

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Prior Audit Recommendations Follow-Up

September 30, 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 September 30, 2021 to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:



2017 Change Management – Tolling System Replacement Audit	2020 COSO ERM Governance Review
2018 IT General Controls Review	2020 Marketing and Social Media Audit
2019 Accounting Financial Controls Review	2020 P-Card and Gas Card Audit
2019 IT Project Management Review	2020 Retail Transponder Sales Review
2019 LENS Access Control Review	2020 Public Records Review
2020 Secure Code Review	2021 Toll Revenue Audit

Internal Audit last reviewed the status of open audit recommendations in March 2021. Results were reported to the Audit Committee in April 2021.



Objectives, Scope, and Approach

This review was completed as of September 30, 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 March 31, 2021, 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 March 31, 2021*	New Action Plans	Completed as of September 30, 2021	In Progress as of September 30, 2021*	Past Due*
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 IT Project Management Review	1	0	0	1	0
2019 LENS Access Control Review	1	0	0	1	0
2020 Secure Code Review	1	0	0	1	1
2020 COSO ERM Governance Review	2	0	2	0	0
2020 Marketing and Social Media Audit	2	0	1	1	1
2020 P-Card and Gas Card Audit	2	0	1	1	0
2020 Retail Transponder Sales Review	1	0	0	1	0
2020 Public Records	2	0	2	0	0
2021 Toll Revenue Audit	0	5	3	2	0
Total	15*	5	9	11*	2*

*11 recommendations are classified as "In Progress." **Eight** of the 11 recommendations are past the initial agreed-upon due date; however, **six** of these eight 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. **One** of the 11 recommendations is past the initial agreed-upon due date and has 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

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2017 Change Management - Tolling System Replacement Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>TSR Vulnerability Scans:</p> <p>Management will remediate the Medium vulnerabilities near the completion of the TSR project.</p>	<p>Jim Greer, Chief of Technology and Operations</p>	<p>In Progress - Contingent upon Full Implementation of New Tolling System</p>	<p>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 6/30/2022.</p>	<p>Original: 6/30/2019</p> <p>Revised: 9/30/2020</p> <p>Revised: 12/31/2020</p> <p>Revised: 12/31/2021</p> <p>Revised: 6/30/2022</p>

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
<p>Vendor Master File Management:</p> <p>CFX will implement a review of new vendors into the Accounting Clerk's review of invoices to ensure the vendor was entered completely and accurately. CFX will further implement a review of vendor changes into the CFOs monthly review procedures.</p>	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.	<p>Original: 8/31/2019</p> <p>Revised: 12/31/2022</p>

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 2022 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 – In Progress (Past Due)) 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
<p>Risk Management Feedback:</p> <p>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.</p>	Lisa Lumbard, Chief Financial Officer	Complete	Per discussion with the Risk Manager, the Three-Year Strategic Plan has been updated with feedback from relevant departments regarding strategic risks for each goal. Internal Audit obtained the Strategic Three-Year Plan 2020-2023 document to confirm completion of the action plan.	Original: 3/31/2021 Revised: 6/30/2021
<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 Lumbard, Chief Financial Officer	Complete	Per discussion with the CFO and Risk Manager, the Risk Management Working Group coordinated with IT to conduct a cost/benefit analysis of the proposed ticketing system refinements and determined that existing processes by which the IT Steering Committee manually assesses reporting requests are functioning adequately, and that the benefits associated with developing additional infrastructure would be minimal. Internal Audit concurred with management's assessment.	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
<p>Contractor Use Guidelines:</p> <p>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.</p>	Michelle Maikisch, Chief of Staff/Public Affairs Officer	In Progress	Per discussion with the Chief of Staff/Public Affairs Officer, the communications team has developed a social media use policy for contractor and subcontractor employees and requires acknowledgement during onboard. However, an annual acknowledgement of the policy has not been implemented; nor has continuing education taken place. Internal Audit obtained the signed Social Media Guidelines document to confirm partial completion of the action plan.	Original: 1/31/2021 Revised: 6/30/2021
<p>Social Media Procedures:</p> <p>Management will consider the recommended topics as an update to the Social Media Procedures Manual.</p>	Angela Melton, Manager of Communications and Marketing	Complete	Per discussion with the Manager of Communications and Marketing, management has implemented updates to the Social Media Procedures Manual as prescribed. Internal Audit obtained the signed Social Media Guidelines document to confirm completion of the action plan.	6/30/2021

STATUS OF ALL OPEN RECOMMENDATIONS

2020 P-Card and Gas Card Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Digital Approval Workflow:</p> <p>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.</p>	<p>Aneth Williams, Director of Procurement</p>	<p>In Progress - Contingent on Implementation of New ERP System</p>	<p>Per discussion with the CFO, 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 2022, the revised due date reflects this contingency. This recommendation is expected to be completed by the revised due date.</p>	<p>Original: 12/31/2020</p> <p>Revised: 12/31/2022</p>
<p>Vendor Reporting Capabilities:</p> <p>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.</p>	<p>Carrie Baker, Manager of Contract Compliance</p>	<p>Complete</p>	<p>Per discussion with the Manager of Contract Compliance, a periodic analytical review process has been designed and implemented regarding P-Card transaction data provided by the vendor. Internal Audit obtained the most recent P-Card transaction analysis workbook to confirm completion of the action plan.</p>	<p>Original: 10/31/2020</p> <p>Revised: 6/30/2021</p>

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Retail Transponder Sales Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Reporting Capabilities:</p> <p>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.</p>	<p>Mike Carlisle, Director of Accounting and Finance</p>	<p>In Progress – Contingent on Implementation of CRM System</p>	<p>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.</p>	<p>Original: 3/31/2021</p> <p>Revised: 12/31/2022</p>

STATUS OF ALL OPEN RECOMMENDATIONS

2020 Public Records Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<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>	<p>Tim O'Toole, Director of Records Management</p>	Complete	<p>Per discussion with the Director of Records Management, CFX developed a road map to implement future-state processes as prescribed. Internal Audit obtained the Records and Information Management Audit Response Plan document to confirm completion of the action plan.</p>	6/30/2021
<p>Offsite Public Records Destruction:</p> <p>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.</p>	<p>Tim O'Toole, Director of Records Management</p>	Complete	<p>Per discussion with the Director of Records Management, CFX drafted and executed an addendum to the Access Records Storage contract. Internal Audit obtained the contract addendum and correspondence from the vendor confirming revision to relevant terms and the vendor's acceptance.</p>	<p>Original: 12/31/2020</p> <p>Revised: 6/30/2021</p>

STATUS OF ALL OPEN RECOMMENDATIONS

2021 Toll Revenue Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Toll System Performance Monitoring – Short-term:</p> <p>Management should 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; Management should perform the above review monthly until a permanent solution is developed.</p>	<p>David Boston, Manager of Toll Technical Systems</p>	<p>Complete</p>	<p>Per discussion with the Manager of Toll Technical Systems, management has implemented a monthly review of flushed transactions on a sample basis. Internal Audit obtained documentation related to the manual reviews which occurred in May, June, and July 2021 to confirm implementation of the action plan.</p>	<p>6/30/2021</p>

STATUS OF ALL OPEN RECOMMENDATIONS

2021 Toll Revenue Audit (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Toll System Performance Monitoring - Long-term:</p> <p>Management should 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.</p>	<p>David Boston, Manager of Toll Technical Systems</p>	<p>In Progress</p>	<p>Per discussion with the Manager of Toll Technical Systems, development of a catalogue of flush handling failure scenarios is underway utilizing analysis from the monthly reviews of flushed transactions. Additionally, monitoring mechanisms utilizing thresholds and real-time alerts are being developed for known issues. This recommendation is expected to be completed by the prescribed due date.</p>	<p>6/30/2022</p>

STATUS OF ALL OPEN RECOMMENDATIONS

2021 Toll Revenue Audit (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Logical Access to TRIMS:</p> <p>Management will: 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.</p>	<p>Dave Wynne, Director of Toll Operations</p> <p>Rafael Milan, Director of Information Technology</p>	Complete	<p>Per discussion with the Director of Toll Operations, an impact assessment has been performed to confirm instances of inappropriate access to TRIMS and access has been removed where needed. Additionally, responsibilities related to personnel changes have been realigned to Alliance One staff. Internal Audit obtained documentation utilized in the impact assessment and most recent review of TRIMS access as support for completion of the action plan.</p>	Original: 6/30/2021
<p>Review of Badge Access:</p> <p>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.</p>	<p>Dave Wynne, Director of Toll Operations</p>	Complete	<p>Per discussion with the Director of Toll Operations, management has revised the badge access report parameters to permit for effective review. Additionally, responsibilities for access review have been realigned to Alliance One staff. Internal Audit obtained documentation from the most recent review of badge access as support for completion of the action plan by the prescribed due date.</p>	6/30/2021
<p>Negative Discrepancy Billing:</p> <p>Management should coordinate with the toll collections contractor to mutually document and approve the criteria governing negative discrepancy billing.</p>	<p>Mike Carlisle, Director of Accounting and Finance</p>	In Progress	<p>Per discussion with the Director of Accounting and Finance, development of the required documentation is underway between CFX and the toll collections contractor. This recommendation is expected to be completed by the prescribed due date.</p>	12/31/2021

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