



THIRD PARTY REVENUE COLLECTIONS REVIEW

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**CENTRAL
FLORIDA
EXPRESSWAY
AUTHORITY**

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EXECUTIVE SUMMARY



Project Overview

Overview

In accordance with the FY2022 Internal Audit Plan, Internal Audit performed a review of third-party, non-traditional revenue streams where E-PASS and other point-of-sale payment solutions are used and processes are different than those from core tolling revenue collection. The review was focused on the processes, risks, and internal controls within the programs by which the Central Florida Expressway Authority (CFX) collects non-traditional revenues within the following revenue channels.

Collection Channel	Channel Description	Transaction Volume (Annualized)	Transaction Dollar Value (Annualized)	CFX Share of Revenue (Annualized)	% Share of Transaction Dollars Audited
Greater Orlando Aviation Authority (GOAA)	Customers may utilize their E-PASS or SunPass transponder to pay for parking at the Orlando International Airport. Transactions are captured by GOAA are transmitted to CFX in daily batches. CFX charges E-PASS customer accounts directly; transactions for SunPass customers are sent to the Florida Turnpike Enterprise (FTE) for collection. CFX remits cash collected for all transactions to GOAA less a transaction fee.	199,000	\$6,019,000	\$.10 per transaction	81%
PayTollo	PayTollo is a third-party mobile application that facilitates collection of toll payments from non-CFX customers on behalf of CFX. PayTollo maintains a list of license plates for registered users. CFX aggregates Pay-by-Plate transactions corresponding to registered plates and invoices PayTollo on a monthly basis. Cash is received directly from PayTollo.	540,000	\$863,000	\$863,000	12%
Amazon	CFX sells multiple types of transponders via Amazon on a consignment basis. Transponders are shipped periodically according to demand and inventory levels. Cash is received bi-monthly from Amazon, less applicable fees. CFX downloads transactional reporting monthly and records Amazon transponder sales revenue accordingly.	55,000	\$767,000	\$439,000	6%
Port Canaveral	Customers may utilize their E-PASS or SunPass transponder to pay for parking at Port Canaveral in participating terminals. Transactions are captured by Port Canaveral and transmitted to CFX in real time. CFX charges E-PASS customer accounts directly; transactions for SunPass customers are sent to FTE for collection. CFX remits cash collected for all transactions to Port Canaveral less a transaction fee.	425	\$52,000	\$.10 per transaction	1%
College Bookstores	CFX operates a retail transponder program whereby E-PASS transponders are marketed and distributed through university bookstores throughout Florida. Transactions are recorded at the time of shipment. CFX collects directly from the bookstores.	175	\$2,400	\$2,400	<1%
Charging Stations	ChargePoint operates an online network of electric vehicle charging stations; CFX hosts five charging stations at headquarters. ChargePoint records transactions and remits cash to CFX less a fee.	<100	\$125	<\$100	<1%

*Note—the annualized transaction data shown above represents FY22 activity through the beginning of fieldwork. Six (6) months of data was available for Port Authority and ChargePoint, beginning August 2021; seven (7) months of data was available for all other channels, beginning July 2021. Not audited; for informational purposes only.

**Note—CFX Share of Revenue Annualized for Amazon and ChargePoint are shown is net of miscellaneous fees.

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Project Overview, Scope, and Approach

Objectives

The objectives of this review were to document the current state revenue capture processes and identify key risks within each third-party collection channel, and to identify and assess key internal controls related to the complete and accurate capture of transactions, recording of associated revenue, collection of and pass through of cash, and related monitoring and reporting activities.

Project Scope and Approach

The scope and approach for the audit was as follows:

- Documented the current state of the following non-core, third-party payment collection channels within the context of the six elements of infrastructure (policies, processes, people and organization, management reports, methodologies, systems and data) through interviews with key personnel and review of relevant documents.
 - E-PASS Transponder Sales (Amazon, College Bookstores)
 - Parking Revenue (GOAA and Port Authority)
 - Charging Stations Point of Sale Revenue
 - PayTollo App Collection and Payment
- Documented key risks and internal controls in place to help CFX verify the completeness and accuracy of transactions and records, in addition to internal controls around fraud risk, accounting and reporting, logical access, and IT operations.
- Reviewed key internal controls for design effectiveness and tested for operating effectiveness.
- Reviewed for opportunities for increased efficiency, utilization of technology, and automation to improve CFX's procedures, processes, and internal controls.

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Summary of Audit Procedures Performed and Results

Based on the procedures performed by Internal Audit specific to each of the in-scope, non-tolling CFX revenue channels, no observations were noted specific to completeness, accuracy, or the existing internal control structure in place the help CFX verify completeness and accuracy of revenue.

For each of the revenue channels selected for audit, Internal Audit identified risks and tested key controls within the process areas outlined below. The table below provides an overview of the procedures performed for each channel audited with the categories of process governance and transaction recording and financial reporting. Further details related to the specific procedures performed are provided in Appendix A.

Process Governance:

Reviews of policies and procedures for compliance with applicable service agreements; review of system capabilities and reporting, including segregation of duties.

Transaction Recording and Financial Reporting:

Reviews of reconciliations and internal controls designed to ensure the complete and accurate recording of transactions, reporting of revenue, and handling of and cash.

Revenue Channel	Procedures Performed		Number of Observations	Observation Reference
	Process Governance	Transaction Recording and Financial Reporting		
Greater Orlando Aviation Authority (GOAA)	1	4	0	-
Port Canaveral	1	4	0	-
PayTollo	1	1	0	-
Amazon	2	2	0	-
College Bookstores	0	1	0	-
Charging Stations	2	2	0	-
Totals:	7	14	0	-

APPENDIX A

Detailed Audit Procedures

APPENDIX A

Detailed Audit Procedures Performed: Amazon Transponder Sales

Process Governance

- ❖ Review of access and permissions to the Amazon Seller Central Portal for appropriateness and proper segregation of duties.
- ❖ Review of procedures surrounding product pricing and governance of the Amazon Seller Central Portal for compliance with key provisions within the Amazon Services Business Solutions Agreement.

Transaction Recording and Financial Reporting

- ❖ Testing of a sample of monthly reconciliation packages for adequate supporting documentation and appropriate recording of cash receipts and revenue within the general ledger.
- ❖ Testing of a sample of key transactional reports to verify the completeness and accuracy of source data used in financial reporting.
- ❖ Tracing of a sample transponder purchase from the source to the Amazon transaction detail to validate the accuracy of the transaction flow.

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Detailed Audit Procedures Performed: Greater Orlando Aviation Authority Parking

Process Governance

- ❖ Review of current practices and procedures for compliance with key provisions of the agreements with GOAA and Florida Turnpike Enterprise (FTE).

Transaction Recording and Financial Reporting

- ❖ Testing of a sample of monthly reconciliation packages for adequate supporting documentation and appropriate recording of cash receipts and disbursements and revenue within the general ledger.
- ❖ Testing of a sample of wire disbursements for appropriate approval and segregation of duties.
- ❖ Tracing of a parking transaction to the transaction detail with the Toll Revenue Information Management System (TRIMS) to validate the accuracy of the transaction flow.

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APPENDIX A

Detailed Audit Procedures Performed: Port Canaveral Port Authority Parking

Process Governance

- ❖ Review of current practices and procedures for compliance with key provisions of the Interlocal Agreement for Electronic Parking Fee Collection in place with Canaveral Port Authority.

Transaction Recording and Financial Reporting

- ❖ Testing of a sample of monthly reconciliation packages for adequate supporting documentation and appropriate recording of cash disbursements and revenue within the general ledger.
- ❖ Testing of a sample of wire disbursements for appropriate approval and segregation of duties.
- ❖ Tracing of a parking transaction to the transaction detail with the Toll Revenue Information Management System (TRIMS) to validate the accuracy of the transaction flow.

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Detailed Audit Procedures Performed: PayTollo Tolling App

Process Governance

- ❖ Review of current practices and procedures for compliance with key provisions of the services agreement between CFX and PayTollo.
- ❖ Validation of the appropriateness of user access to the IT server supporting PayTollo API according to job responsibility.

Transaction Recording and Financial Reporting

- ❖ Testing of a sample of monthly reconciliation packages for adequate supporting documentation and appropriate recording of cash receipts and revenue within the general ledger.
- ❖ Testing of a sample of wire disbursements for appropriate approval and segregation of duties.

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APPENDIX A

Detailed Audit Procedures Performed: College Bookstores Transponder Sales

Process Governance

- ❖ Review of current procedures and agreements governing the marketing, pricing, sales, and distribution to College bookstores.

Transaction Recording and Financial Reporting

- ❖ Testing of a sample purchase order for adequate supporting documentation and appropriate recording of cash receipts and revenue within the general ledger.

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APPENDIX A

Detailed Audit Procedures Performed: ChargePoint Charging Stations

Process Governance

- ❖ Review of current practices and procedures for compliance with key provisions of the agreement with ChargePoint.
- ❖ Review of access and permissions to the ChargePoint Online Portal for appropriateness and proper segregation of duties.

Transaction Recording and Financial Reporting

- ❖ Testing of a sample of monthly reconciliation packages for adequate supporting documentation and appropriate recording of cash receipts and revenue within the general ledger.
- ❖ Tracing of a sample charging transaction from the source to the ChargePoint transaction detail to validate the accuracy of the transaction flow.

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