



CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Prior Audit Recommendations Follow-Up

March 31, 2022

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EXECUTIVE SUMMARY



Overview

As part of the Fiscal Year 2022 Internal Audit plan, Internal Audit performed a review of open audit recommendations from prior audit reports as of March 31, 2022 to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:



2017 Change Management – Tolling System Replacement Audit	2020 Marketing and Social Media Audit
2018 IT General Controls Review	2020 P-Card and Gas Card Audit
2019 Accounting Financial Controls Review	2020 Retail Transponder Sales Review
2019 IT Project Management Review	2021 Toll Revenue Audit
2019 LENS Access Control Review	2022 Engineering and Construction Invoicing Review
2020 Secure Code Review	2022 Procurement and Contract Billing

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



Objectives, Scope, and Approach

This review was completed as of March 31, 2022 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, 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 September 30, 2021*	New Action Plans	Completed as of March 31, 2022	In Progress as of March 31, 2022*	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	1
2020 Secure Code Review	1	0	0	1	1
2020 Marketing and Social Media Audit	1	0	0	1	1
2020 P-Card and Gas Card Audit	1	0	0	1	0
2020 Retail Transponder Sales Review	1	0	0	1	0
2021 Toll Revenue Audit	2	0	1	1	0
2022 Engineering and Construction Invoicing Review	0	5	0	5	0
2022 Procurement and Contract Billing	0	1	0	1	0
Total	11*	6	1	16*	3*

***16** recommendations are classified as "In Progress." **Nine** of the 16 recommendations are past the initial agreed-upon due date; however, **six** of these nine 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. The remaining **three** recommendations that are past the initial agreed-upon due date and have been assigned a revised due date.

STATUS OF ALL OPEN RECOMMENDATIONS

STATUS OF ALL OPEN RECOMMENDATIONS

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>	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 6/30/2022.	<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 (One 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 6/30/2023.	<p>Original: 8/31/2019</p> <p>Revised: 12/31/2022</p> <p>Revised: 6/30/2023</p>

STATUS OF ALL OPEN RECOMMENDATIONS

2019 IT Project Management Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Resource Planning:</p> <p>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.</p>	<p>Jim Greer, Chief Technology and Operations Officer</p>	<p>In Progress - Contingent on Implementation of New ERP System</p>	<p>Per discussion with the Chief of Technology and Operations and CFO, 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.</p>	<p>Original: 7/31/2020</p> <p>Revised: 12/31/2022</p> <p>Revised: 6/30/2023</p>

2019 LENS Access Control Review (One In Progress - Past Due) Exempt F.S.282.318

2020 Secure Code Review (One In Progress - Past Due) Exempt F.S.282.318

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>	<p>Michelle Maikisch, Chief of Staff/Public Affairs Officer</p>	<p>In Progress (Past Due)</p>	<p>Per discussion with the Chief of Staff/Public Affairs Officer, the communications team is currently working with the legal department to include acknowledgement of the Social Media Use Policy for all contracts involving contractor and subcontractor employees. Additionally, an annual acknowledgement of the policy and continuing education program are being developed. This recommendation is expected to be completed by the revised due date.</p>	<p>Original: 1/31/2021</p> <p>Revised: 6/30/2021</p> <p>Revised: 6/30/2022</p>

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>Revised: 6/30/2023</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

2021 Toll Revenue Audit

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>	David Boston, Manager of Toll Technical Systems	In Progress	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.	6/30/2022

STATUS OF ALL OPEN RECOMMENDATIONS

2021 Toll Revenue Audit (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Negative Discrepancy Billing: Management should coordinate with the toll collections contractor to mutually document and approve the criteria governing negative discrepancy billing.	Mike Carlisle, Director of Accounting and Finance	Complete	Per discussion with the Director of Accounting and Finance, management has coordinated with the toll collections contractor to document the criteria governing negative discrepancy billing as prescribed. Internal Audit obtained the Negative Discrepancy procedures document to confirm completion of the action plan.	12/31/2021

STATUS OF ALL OPEN RECOMMENDATIONS

2022 Engineering and Construction Invoicing Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Invoice Review and Approval Workflow – Short-term:</p> <p>Adobe Sign is currently used throughout several CFX departments to route invoices for approval. Where practical, the Infrastructure Group will shift over to Adobe Sign for engineering and construction invoices.</p>	<p>Glenn Pressimone, Chief of Infrastructure</p>	In Progress	<p>Per discussion with the Chief of Infrastructure, Adobe Sign has been implemented to facilitate invoice approvals within the Infrastructure department for select vendors. To accommodate the larger document sizes common among construction and engineering invoices, an upgraded version of the Adobe Sign software has been requested and will be installed. This recommendation is expected to be completed by the prescribed due date.</p>	6/30/2022
<p>Invoice Review and Approval Workflow – Long-term:</p> <p>CFX recognizes that restructuring of contract management and invoicing is tightly linked to the planned replacement of the legacy Eden ERP system. The ERP is the foundation on which more efficient contract management processes and procedures will be created. As a result, CFX has initiated an engagement to ensure the ERP procurement accommodates the requirements of these contract management functions.</p>	<p>Lisa Lumbar, CFO</p>	In Progress	<p>Per discussion with the CFO, completion of this action plan is contingent upon replacement of the legacy Eden ERP system and implementation of its replacement. As the ERP procurement process is currently underway, this recommendation is expected to be completed by the prescribed due date.</p>	6/30/2024

STATUS OF ALL OPEN RECOMMENDATIONS

2022 Engineering and Construction Invoicing Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Integration Between SharePoint and Eden – Short-term:</p> <p>CFX has engaged a consultant to assist with the following objectives: Inform CFX of solutions and approaches used by peer organizations pertaining to contract management. Educate CFX staff on capabilities and limitations of leading software products and industry solutions. Prepare CFX to specify requirements within the ERP procurement to ensure the selected platform aligns with our contract management goals.</p>	<p>Jim Greer, Chief of Technology and Operations</p>	In Progress	<p>Per discussion with the Chief of Technology and Operations, a consultant has been engaged to inform CFX of solutions and approaches used by peer organizations pertaining to contract management and to educate CFX staff on capabilities and limitations of leading software products and industry solutions. CFX is currently integrating consultant feedback within the ERP procurement process. This recommendation is expected to be completed by the prescribed due date.</p>	6/30/2022
<p>Integration Between SharePoint and Eden – Long-term:</p> <p>CFX recognizes that restructuring of contract management and invoicing is tightly linked to the planned replacement of the legacy Eden ERP system. The ERP is the foundation on which more efficient contract management processes and procedures will be created. As a result, CFX has initiated an engagement to ensure the ERP procurement accommodates the requirements of these contract management functions.</p>	<p>Lisa Lumbard, CFO</p>	In Progress	<p>Per discussion with the CFO, completion of this action plan is contingent upon replacement of the legacy Eden ERP system and implementation of its replacement. As the ERP procurement process is currently underway, this recommendation is expected to be completed by the prescribed due date.</p>	6/30/2024

STATUS OF ALL OPEN RECOMMENDATIONS

2022 Engineering and Construction Invoicing Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Delegation of Authority: The threshold for construction invoices requiring Chief of Infrastructure approval will be revised to \$200,000.	Lisa Lumbar, CFO	In Progress	Per discussion with the CFO, documentation revising the Chief of Infrastructure's invoice approval threshold to \$200,000 is being developed. This recommendation is expected to be completed by the prescribed due date.	6/30/2022

STATUS OF ALL OPEN RECOMMENDATIONS

2022 Procurement and Contract Billing

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
<p>Invoice Review Procedures Documentation:</p> <p>Management will develop a streamlined invoice review guide by documenting baseline invoice review procedures for all engineering service contracts and including additional procedures unique to specific contracts where necessary. Once baseline procedures are documented, management will document any additional considerations unique to Dewberry contract #1145 if applicable. Baseline procedures and contract-specific procedures will be maintained and updated as needed.</p>	<p>Glenn Pressimone, Chief of Infrastructure</p>	<p>In Progress</p>	<p>Per discussion with the Chief of Infrastructure, development of an invoice review guide for engineering service contracts is underway and expected to be completed by the prescribed due date.</p>	<p>12/31/2022</p>

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