

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

**AGENDA  
AUDIT COMMITTEE MEETING  
June 23, 2021  
10:00 a.m.**

**Meeting location: Central Florida Expressway Authority  
4974 ORL Tower Road  
Orlando, FL 32807  
Pelican Conference Room**

**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 APRIL 28, 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. REVIEW AND ACCEPTANCE OF FISCAL 2022 INTERNAL AUDIT PLAN AND RISK ASSESSMENT** – *Jeff Tecau, Managing Director, Protiviti* (action item)
- 3. ERP SYSTEM SELECTION UPDATE** – *Lisa Lumbard, Chief Financial Officer* (info item)
- 4. ANNUAL DISCUSSION REGARDING INTERNAL AUDITOR PERFORMANCE AND EFFECTIVENESS** – *Michelle McCrimmon, Chairman* (info item)
- 5. ANNUAL DISCUSSION REGARDING AUDIT COMMITTEE AND INDIVIDUAL PERFORMANCE** – *Michelle McCrimmon, Chairman* (info item)
- 6. CONFIRMATION OF COMPLETION OF RESPONSIBILITIES IN THE AUDIT COMMITTEE CHARTER** – *Jeff Tecau, Managing Director, Protiviti* (info item)

**E. OTHER BUSINESS**

**F. ADJOURNMENT**

**(CONTINUED ON PAGE 2)**

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

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](mailto: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  
APRIL 28, 2021  
AUDIT COMMITTEE  
MEETING MINUTES**

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

**DRAFT MINUTES**  
**CENTRAL FLORIDA EXPRESSWAY AUTHORITY**  
**AUDIT COMMITTEE MEETING**  
**April 28, 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 Appearing by/via Phone:

Megan Zee, Citizen Representative

Committee Members Not Present:

Kathy Wall, Brevard County Representative

Also Appearing by/via Phone:

Lisa Lumbard, Chief Financial Officer  
Alex Conrad, Senior Manager, Protiviti  
Martin Nash, Managing Director, Protiviti  
David Taylor, Managing Director, Protiviti

Also Present:

Michael Carlisle, Director of Accounting and Finance  
Jim Greer, Chief Technology & Operating Officer  
Diego "Woody" Rodriguez, General Counsel  
Aneth Williams, Director of Procurement  
David Wynne, Director of Toll Operations  
Rita Moore, Recording Secretary/Executive Administrative Coordinator  
Jeff Tecau, Managing Director, Protiviti  
Emily Picard, Senior Manager, Protiviti  
Chris Porter, Associate Director, Protiviti  
Graham Wigle, Senior Consultant, 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 JANUARY 27, 2021 MINUTES**

A motion was made by Ms. Dover and seconded by Ms. Mullane to approve the January 27, 2021 minutes as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. Two members, Ms. Wall and Ms. Zee were 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.)

Committee Member, Megan Zee joined the meeting at 10:07 a.m.

**2. PROJECT UPDATE: ERP SELECTION SUPPORT**

Mr. Martin Nash and Ms. Emily Picard of Protiviti presented an update on the ERP Selection Support.

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

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

**3. REVIEW AND ACCEPTANCE OF COMPLETED INTERNAL AUDIT REPORTS**

**a. Prior Audit Recommendations: Semi-Annual Follow Up**

Ms. Emily Picard of Protiviti presented the Prior Audit Recommendations: Semi-Annual Follow Up.

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

**A motion was made by Ms. Mullane and seconded by Ms. Dover to accept the Prior Audit Recommendations: Semi-Annual Follow Up as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. One (1) member, Ms. Zee voting AYE by phone. One member, Ms. Wall was not present.**

b. Customer Service Center Transition Review

Mr. Chris Porter of Protiviti presented the Customer Service Center Transition Review.

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

**A motion was made by Ms. Mullane and seconded by Mr. Walls to accept the Customer Service Center Transition as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. One (1) member, Ms. Zee voting AYE by phone. One member, Ms. Wall was not present.**

b. Toll Revenue Audit

Mr. Jeff Tecau, Mr. Alex Conrad, and Mr. Graham Wigle of Protiviti presented the Toll Revenue Audit.

Committee Members asked questions which were answered by Mr. Conrad, Mr. Greer, Mr. Wynne, Mr. Carlisle, and Mr. Wigle.

**A motion was made by Ms. Dover and seconded by Mr. Walls to accept the Toll Revenue Audit as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. One (1) member, Ms. Zee voting AYE by phone. One member, Ms. Wall was not present.**

c. 2021 Business Continuity Management Review

Mr. Chris Porter of Protiviti presented the 2021 Business Continuity Management Review.

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

**A motion was made by Ms. Mullane and seconded by Ms. Dover to accept the Crisis Management/Business Continuity Support as presented. The motion carried unanimously with five (5) members present voting AYE by voice vote. One (1) member, Ms. Zee voting AYE by phone. One member, Ms. Wall was not present.**

#### 4. ANNUAL REVIEW AND APPROVAL OF THE AUDIT COMMITTEE CHARTER

Mr. Woody Rodriguez, General Counsel presented the Audit Committee Charter. He recommended some stylistic changes to add roman numeral headings and a table of contents.

**A motion was made by Mr. Walls and seconded by Ms. Mullane to accept the Audit Committee Charter with recommended changes. The motion carried unanimously with five (5) members present voting AYE by voice vote. One (1) member, Ms. Zee voting AYE by phone. One member, Ms. Wall was not present.**

#### 5. ANNUAL MANAGEMENT REVIEW OF INTERNAL CONTROL MATTERS

- a. Effectiveness of the Internal Control System, including IT Security and Control

Ms. Lisa Lumbar, Chief Financial Officer presented the Effectiveness of the Internal Control System, including IT Security and Control.

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

- b. Process for Assessing, Monitoring and Controlling Significant Risks

Ms. Lisa Lumbar, Chief Financial Officer presented the Effectiveness of the Process for Assessing, Monitoring and Controlling Significant Risks.

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

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

Mr. Woody Rodriguez, General Counsel presented the System for Monitoring Compliance with Laws and Regulations and Results of Investigation of Any Instances of Non-Compliance.

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

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

Mr. Woody Rodriguez, General Counsel presented the Adequacy, Administration and Compliance with the Central Florida Expressway Authority's Code of Ethics

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

e. Procedures for Hotline Reporting

Mr. Woody Rodriguez, General Counsel presented the Procedures for Hotline Reporting

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

**E. OTHER BUSINESS**

No other business was reported.

**F. ADJOURNMENT**

Chairman McCrimmon adjourned the meeting at approximately 11:15 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](mailto:publicrecords@CFXway.com) or 4974 ORL Tower Road, Orlando, FL 32807.*



# **D.1**

**STATUS UPDATE:**

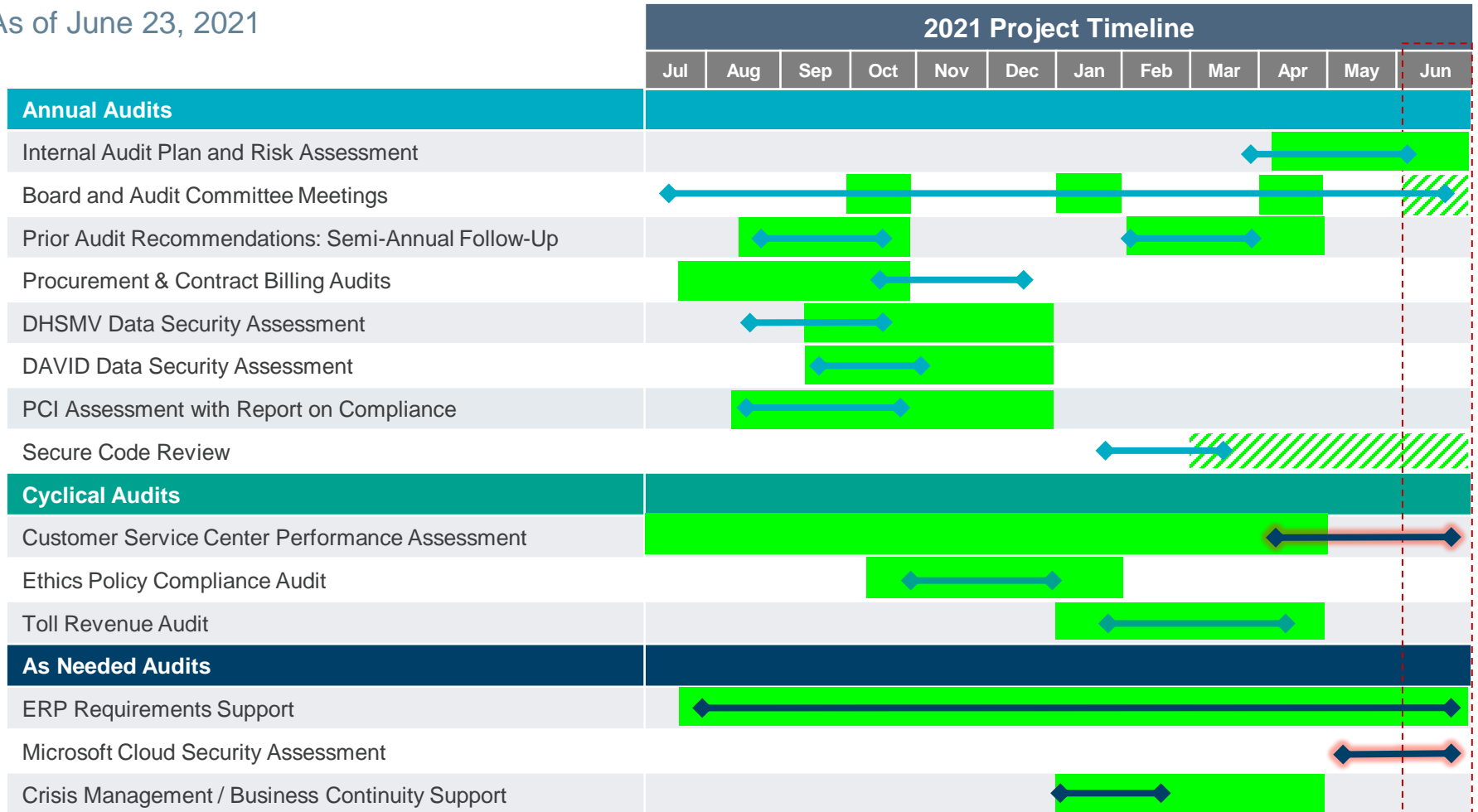
**FISCAL 2021**

**INTERNAL AUDIT**

**PLAN**

# INTERNAL AUDIT STATUS

As of June 23, 2021



↔ Plan    
 ↔ Deferred to FY 2022    
 ● Complete    
 ▨ In-Process

# **D.2**

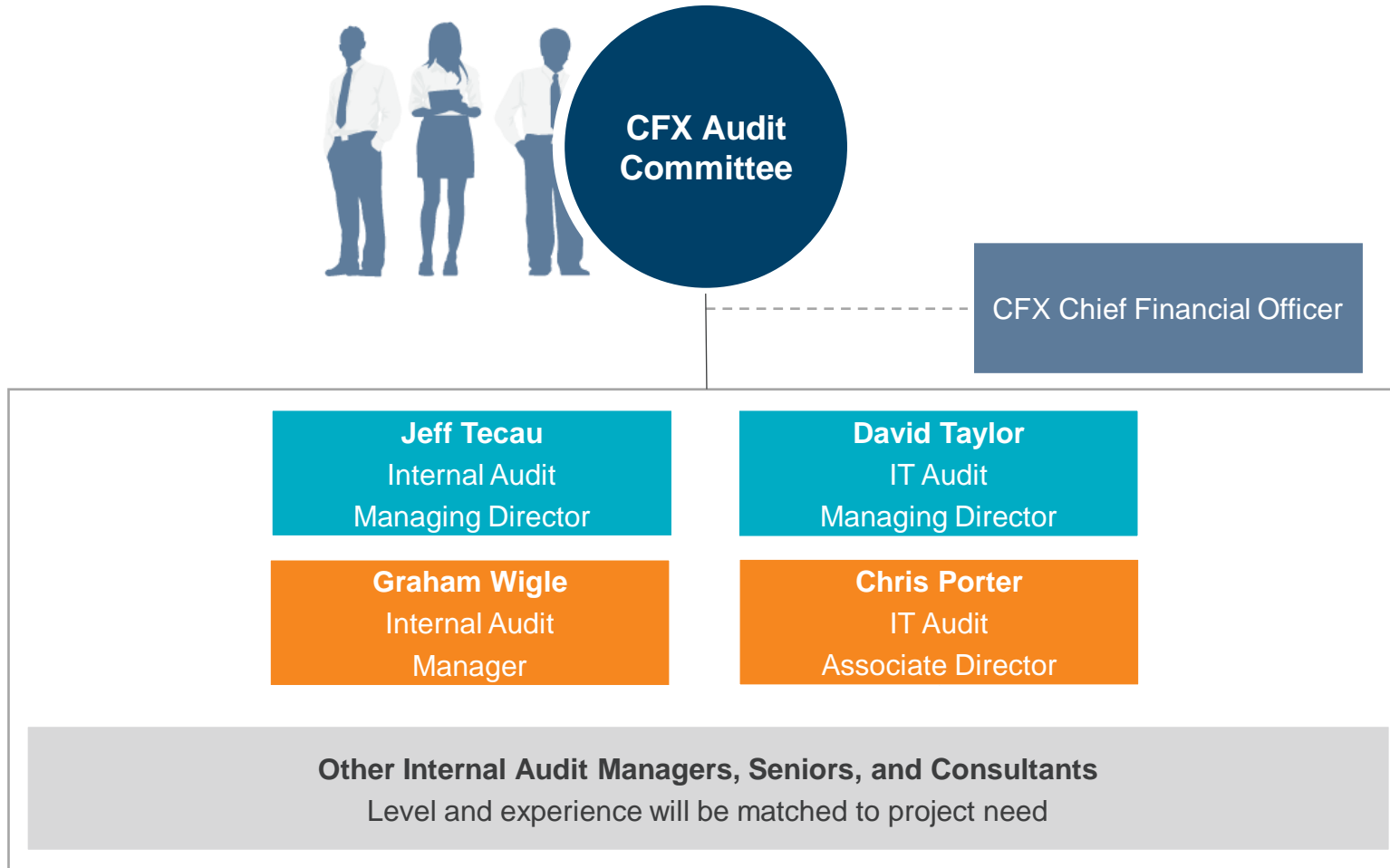
## **REVIEW AND ACCEPTANCE OF FISCAL 2022 INTERNAL AUDIT PLAN AND RISK ASSESSMENT**

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

## Internal Audit Plan




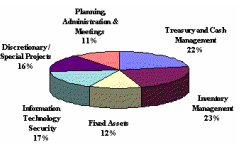
For the Fiscal Year Ending June 30, 2022

# YOUR INTERNAL AUDIT TEAM



# BACKGROUND

An annual risk assessment is a critical element of a high-quality Internal Audit department’s responsibility and provides the opportunity to be “front and center” with senior leadership as a strategic partner in the review and management of key business risks. The objective of the fiscal 2022 risk assessment is to identify and prioritize key areas of risk within CFX to consider in designing the fiscal 2022 Internal Audit plan. The approach to conduct the fiscal 2022 risk assessment and develop the fiscal 2022 Internal Audit plan is depicted below.

	<h3>Identify Key Areas of Risk to be Assessed</h3>	<ul style="list-style-type: none"> <li>• Confirm and update prior year risk areas based upon review of prior year work papers, audit results, and discussions with staff</li> <li>• Determine preliminary risk ratings based upon prior year results</li> </ul>
	<h3>Assess and Prioritize Areas of Risk</h3>	<ul style="list-style-type: none"> <li>• Conduct interviews with management, the Board, and the Audit Committee Chair to confirm and validate the current enterprise risk model and gain additional insight around risk trending, key changes in the organization, and key initiatives</li> <li>• Aggregate and compile resulting information</li> <li>• Provide a graphical representation of enterprise risks on a risk heat map to prioritize residual areas of risk</li> </ul>
	<h3>Select Focus Areas</h3>	<ul style="list-style-type: none"> <li>• Evaluate the prioritized enterprise risks and management commentary to determine Internal Audit focus areas for fiscal year 2022</li> <li>• Develop and define a preliminary listing of proposed Internal Audit projects to address the areas of focus</li> </ul>
	<h3>Develop and Approve Audit Plan</h3>	<ul style="list-style-type: none"> <li>• Establish high-level scoping statements and levels of effort for proposed projects</li> <li>• Finalize budget allotments and propose projects for Audit Committee approval</li> <li>• Finalize proposed timing for selected projects</li> <li>• Finalize Internal Audit plan and obtain Audit Committee approval</li> </ul>

# INTERVIEW LIST

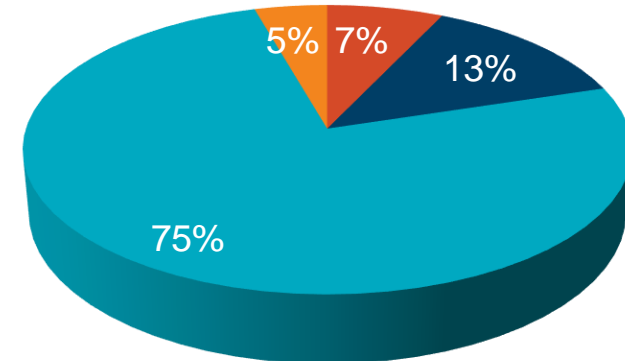
The following 24 individuals were interviewed to gather information to develop the fiscal year 2022 Internal Audit plan:

Name	Title	Name	Title
<b>Mayor Buddy Dyer</b>	Board Chair (City of Orlando)	<b>Michelle Maikisch</b>	Chief of Staff/Public Affairs Officer
<b>Sean Parks</b>	Board Vice Chairman (Lake County)	<b>Jim Greer</b>	Chief of Technology/Operations
<b>Victoria Siplin*</b>	Board Treasurer (Orange County)	<b>Diego “Woody” Rodriguez</b>	General Counsel
<b>Mayor Jerry Demings</b>	Board Member (Orange County)	<b>David Wynne</b>	Director of Toll Operations
<b>Brandon Arrington</b>	Board Member (Osceola County)	<b>Will Hawthorne</b>	Director of Engineering
<b>Lee Constantine</b>	Board Member (Seminole County)	<b>Michael Carlisle</b>	Director of Accounting and Finance
<b>Jay Madara</b>	Board Member (Governor’s Appointee)	<b>Rafael Milan</b>	Director of Information Technology
<b>Curt Smith*</b>	Board Member (Brevard County)	<b>Joann Chizlett</b>	Director of Special Projects
<b>Michelle McCrimmon</b>	Audit Committee Chair	<b>Evelyn Wilson</b>	Director of Human Resources
<b>Laura Kelley</b>	Executive Director	<b>Don Budnovich</b>	Director of Maintenance
<b>Glenn Pressimone</b>	Chief of Infrastructure	<b>Iranetta Dennis</b>	Director of Supplier Diversity
<b>Lisa Lombard</b>	Chief Financial Officer	<b>Aneth Williams</b>	Director of Procurement

\* Board member was provided a copy of the Risk Discussion Document for review and opportunity to provide input in lieu of a formal interview.

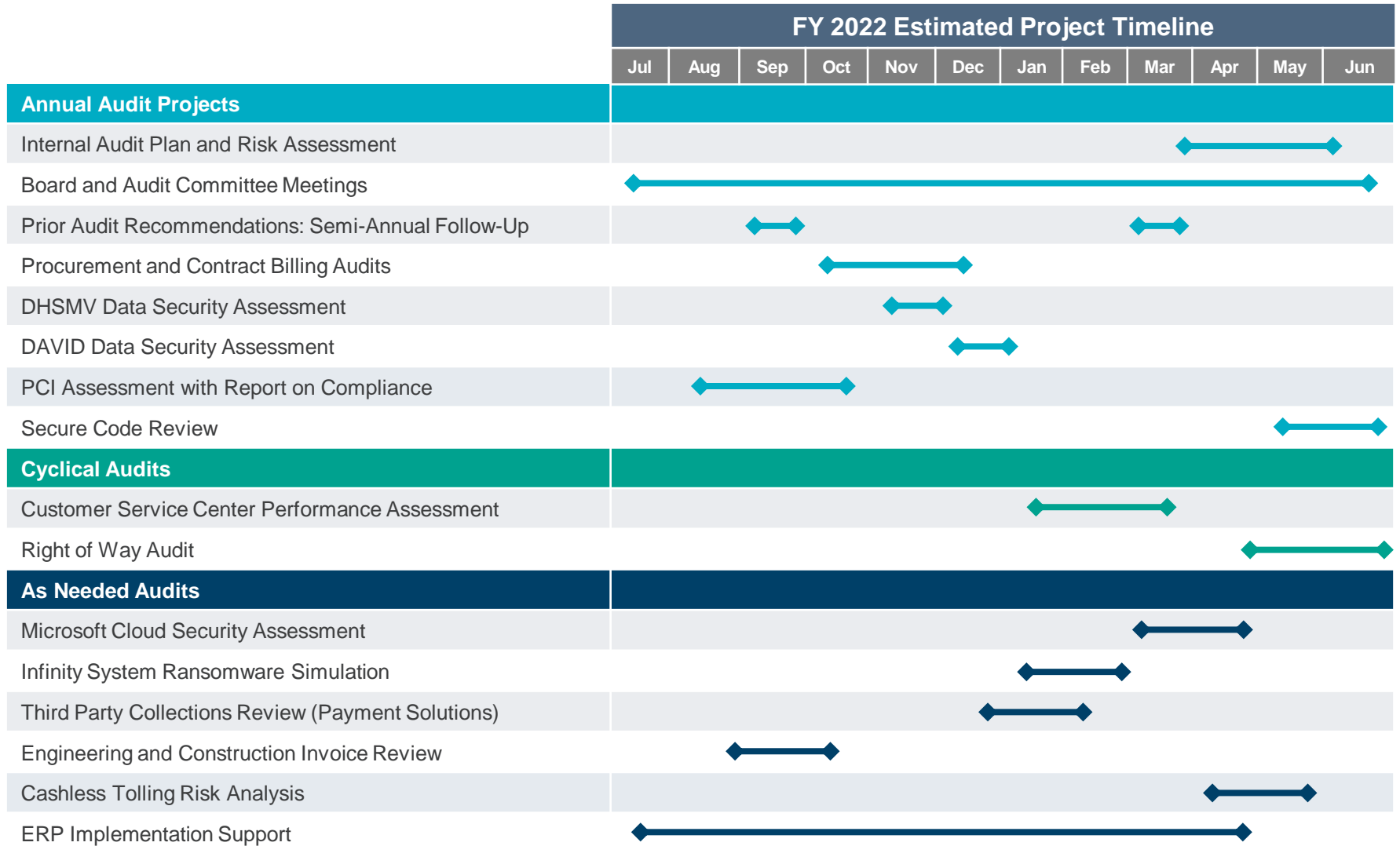
# FY 2022 INTERNAL AUDIT COVERAGE

Strategic and Governance	Budget Allocation	Frequency
<ul style="list-style-type: none"> <li>Fiscal 2023 Internal Audit Plan and Risk Assessment</li> <li>Prior Audit Recommendations: Semi-Annual Follow-up</li> </ul>	\$25,000 \$15,000	Annual Annual
Financial		
<ul style="list-style-type: none"> <li>Procurement and Contract Billing Audits</li> <li>Cashless Tolling Risk Analysis</li> </ul>	\$50,000 \$24,000	Annual As Needed
Operations and IT		
<ul style="list-style-type: none"> <li>DHSMV Data Security Assessment</li> <li>DAVID Data Security Assessment</li> <li>PCI Assessment with Report on Compliance</li> <li>Secure Code Review</li> <li>Customer Service Center Performance Assessment</li> <li>Right of Way Audit</li> <li>Microsoft Cloud Security Assessment</li> <li>Infinity System Ransomware Simulation</li> <li>Third Party Collections Review (Payment Solutions)</li> <li>Engineering and Construction Invoice Review</li> </ul>	\$25,000 \$20,000 \$100,000 \$25,000 \$40,000 \$45,000 \$50,000 \$40,000 \$40,000 \$40,000	Annual Annual Annual Annual 3 Year Cycle 5 Year Cycle As Needed As Needed As Needed As Needed
Other		
<ul style="list-style-type: none"> <li>Board and Audit Committee Meetings</li> <li>Contingency for Special Projects</li> <li>ERP Implementation Support</li> </ul>	\$15,000 \$10,000 Separate from Audit	Annual Annual As Needed
<b>Total Internal Audit Budget</b>	<b>\$564,000</b>	





# INTERNAL AUDIT TIMELINE



# THREE YEAR INTERNAL AUDIT PLAN

Description	Frequency	Date Last Performed	Audit Plan Year		
			2022	2023	2024
<b>Annual Internal Audits</b>					
Internal Audit Plan and Risk Assessment	Annual	2021	x	x	x
Board and Audit Committee meetings	Annual	2021	x	x	x
Prior Year Recommendations : Semi-Annual Follow-up	Annual	2021	x	x	x
Procurement & Contract Billing Audits	Annual	2021	x	x	x
DHSMV Data Security Assessment	Annual	2021	x	x	x
DAVID Data Security Assessment	Annual	2021	x	x	x
PCI Assessment with Report on Compliance	Annual	2021	x	x	x
Secure Code Review	Annual	2021	x	x	x
Contingency for Special Projects	Annual	2021	x	x	x
<b>Cyclical Audits</b>					
Customer Service Center Performance Assessment	3 Year Cycle	2019	x		
Right of Way Audit	5 Year Cycle	2016	x		
Toll Revenue Audit	2 Year Cycle	2021		x	
Ethics Policy Compliance Audit	3 Year Cycle	2021			x
Bond Financing Review	5+ Year Cycle	2016		x	
Accounting System Access and SOD Review	5 Year Cycle	2017		x	
Human Resources Process Review	5+ Year Cycle	2017		x	
IT General Controls Review	5 Year Cycle	2018		x	
Information Security Risk Assessment Refresh	5 Year Cycle	2018		x	
Safety and Maintenance Policy and Procedures Compliance Audit	5 Year Cycle	2018		x	
Toll Violations Audit	5 Year Cycle	2018		x	
Public Records and Information Management Review	5 Year Cycle	2020			
COSO ERM Governance Review	5 Year Cycle	2020			
P-Card and Gas Card Audit	5 Year Cycle	2020			
Business Continuity management Review	5 Year Cycle	2021			
<b>As Needed Audits</b>					
Microsoft Cloud Security Assessment	As Needed	N/A	x		
Infinity System Ransomware Simulation	As Needed	N/A	x		
Third Party Collections Review (Payment Solutions)	As Needed	N/A	x		
Engineering and Construction Invoice Review	As Needed	N/A	x		
Cashless Tolling Risk Analysis	As Needed	N/A	x		
ERP Implementation Support	As Needed	2021	x		
Sensitive Data Review	As Needed	2014			
ITS Security Review	As Needed	2015			
Accounting and Financial Controls Review	As Needed	2019			
IT Project Management Review	As Needed	2019			
Ransomware Review	As Needed	2019			
CyberSecurity Incident Response Review	As Needed	2019			
RPA and Automation Assistance	As Needed	2020			
Policy and Procedure Review	As Needed	N/A			

# FY 2022 INTERNAL AUDIT PROJECT DESCRIPTIONS

#	Project	Project Description	Risks	Estimated Cost
1	<b>Internal Audit Plan and Risk Assessment</b>	We will conduct a risk assessment to highlight the Expressway Authority's current year risk profile, to identify risk trends, and to form the foundation for the fiscal year 2022 Internal Audit Plan. In addition, we will conduct the annual review of the completeness of the fraud risk universe and annual refresh of the fraud risk assessment. The information and findings will be utilized to develop the 2023 Internal Audit plan, with a focus on addressing opportunities identified during the risk assessment process.	Strategic Planning Fraud Governance	\$25,000
2	<b>Board and Audit Committee Meetings</b>	Protiviti will attend Board meetings and prepare for and present at all Audit Committee meetings during fiscal year 2022. This includes document preparation time and preparation time with management and the Audit Committee in advance of meetings.	Governance	\$15,000
3	<b>Prior Audit Recommendations: Semi-Annual Follow-up</b>	This work will focus on semi-annual follow-up on the status of all OPEN action plans from prior year audits. In addition, internal audit will consider re-auditing closed recommendations for selected areas from prior year audits as requested by management or the Audit Committee.	Governance	\$15,000
4	<b>Procurement and Contract Billing Audits</b>	This audit will encompass a selection of 2 or 3 engineering, construction, maintenance, operations, or legal contracts, with the objective of verifying internal controls are in place to ensure work performed for CFX has been billed in accordance with contractual terms and conditions. The work will include reviewing procurement, reviewing contract SLA's, testing pricing and hours worked for accuracy and validity, testing invoice approvals, testing vendor compliance with other contractual obligations, and using data analytics to identify high risk vendors and/or change orders.	Contract Management Contract Performance Reporting Cost Containment Procurement and Vendor Selection	\$50,000
5	<b>DHSMV Data Security Assessment</b>	The objective of this assessment is to review internal controls for gaps in design related to the requirements set forth in the DHSMV Drivers License or Motor Vehicle Record Data Exchange Memorandum of Understanding (MOU), Section V – Safeguarding Information.	Cyber / Data Security	\$25,000

# FY 2022 INTERNAL AUDIT PROJECT DESCRIPTIONS

#	Project	Project Description	Risks	Estimated Cost
6	<b>DAVID Data Security Assessment</b>	The objective of this assessment is to review internal controls for gaps in design related to the requirements set forth in the DHSMV Driver and Vehicle Information Database ("DAVID") Data Exchange Memorandum of Understanding (MOU), Section V – Safeguarding Information	Cyber / Data Security	\$20,000
7	<b>PCI Assessment with Report on Compliance</b>	This project will be to fully test CFX's compliance with the PCI Data Security Standard, (PCI-DSS) version 3.2 and issue a Report on Compliance (ROC). The testing will cover all twelve sections of the PCI-DSS.	Cyber / Data Security	\$100,000
8	<b>Secure Code Review</b>	This review will assess the security of production code for applications that are developed in-house. Application's functionality, security standards, and coding practices will be reviewed through documentation and by conducting both automated and manual analysis against the Open Web Application Security Project ("OWASP") framework.	Cyber / Data Security	\$25,000
9	<b>Customer Service Center Performance Assessment</b>	Protiviti will conduct an assessment of the customer contact center and consider current needs of the center, including opportunities to reduce staff turnover. The audit will involve a review of the center's performance through an organizational analysis, a customer contact analysis, an analysis of technology, infrastructure and applications, and a statistical data analysis.	Cost Containment Customer Satisfaction Public Relations	\$40,000
10	<b>Right of Way Audit</b>	This audit will include a review of the processes and procedures in place to manage Right of Way land acquisitions and may include a review of legal counsel responsibilities, involvement of the ROW Committee, and internal controls around managing legal counsel, other third-party costs, and overall purchase price. To the extent the data exists, the review may include a trending analysis of appraised cost values for recent purchases and a review of outliers.	Right of Way Cost Containment Public Relations	\$45,000

# FY 2022 INTERNAL AUDIT PROJECT DESCRIPTIONS

#	Project	Project Description	Risks	Estimated Cost
11	<b>Microsoft Cloud Security Assessment</b>	Internal Audit will conduct an assessment of CFX's Microsoft cloud computing architecture, including evaluating the strategy, capabilities, operations and processes against industry leading practices. Internal Audit will also review CFX's strategy in determining what data is stored in the cloud as well the controls utilized to ensure that data's integrity and availability.	Cyber / Data Security	\$50,000
12	<b>Infinity System Ransomware Simulation</b>	Internal Audit will review the channels by which ransomware could infect the Infinity system and conduct a simulation of this attack if possible. Internal Audit will also review the effect of an Infinity outage during the ransomware attack and provide input to a response in the event of attack.	Cyber / Data Security Business / IT Applications and Systems	\$40,000
13	<b>Third Party Collections Review (Payment Solutions)</b>	This project will consist of identifying and reviewing risks related to the various programs in which CFX collects revenue from third parties that utilize E-Pass or through other point-of-sale payment solutions, outside of traditional toll revenue collections (e.g., parking garages and lots, charging stations, third party mobile applications, etc.)	Cost Containment Business / IT Applications and Systems	\$40,000
14	<b>Engineering and Construction Invoice Review</b>	This project will consist of a review of the following areas for process improvement opportunities: (1) Engineering and Construction invoicing, to identify opportunities to streamline invoicing review and payment, (2) Contracting; specifically, opportunities for and advantages of changing from a cost plus fixed fee model to a lump sum model, and (3) supporting technology.	Cost Containment Contract Management Business / IT Applications and Systems	\$40,000
15	<b>Cashless Tolling Risk Analysis</b>	In conjunction with CFX's continued discussions around the risks and opportunities of converting cash tolling operations to all electronic tolling, Internal Audit will participate in and support, through risk identification and analysis and by offering perspective, the discussions held by CFX management, the General Engineering Consultant, and through Board workshops. Deliverables associated with this project will be defined based upon needs identified during these discussions.	Toll Collections Cash Handling	\$24,000
16	<b>ERP Implementation Support</b>	Internal Audit will continue to assist CFX with ERP selection and implementation as outlined in a separate agreement.	Financial Reporting Procurement and Vendor Selection Business / IT Application and Systems	Separate from Audit

# APPENDIX A

## OTHER POTENTIAL AUDITS

# OTHER POTENTIAL AUDITS NOT SELECTED FOR FY 2022 INTERNAL AUDIT PLAN

#	Project	Project Description	Risks
1	<b>Toll Revenue Audit</b>	As CFX continues to migrate cash customers to electronic tolling and increase EPASS account conversion, a new Pay By Plate rate will be put into effect on July 1, 2020. In addition, the Infinity tolling system now generates a majority of CFX revenue with all systems “live” by the time of this audit. This audit will focus on electronic and cash tolling processes and include a review of Infinity transactions for accuracy, the Pay By Plate process and impact to collectability, and cash (manned and unmanned lanes). The audit will include review of (1) controls that verify revenue data captured at the point of origin is completely and accurately recorded to the financial statements, (2) physical safeguarding controls exist around cash (including the use of security and surveillance, data analytics, monitoring and reporting, and counts/other reconciling activities), (3) controls in place around processing revenue adjustments to customer accounts are operating according to policy, (4) changes to business processes and controls related to Pay By Plate billing, collection, and monitoring and (5) appropriate reconciliation controls are in place to monitor revenue related to interoperability agreements. Additionally, IT general controls around supporting systems and information technology will be reviewed.	Toll Collections Cash Handling IT Infrastructure / Tolling System Infrastructure Financial Reporting Statewide Interoperability National Interoperability
2	<b>Ethics Policy Compliance Review</b>	CFX has a formal ethics policy in place. Internal Audit will review the policy and (1) leverage leading practices to suggest additional areas for consideration to include in the policy and (2) review compliance with the policy, including the new provisions added as a result of Florida state legislation.	Ethical Compliance
3	<b>Bond Financing Review</b>	CFX has \$2.8B of bonds issued and outstanding with varying terms and is planning to issue additional bonds to finance the upcoming five-year workplan. As part of this project, we will perform a risk assessment of the financing process, a review of the policies (including policies to procure the financial advisor, underwriter, attorneys, and others involved in the financing process), and a review of the process to structure financing deals and manage existing portfolio risk. This project may also include a review of the process to monitor bond covenant compliance.	Bond Financing / Covenant Compliance
4	<b>Accounting System Access and Segregation of Duties Review</b>	The financial close and related accounting processes will be reviewed for appropriate segregation of duties among CFX personnel. Protiviti-developed tools will be leveraged to verify segregation for each key accounting cycle around the following: Physical custody of assets, adjustments to accounting records, approvals of accounting transactions, and review responsibilities. In addition, we will also review access rights within the Eden financial package to verify system access restrictions appropriately support segregation of duties and to identify segregation of duties conflicts within the system. We will recommend compensating monitoring controls to the extent necessary.	Financial Reporting Fraud
5	<b>Human Resources Process Review</b>	During the Human Resource Process review, we will evaluate the Human Resource process, policies, procedures and related internal controls. The review may include back-to-office and workplace safety protocols; recruiting and hiring; training; performance evaluations; performance, reward, and recognition; and employee terminations. The HR process and controls will be reviewed for compliance with policies and comparison to leading HR practices. Lastly, the succession planning strategy may be reviewed and compared to leading practices.	Human Resources

# OTHER POTENTIAL AUDITS NOT SELECTED FOR FY 2022 INTERNAL AUDIT PLAN

#	Project	Project Description	Risks
6	<b>IT General Controls Review</b>	This review will focus on the Expressway Authority's Information Systems area. To accomplish this, we will assess the policies and procedures that are utilized to support the business-critical applications and systems at CFX. Our approach will be to focus on the IT General Computer Controls which include the following components: Change Management, Logical Security, Physical Security, Security Administration, IT Organization and Management.	Business / IT Applications and Systems IT Infrastructure
7	<b>Information Security Risk Assessment Refresh</b>	Protiviti will conduct a risk assessment of CFX's IT function that will identify asset groupings within the environment and assign them a value so that Management may prioritize in what order to address risks posed to them. This value is based on the likelihood and potential impact of threats posed to these assets, the vulnerabilities they have, and the safeguards surrounding them. This project will be a refresh of the project conducted in FY18.	Cyber / Data Security
8	<b>Safety and Maintenance Policy and Procedures Compliance Audit</b>	The objective of this project will be to review the safety and maintenance policies and procedures in place, including any recent technological enhancements to safety within the system (e.g., new technology measures to help reduce the risk of wrong way driving), vendor management programs, and to test compliance with the safety and maintenance policies and procedures.	Maintenance and Safety
9	<b>Toll Violations Audit</b>	This audit will focus on reviewing the processes, policies, procedures, technology, and reporting in place around the violations process to verify the process is working as intended. Focus will be on enhancing the efficiencies around the process to review violations and to bill and collect violations revenue. Samples of deleted/voided unpaid toll notices will also be reviewed to verify there is sufficient justification for voiding.	Toll Violations Toll Collections Business / IT Applications and Systems Customer Satisfaction
10	<b>Public Records and Information Management Review</b>	This review will focus on CFX's records and information management processes and the four cornerstones of a sustainable information governance program: <ol style="list-style-type: none"> <li>1. Compliance with internal policies and legal and regulatory requirements</li> <li>2. Operational efficiencies to minimize disruptions to business operations and improve ways to create, use and dispose of data</li> <li>3. Cost savings from practical solutions that reduce storage and retrieval costs, as well as requirements for responding to investigations, litigation or regulatory requests</li> <li>4. Defensible processes in routine business operations that allow organizations to demonstrate reasonable and good faith efforts when challenged</li> </ol> <p>Data retention surrounding electronic communications via email, mobile, and voice mail will also be reviewed to identify technology needed to assist with capturing and retaining data from such communication.</p>	Records Management



# OTHER POTENTIAL AUDITS NOT SELECTED FOR FY 2022 INTERNAL AUDIT PLAN

#	Project	Project Description	Risks
11	<b>COSO ERM Governance Review</b>	This audit will involve an evaluation of the Expressway Authority's governance procedures and internal controls leveraging the COSO ERM and COSO 2013 internal control frameworks as leading practice guidelines.	Governance Ethical Compliance
12	<b>P-Card and Gas Card Audit</b>	The objective of the project will be to review P-card and Gas procurement expenditures to verify purchases are adequately supported and are for valid business purposes.	Cost Containment Fraud
13	<b>Business Continuity Management Review</b>	This review will focus on how CFX manages Business Continuity, including IT Disaster Recovery plans and Crisis Management. The review will include an assessment of the documented plans as well as the foundational efforts that were performed to create them (such as a Business Impact Analysis). This may be adjusted into a consulting project based on the recent pandemic.	Business Continuity / Disaster Recovery
14	<b>Sensitive Data Review</b>	This review will include an assessment of how sensitive data is defined and categorized, where it exists logically on the CFX network and systems, and how it is destroyed when it is no longer needed. IT will include a review of any policies that govern sensitive data (as defined by CFX). Additionally, IA will use an automated data loss prevention (DLP) scanning tool to conduct a scan on a sample of systems to confirm sensitive data is stored in appropriate network locations.	Cyber / Data Security
15	<b>ITS Security Review</b>	Protiviti will conduct an IT security review of Intelligent Transportation Systems. This review will include an assessment of access controls (physical and logical), hardening procedures, patching processes, and remote connectivity of ITS systems to identify security risks that exist in the ITS network.	Cyber / Data Security
16	<b>Accounting and Financial Controls Review</b>	The objective of this project is to conduct a current state design analysis of key processes, risks, and internal controls within the accounting function and to test the operating effectiveness of key accounting and financial reporting controls, including those designed to detect or prevent fraud. The audit will also include comparisons of CFX's accounting and financial reporting controls to leading practices.	Financial Reporting Fraud
17	<b>IT Project Management Review</b>	This project will assess CFX's ability to intake, prioritize, deliver on requests from the business. Protiviti will assess the manner in which IT requests are received and accepted, the potential risks that could impact projects, the testing procedures (including unit testing, peer review, integration, regression and user acceptance), project health metrics, change requirements, and resourcing requirements.	IT Infrastructure Business / IT Applications and Systems IT Operations Strategic Planning Communication

# OTHER POTENTIAL AUDITS NOT SELECTED FOR FY 2022 INTERNAL AUDIT PLAN

#	Project	Project Description	Risks
18	<b>Ransomware Review</b>	As part of this project, Protiviti will review CFX's ability to prevent a ransomware attack against the organization. Controls surrounding email systems, open network ports, and USB ports will be reviewed as each of these is a channel through which ransomware may enter an organization. Controls that could contain a ransomware outbreak will also be reviewed to assess the effect of an outbreak within the organization should perimeter controls fail. Backup and recovery practices will be reviewed to determine CFX's ability to resume normal business function should ransomware spread throughout the organization.	Cyber / Data Security Public Relations Insurance Coverage
19	<b>Cyber Security Incident Response Review</b>	Internal Audit will review CFX's Cyber Security Incident Response program by assessing the current incident response strategy as well as the related employee training, policies and procedures, and supporting technologies deployed throughout the environment.	Cyber / Data Security Public Relations Communication Insurance Coverage
20	<b>RPA and Automation Assistance</b>	This project will include assisting CFX with developing automation use cases, cost benefit analyses, and prototype bot development for areas that have been identified as having opportunity for efficiency gains.	Cost Containment
21	<b>Policy and Procedure Review</b>	CFX has experienced growth in number of people over the past few years. During this audit, Protiviti will review whether Policies and Procedures are reflective of growth. To perform the audit, Protiviti will work with CFX to inventory policies and procedures, review for periods of last update, and make suggestions to mature the process to update policies and procedures. Protiviti may also make suggestions for potential additions to policies that are selected for detailed review.	Governance

# APPENDIX B ENTERPRISE RISK ASSESSMENT

# ENTERPRISE RISK ASSESSMENT

To assist with the development of the fiscal 2022 Internal Audit Plan, Internal Audit used the prior year risk model as the starting point for discussions with CFX management. Internal Audit asked CFX management to consider the current business environment, critical business initiatives, and prior year audit results to provide input on which risks warranted the most focus in today's environment. In addition, management was asked to identify any new risks that may not have been considered in past years for inclusion in the current risk model.

Internal Audit utilized the aggregated input obtained during interviews with CFX management and from risk surveys of management to develop a list of potential internal audit projects for fiscal 2022, with the objective being to help the Audit Committee and management mitigate areas of highest residual risk, monitor areas of high inherent risk, or to mitigate areas where risks are trending higher.

Risk is defined as follows:

## Risk:

- Is the possibility of an event occurring that will have a negative impact on the achievement of goals and objectives and could also include the cost of missing an opportunity.


## Inherent Risk:

- Is the amount of risk to the business given the environment in which it operates, without considering the application of controls. The risks identified on the following page represent the risk areas deemed most important for CFX to manage and control in order to achieve its goals and objectives.

## Residual Risk:

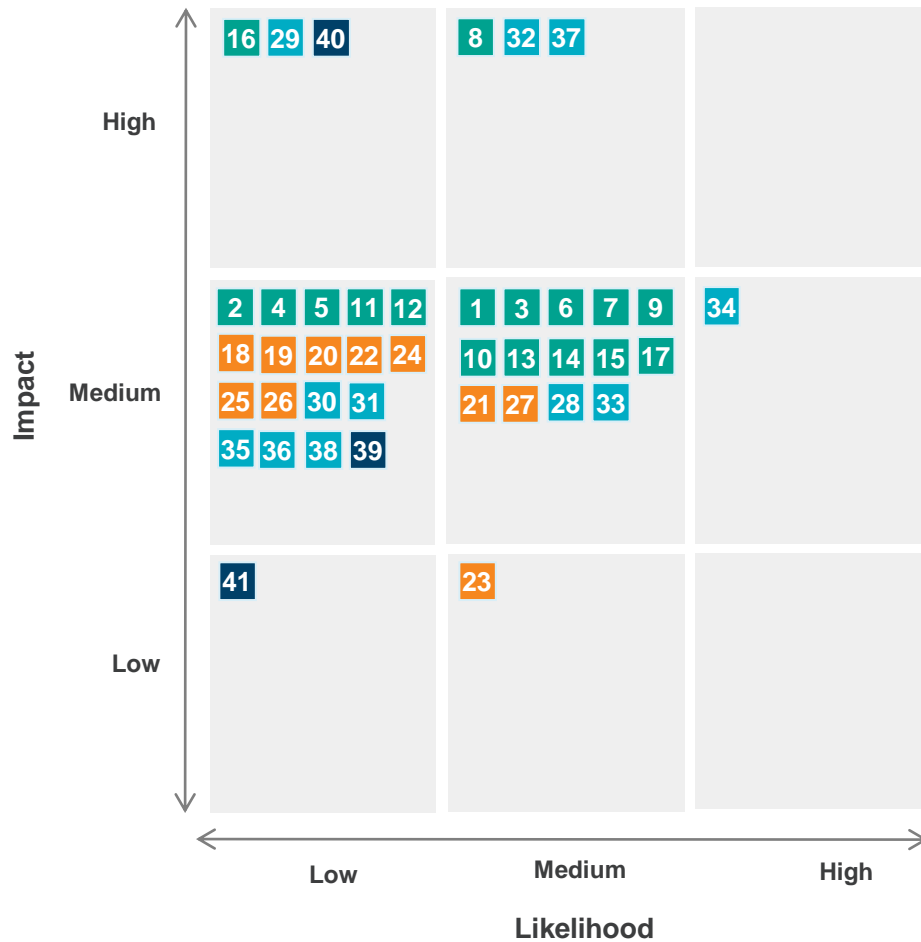
- Is the amount of risk remaining after the application of management controls. Residual risk was judgmentally considered for purposes of this fiscal 2022 audit plan in the selection of potential projects for inclusion in the plan. The results of the residual risk assessment are depicted via the Enterprise Risk Map on the following pages.

# RISK MODEL

 <b>Strategic and Governance</b>	<b>1. Strategic Planning</b>	<b>7. Governance</b>	<b>13. Public Relations</b>
	2. Organization Structure	8. Political Environment	14. National Interoperability
	3. Contingency Planning	9. Ethical Compliance	15. Toll Rate Management
	4. Regulatory Changes	10. Communication	16. Asset and Liability Transfer Risk
	5. Access to Capital	11. Leadership	17. Multimodal Opportunities
	6. Statewide Interoperability	12. Outsourcing	
 <b>Financial</b>	18. Fraud	<b>23. Cash Handling</b>	
	19. Management Performance Reporting	<b>24. Procurement and Vendor Selection</b>	
	20. Bond Financing / Covenant Compliance	<b>25. Contract Performance Reporting</b>	
	<b>21. Cost Containment</b>	26. Financial Reporting	
	22. Treasury and Liquidity Management	<b>27. Right of Way</b>	
 <b>Operations and IT</b>	28. Toll Violations	34. Business Continuity / Disaster Recovery	
	<b>29. Toll Collections</b>	35. Insurance Coverage	
	<b>30. Business / IT Applications and Systems</b>	<b>36. Customer Satisfaction</b>	
	<b>31. Human Resources</b>	<b>37. Cyber / Data Security</b>	
	<b>32. IT Infrastructure / Tolling System Infrastructure</b>	38. Toll Discounts / Rebates	
	33. IT Operations		
 <b>Regulatory and Compliance</b>	<b>39. Contract Management</b>	41. Records Management	
	40. Maintenance and Safety		

**Bold** represents risks addressed by the FY 2022 Internal Audit plan.

# 2022 ENTERPRISE RISK MAP – RESIDUAL RISK



- | Strategic and Governance |                                    | Operations and IT         |                                       |
|--------------------------|------------------------------------|---------------------------|---------------------------------------|
| 1                        | Strategic Planning                 | 28                        | Toll Violations                       |
| 2                        | Organization Structure             | 29                        | Toll Collections                      |
| 3                        | Contingency Planning               | 30                        | Business/IT Application Controls      |
| 4                        | Regulatory Changes                 | 31                        | Human Resources                       |
| 5                        | Access to Capital                  | 32                        | IT Infrastructure                     |
| 6                        | Statewide Interoperability         | 33                        | IT Operations                         |
| 7                        | Governance                         | 34                        | Business Continuity/Disaster Recovery |
| 8                        | Political Environment              | 35                        | Insurance Coverage                    |
| 9                        | Ethical Compliance                 | 36                        | Customer Satisfaction                 |
| 10                       | Communication                      | 37                        | Cyber/Data Security                   |
| 11                       | Leadership                         | 38                        | Toll Discounts/Rebates                |
| 12                       | Outsourcing                        |                           |                                       |
| 13                       | Public Relations                   | Regulatory and Compliance |                                       |
| 14                       | National Interoperability          | 39                        | Contract Management                   |
| 15                       | Toll Rate Management               | 40                        | Maintenance and Safety                |
| 16                       | Asset and Liability Transfer Risk  | 41                        | Records Management                    |
| 17                       | Multimodal Opportunities           |                           |                                       |
| Financial                |                                    |                           |                                       |
| 18                       | Fraud                              |                           |                                       |
| 19                       | Management Performance Reporting   |                           |                                       |
| 20                       | Bond Financing/Covenant Compliance |                           |                                       |
| 21                       | Cost Containment                   |                           |                                       |
| 22                       | Treasury and Liquidity Management  |                           |                                       |
| 23                       | Cash Handling                      |                           |                                       |
| 24                       | Procurement and Vendor Selection   |                           |                                       |
| 25                       | Contract Performance Reporting     |                           |                                       |
| 26                       | Financial Reporting                |                           |                                       |
| 27                       | Right of Way                       |                           |                                       |

# APPENDIX C

## INTERNAL AUDIT CHARTER

# INTERNAL AUDIT CHARTER

## Central Florida Expressway Authority Fiscal 2022 Internal Audit Department Charter

### Mission and Purpose

The mission of the internal audit department is to provide CFX Board with independent, objective assurance and consulting services designed to add value, improve the Expressway Authority's operations, and enhance transparency. The purpose of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight into whether Expressway resources are responsibly and effectively managed to achieve intended results. The internal audit department helps the Expressway accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### Standards and Professionalism

Internal audit will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to the Expressway's relevant policies and procedures and the internal audit activity's standard operating procedures manual. Internal Audit will report periodically to senior management and the Board regarding the internal audit department's conformance to the Code of Ethics and the Standards.

### Authority

The Internal Auditor is appointed by the Expressway Authority Board, and reports to them through the Audit Committee. The role of the Internal Auditor may be filled by an outside firm that provides internal audit services to the Expressway Authority on an outsourced basis. For administrative purposes, the Internal Auditor reports to the Chief Financial Officer. To establish, maintain, and assure that the Expressway Authority's internal audit department has sufficient authority to fulfill its duties, the Board will:



# INTERNAL AUDIT CHARTER

## Authority (continued)

- Approve the internal audit department's charter.
- Approve the risk-based audit plan.
- Approve the internal audit department's budget and resource plan.
- Receive communications on the internal audit department's performance relative to its plan and other matters.
- Make appropriate inquiries of management and internal audit department to determine whether there is inappropriate scope or resource limitations.

Everything the Expressway Authority does is subject to assessment by internal audit. The Board authorizes the internal audit department to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subject, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized service from within or outside the organization, as approved by the Audit Committee.

## Internal Audit Plan

At least annually, the Internal Audit Department will submit to senior management and the Board an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal/calendar year. The Internal Audit Department will communicate the impact of resource limitations and significant interim changes to senior management and the Board.

The internal audit plan will be developed based on a prioritization of audit universe using a risk-based methodology, including input of senior management and the Board. The Internal Audit Department will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Any significant interim changes from the approved internal audit plan will be communicated to senior management and the Board through periodic activity reports.

# INTERNAL AUDIT CHARTER

## Independence and Objectivity

The internal audit activity will remain free all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If it is determined that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises were made, and that they do not subordinate their judgment on audit matters to others.

To ensure independence, the internal audit function has no direct responsibility or any authority over any of the activities or operations of the Expressway. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the Expressway Authority or its affiliates.
- Initiating or approving transactions external to the internal audit department.
- Directing the activities of any CFX employee not employed by the internal audit department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

The Internal Auditor will disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties. The Internal Auditor will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. The Internal Auditor will make a balanced assessment of all the relevant circumstances and take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Internal Audit Department will confirm to the Board, at least annually, the organizational independence of the internal audit activity. The Internal Audit Department will disclose to the Board any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

# INTERNAL AUDIT CHARTER

## Scope

Management is responsible for establishing and maintaining risk management, control, and governance processes. The scope of work of internal audit encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the Expressway Authority. Internal audit assessments include determining whether management's processes are adequate and functioning in a manner to ensure:

- Risks relating to the achievement of the Expressway Authority's strategic objectives are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information and the means used to identify, measure, analyze, classify, and report such information are relevant, reliable and understandable.
- Employee, officer, director, and contractor actions comply with policies, standards, procedures, and applicable laws, regulations, and governance standards.
- Resources and assets are acquired economically, used efficiently, and adequately protected.
- Results of programs, plans, and operations consistent with established goals and objectives are achieved.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Expressway Authority.
- Quality and continuous improvement are fostered in control processes.
- Significant legislative or regulatory issues are recognized and addressed properly.
- Means of safeguarding assets are adequate and, as appropriate, existence of such assets can be verified.
- Organization's risk management processes are effective.
- Quality of performance of external auditors and the degree of coordination with internal audit are appropriate.
- Specific operations are evaluated at the request of the Board or management, as appropriate.

Internal Audit also considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit department may perform advisory and related client service activities, the nature and scope of which will be agreed with the Expressway Authority, provided the internal audit department does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

# INTERNAL AUDIT CHARTER

## Responsibility

The internal audit department's responsibility includes, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes:

- Ensuring each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Ensuring the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensuring the internal audit department collectively possesses or obtain the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensuring trends and emerging issues that could impact the Expressway Authority are considered and communicated to senior management and the Board as appropriate.
- Ensuring emerging trends and successful practices in internal auditing are considered.
- Establishing and ensuring adherence to policies and procedures designed to guide the internal audit department.
- Ensuring adherence to the Expressway Authority's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Board.
- Ensuring conformance of the internal audit department with the Standards, with the following qualifications:
  - If the internal audit department is prohibited by law or regulation from conformance with certain parts of the Standards, the internal audit department will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
  - If the Standards are used in conjunction with requirements issued by other authoritative bodies, the internal audit department will ensure conformance with the Standards, even if the internal audit department also conforms with the more restrictive requirements of other authoritative bodies.

# INTERNAL AUDIT CHARTER

## Reporting and Monitoring

A written report will be prepared and issued by the Internal Audit Department following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Board.

The internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter (i.e. within thirty days) by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

The internal audit activity will be responsible for appropriate follow-up on engagement findings and recommendations, and reporting periodically to senior management and the Board any corrective actions not effectively implemented. All significant findings will remain in an open issues file until cleared.

The Internal Audit Department will periodically report to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan and conformance with the IIA's Code of Ethics. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Board. Results of audit engagements and other activities, resource requirements, and any response to risk by management that may be unacceptable to the Expressway Authority will also be communicated periodically to the Board.

## Quality Assurance and Improvement Program

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Internal Audit Department will communicate to senior management and the Board on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years by a qualified, independent assessor or assessment team from outside the Expressway Authority.

# *Face the Future with Confidence*

© 2021 Protiviti Inc. All Rights Reserved. This document has been prepared for use by the CFX's 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.3  
ERP  
SYSTEM  
SELECTION  
UPDATE**

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



**D.4**  
**ANNUAL DISCUSSION**  
**REGARDING**  
**INTERNAL AUDITOR**  
**PERFORMANCE AND**  
**EFFECTIVENESS**

Central Florida Expressway

Audit Committee Charter Responsibilities Matrix - Fiscal Year 2021

For Audit Committee as of June 23, 2021

**Financial Reporting Oversight**

**Review with Management and the External Auditors:**

Number	Responsibility	Completion Date
1a	The annual financial statement and related footnotes	Oct-20
1b	The external auditors' audit of the financial statements and their report	Oct-20
1c	Managements' representations and responsibilities for the financial statements	Oct-20
1d	Any significant changes required in the audit plan	Oct-20
1e	Information from the external auditors regarding their independence	Oct-20
1f	Any difficulties or disputes with Management encountered during the audit	Oct-20
1g	The organization's accounting principles	Oct-20
1h	All matters required to be communicated to the Committee under generally accepted auditing standards	Oct-20
2	Review with Management, the CFX's financial performance on a regular basis	Oct-20

**Internal Control and Risk Assessment**

3	Review with Management the effectiveness of the internal control system, including information technology security and control	Apr-21
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	Apr-21

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	<b>External Auditors - Oct 20. Internal auditors - various</b>
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**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	<b>Apr-21</b>
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**Code of Ethics**

7	Review with Management and monitor adequacy, administration, and, compliance with the CFX's Code of Ethics	<b>Apr-21</b>
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	<b>Apr-21</b>

**Internal Audit**

9	Recommend to the Board the appointment or removal of the Internal Audit Director	<b>As Needed</b>
10	Review and approve the annual internal audit plan and all major changes to the plan	<b>Jun-21</b>
11	Review the internal audit budget and submit to the Finance Committee	<b>Jan-21</b>
12	Review and approve the Internal Audit Department Charter	<b>Jun-21</b>
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	<b>Various</b>
14	Review annually the performance of the Internal Audit Director	<b>Jun-21</b>
15	Review annually the effectiveness of the Internal Audit Function	<b>Jun-21</b>

**External Audit**

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

**Other Authority and Responsibilities**

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

**Audit Committee Composition and Chairman Selection**

27	The Audit Committee shall be composed of six voting members from Orange County, the City of Orlando, Lake County, Osceola County, Seminole County, and Brevard County and up to three (3) citizen representatives with appointment terms of 2 years.	<b>As Needed</b>
28	The Audit Committee will be chaired on an annual, rotating basis beginning on September 1, 2017 in the following order: Seminole County Representative Osceola County Representative One of Citizen Representative Lake County Representative City of Orlando Representative Brevard County Representative Orange County Representative	<b>Oct-20</b>

**D.5**

**ANNUAL  
DISCUSSION  
REGARDING  
AUDIT  
COMMITTEE AND  
INDIVIDUAL  
PERFORMANCE**

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

# **D.6**

## **CONFIRMATION OF COMPLETION OF RESPONSIBILITIES IN THE AUDIT COMMITTEE CHARTER**

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