of disruption event.

Face the Future with Confidence

D.4

Annual Review and Approval of the Audit Committee Charter

Central Florida Expressway Authority
Audit Committee Charter

Permanent Rules: 9-1

Department: Board and Committees

Supersedes: Audit Committee Charters from
10/27/10, 1/12/13, 9/11/14, 10/8/15, 4/14/16 and 7/13/17

Date of Board Approval: 10/10/19

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

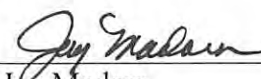
16. Appoint an Audit Committee Member to serve on the Selection Committee for all external audit services.
17. Recommend to the CFX Board the external auditors to be appointed and the related compensation.
18. Review and approve the discharge of the external auditors.
19. Review the scope and approach 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 10th 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

D.5a

**Effectiveness
of the Internal
Control
System,
including IT
Security and
Control**

**THERE ARE
NO BACKUP
MATERIALS FOR
THIS ITEM**

D.5b

**Process for
Assessing,
Monitoring and
Controlling
Significant Risks**

**THERE ARE
NO BACKUP
MATERIALS FOR
THIS ITEM**

D.5c
System for
Monitoring
Compliance with
Laws and
Regulations and
Results of
Investigation
of Any Instances of
Non-Compliance

**THERE ARE
NO BACKUP
MATERIALS FOR
THIS ITEM**

D.5d

**Adequacy,
Administration and
Compliance with the
Central Florida
Expressway
Authority's
Code of Ethics**

**THERE ARE
NO BACKUP
MATERIALS FOR
THIS ITEM**

D.5e

**Procedures for
Hotline
Reporting**

**THERE ARE
NO BACKUP
MATERIALS FOR
THIS ITEM**