#### CENTRAL FLORIDA EXPRESSWAY AUTHORITY

AGENDA
AUDIT COMMITTEE MEETING
APRIL 25, 2024
2:00 p.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. Public Comment speakers that are present and have submitted their completed Public Comment form to the Recording Secretary at least 5 minutes prior to the scheduled start of the meeting will be called to speak. Each speaker shall be limited to 3 minutes. Any member of the public may also submit written comments which, if received during regular business hours at least 48 hours in advance of the meeting, will be included as part of the record and distributed to the Committee members in advance of the meeting.

#### C. APPROVAL OF JANUARY 31, 2024 AUDIT COMMITTEE MEETING MINUTES (action item)

#### D. AGENDA ITEMS

- STATUS UPDATE: FISCAL 2024 INTERNAL AUDIT PLAN Jeff Tecau, Managing Director, Protiviti (info item)
- 2. **2024 PRIOR AUDIT RECOMMENDATIONS: SEMI-ANNUAL FOLLOW-UP** Landon Willey, Manager, Protiviti (info item)
- 3. REVIEW AND ACCEPTANCE OF CUSTOMER SERVICE CENTER PERFORMANCE ASSESSMENT Landon Willey, Manager, Protiviti (action item)
- 4. **REVIEW AND ACCEPTANCE OF POLICY AND PROCEDURE REVIEW** Landon Willey, Manager, Protiviti (action item)
- 5. **REVIEW AND ACCEPTANCE OF PCI 4.0 GAP ASSESSMENT** David Taylor, Managing Director, Protiviti (action item)
- 6. **REVIEW AND ACCEPTANCE OF IT TABLETOP EXERCISE** Chris Porter, Associate Director, Protiviti (action item)
- 7. REVIEW AND ACCEPTANCE OF DHSMV DATA SECURITY ASSESSMENT Joel Knopp, Shareholder, MSL CPAs & Advisors and Faisal Shafiullah, IT Audit & Risk Lead, MSL CPAs & Advisors (action item)

#### CENTRAL FLORIDA EXPRESSWAY AUTHORITY

- 8. ANNUAL DISCUSSION OF THE COMMITTEE'S RESPONSIBILITIES AS OUTLINED IN THE AUDIT COMMITTEE CHARTER Lisa Lumbard, Chief Financial Officer (info item)
- E. OTHER BUSINESS
- F. ADJOURNMENT

This meeting is open to the public.

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

Persons who require translation services, which are provided at no cost, should contact CFX at (407) 690-5000 x5316 or by email at Malaya. Bryan@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 JANUARY 31, 2024 AUDIT COMMITTEE MEETING MINUTES

#### CENTRAL FLORIDA EXPRESSWAY AUTHORITY

# MINUTES CENTRAL FLORIDA EXPRESSWAY AUTHORITY AUDIT COMMITTEE MEETING January 31, 2024

Location: Central Florida Expressway Authority 4974 ORL Tower Road Orlando, FL 32807 Pelican Conference Room 107

#### **Committee Members Present:**

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

#### Committee Member Not Present:

Kathy Wall, Brevard County Representative

#### Staff Present:

Michelle Maikisch, Executive Director Lisa Lumbard, Chief Financial Officer (via TEAMS) Mimi Lamaute, Recording Secretary/ Manager of Executive and Board Services

#### A. CALL TO ORDER

The meeting was called to order at approximately 2:00 p.m. by Chairman Bailey Brown.

#### **B. PUBLIC COMMENT**

There was no public comment.

#### C. APPROVAL OF THE OCTOBER 26, 2023 MINUTES

A motion was made by Ms. Mullane and seconded by Ms. McCrimmon to approve the October 26, 2023 minutes as presented. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Ms. Wall was not present.

#### D. AGENDA ITEMS

#### 1. STATUS UPDATE: FISCAL 2024 INTERNAL AUDIT PLAN

Mr. Jeff Tecau with Protiviti provided a status update and timeline on the FY 2024 internal audits. Mr. Tecau recommend that the Ethics Audit that is scheduled for later this fiscal year be pushed to next fiscal year and that the Microsoft Cloud Audit be done in its place.

By consensus the Committee gave approval to Protiviti to scale the audits as necessary and to move forward with the revised audit schedule as discussed.

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

# 2. REVIEW AND ACCEPTANCE OF FISCAL 2024 PROCUREMENT AND CONTRACT BILLING AUDITS

Mr. Landon Willey with Protiviti provided an overview of objectives and described the scope of approach for the Fiscal 2024 Procurement and Contract Billing Audit. Mr. Willey then went over the one (1) observation.

The Committee Members asked questions, which were answered by Mr. Willey.

A motion was made by Mr. Walls and seconded by Ms. Rowland to accept the Fiscal 2024 Procurement and Contract Billing Audits as presented. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Ms. Wall was not present.

# 3. REVIEW AND ACCEPTANCE OF FISCAL 2024 STATE TOLL DISCOUNT PROGRAM COMPLIANCE REVIEW

Mr. Landon Willey with Protiviti detailed the audit performed for the Fiscal 2024 State Toll Discount Program Compliance Review.

The Committee members asked questions, which were answered by Mr. Willey.

A motion was made by Ms. McCrimmon and seconded by Ms. Mullane to accept Fiscal 2024 State Toll Discount Program Compliance Review as presented. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Ms. Wall was not present.

# 4. REVIEW AND ACCEPTANCE OF FISCAL 2024 PCI ASSESSMENT WITH REPORT ON COMPLIANCE

Mr. David Taylor with Protiviti described the PCI compliance details, data security standard and assessment summary for the Fiscal 2024 PCI Assessment with Report on Compliance.

The Committee members asked questions, which were answered by Mr. Taylor.

A motion was made by Mr. Walls and seconded by Ms. McCrimmon to accept the Fiscal 2024 PCI Assessment with Report on Compliance as presented. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Ms. Wall was not present.

#### 5. REVIEW AND ACCEPTANCE OF FISCAL 2024 DAVID DATA SECURITY ASSESSMENT

Mr. Chris Porter with Protiviti detailed the audit conducted on the Fiscal 2024 DAVID Data Security Assessment.

A motion was made by Ms. Rowland and seconded by Ms. Mullane to accept DAVID Data Security Assessment. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Ms. Wall was not present.

#### 6. INTERNAL AUDIT BUDGET FOR FISCAL YEAR 2025

Ms. Lisa Lumbard, Chief Financial Officer presented the Internal Audit Budget of \$564,000.00 for FY 2025 for approval.

The Committee members commented and asked questions, which were answered by Mr. Tecau and Ms. Lumbard.

A motion was made by Ms. Mullane and seconded by Ms. Rowland to accept Internal Audit Budget for Fiscal Year 2025 as presented. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Ms. Wall was not present

#### E. OTHER BUSINESS

There was no other business.

#### F. <u>ADJOURNMENT</u>

Chairman Bailey Brown announced that the next Audit Committee Meeting is scheduled for April 25, 2024.

Chairman Bailey Brown adjourned the meeting at approximately 2:45 p.m.

Minutes approved on \_\_\_\_\_, 2024.

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 <a href="mailto:publicrecords@CFXway.com">publicrecords@CFXway.com</a> or 4974 ORL Tower Road, Orlando, FL 32807.

# **D.1 STATUS UPDATE:** FISCAL 2024 INTERNAL **AUDIT PLAN**

### INTERNAL AUDIT TIMELINE

As of April 25, 2024 FY 2024 Project Timeline Jul Oct Nov Feb Mar Aug Sep Dec Jan Apr May Jun **Annual Audit Projects** Fiscal 2025 Internal Audit Plan and Risk Assessment **Board and Audit Committee Meetings** Prior Audit Recommendations: Semi-Annual Follow-Up Procurement and Contract Billing Audits DHSMV Data Security Assessment\* **DAVID Data Security Assessment** PCI Assessment with Report on Compliance IT Tabletop Exercise **Cyclical Audits** Customer Service Center Performance Assessment Ethics Policy Compliance Audit\*\*/ Microsoft Cloud Security **As Needed Audits** PCI 4.0 Gap Assessment VTP Review and/or Transponder Interoperability Fraud State Toll Discount Program Compliance Review Policy and Procedure Review

<sup>\*\*</sup> Ethics Policy Compliance deferred to 2025. Replaced in 2024 with a Microsoft Cloud Security Assessment



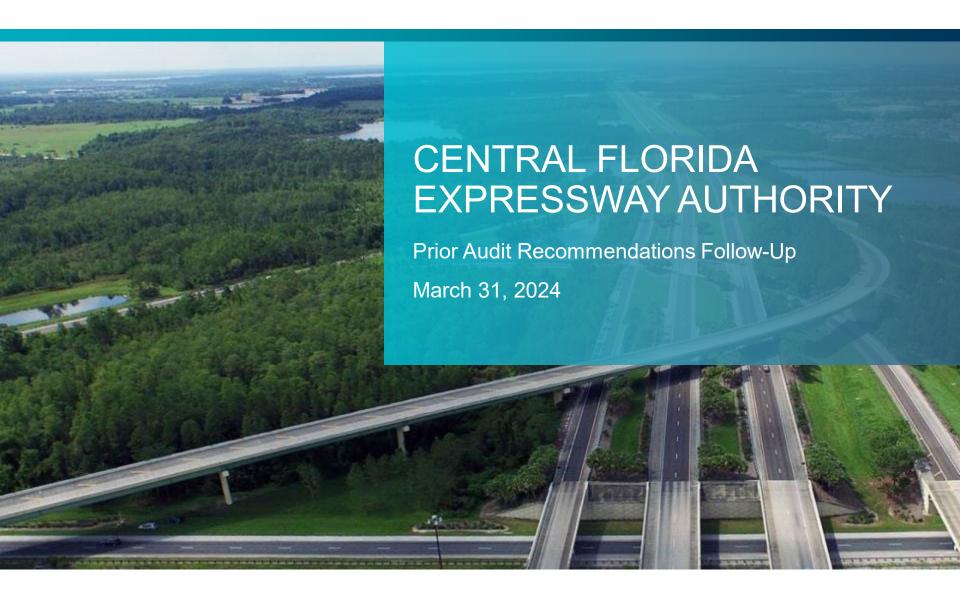


<sup>\*</sup> DHSMV Assessment completed by MSL (external auditor) leveraging Protiviti PCI and DAVID reports

# **D.2**

# 2024 PRIOR AUDIT RECOMMENDATIONS: SEMI-ANNUAL FOLLOW-UP





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#### **Overview**

As part of the Fiscal Year 2024 Internal Audit plan, Internal Audit performed a review of open audit recommendations from prior audit reports as of March 31, 2024, to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:



2019 Accounting Financial Controls Review

2019 IT Project Management Review

2020 Secure Code Review

2020 P-Card and Gas Card Audit

2020 Retail Transponder Sales Review

2022 Engineering and Construction Invoicing Review

2022 Customer Service Center Performance Assessment

2023 Toll Revenue Audit

2024 Visitor Toll Pass (VTP) and Transponder Interoperability Fraud Review

Internal Audit last reviewed the status of open audit recommendations in September 2023. Results were reported to the Audit Committee in October 2023.



#### Objectives, Scope, and Approach

This review was completed as of March 31, 2024 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 the 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, 2023, 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.





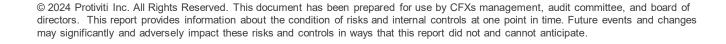
#### **Recommendations Summary**

Audit	Open as of September 30, 2023	New Action Plans	Completed as of March 31, 2024	In Progress as of March 31, 2024*	Past Due**
2019 Accounting and Financial Controls Audit	1	0	0	1	0
2019 IT Project Management Review	1	0	0	1	0
2020 Secure Code Review	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
2022 Engineering and Construction Invoicing Review	2	0	0	2	0
2022 Customer Service Center Performance Assessment	1	0	0	1	1
2023 Toll Revenue Audit	2	0	1	1	0
2024 VTP and Transponder Interoperability Fraud Review	0	2	2	0	0
Total	10	2	3	9	2

<sup>\*</sup>Nine recommendations are classified as "In Progress".

<sup>\*\*</sup>Eight of the Nine "In Progress" recommendations are past the original, agreed-upon due date. Six of these are contingent upon the implementation of a new ERP or CRM system and due dates have been revised to reflect this contingency and to match the estimated timing to the necessary event. Of the remaining two past due findings, one relates to the 2020 Secure Code review, which has been impacted by the phased system implementation approach management has chosen to pursue and has a revised due date of June 30, 2024. One relates to the 2022 Customer Service Center Performance Assessment, the implementation of which will be contingent upon CFX's ongoing efforts to engage its current back-office vendor to assist with re-work of the IVR and has a revised due date of December 31, 2024.

# Face the Future with Confidence





# **D.3**

# REVIEW AND ACCEPTANCE OF CUSTOMER SERVICE CENTER PERFORMANCE





# CUSTOMER SERVICE CENTER PERFORMANCE ASSESSMENT

March 2024

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

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#### **Overview**

#### **Background**

In accordance with the 2024 Internal Audit Plan, Internal Audit conducted an assessment of the performance of the Central Florida Expressway Authority (CFX) customer service center. The last performance assessment conducted by Internal Audit was performed in January 2022.

The CFX E-PASS customer service centers and violations enforcement operations services are outsourced to a third-party vendor under a five-year contract with an additional five, one year renewal options. Consistent with the last performance assessment performed in January 2022, the third-party vendor provides only the trained personnel necessary to operate the customer service centers, including the phone center. CFX provides the primary software and systems for processing customer accounts and transactions.

In September 2020, CFX contracted with the current vendor to provide the personnel to manage and operate the customer service centers and the technology platform used to facilitate customer interactions. In March 2021, CFX and the vendor jointly transitioned to a new technology platform, Nice inContact. Thie Nice inContact cloud-based platform includes an Interactive Voice Response (IVR) system as well as capabilities around quality assurance, email support, and dashboard reporting. The platform is implemented in a configuration using multiple data centers, and the contact center's summarized historical performance data is retained for at least 25 months. CFX continues to host the Violation Enforcement System (VES) image review software and the customer relationship management (CRM) application and provides management oversight of the customer service center operations outsourced to the vendor.

As of the time of this review, the customer service phone center currently leverages 167 full and part-time agents, excluding image processing personnel, 12 supervisors, and four call center managers to support the customer contact center operations. For the period reviewed as part of this performance assessment, from October 2023 through January 2024, the average daily call volume was approximately 5,684 calls per day.





#### **Objectives, Scope, & Approach**

#### **Objectives**

The objectives of this review were to assess the current performance of the customer service center through evaluation of processes and organizational structure, applications and infrastructure, and statistical data analysis to identify opportunities to enhance contact center performance and reduce employee turnover.

#### **Scope and Approach**

This audit was performed using a four-phased approach as outlined below.

#### Phase I - Process and Organizational Review

Phase I of the review was performed to develop an understanding of the processes and organizational structure of the customer service center. Areas of focus included the following:

- People: Identify roles, responsibilities, and organizational structure through interviews
- Process: Review key processes, recent changes, objectives, stated objectives, and stated key performance indicators (KPIs)
- > Technology: Review infrastructure and use of applications

#### Phase II - Data Gathering

Phase II of the review included requesting and obtaining statistical data from various sources including the InContact system to complete a statistical analysis of contact center performance for the period of October 2023 through January 2024. Data gathered was analyzed and collated in Phase III and later incorporated into audit findings and recommendations.

#### Phase III – Data Analysis

Phase III of the review included analyses of statistical data gathered to evaluate the performance of the contact center operation. Key measures such as call volumes and patterns, service levels, quality, and schedule adherence were evaluated and documented to measure performance.

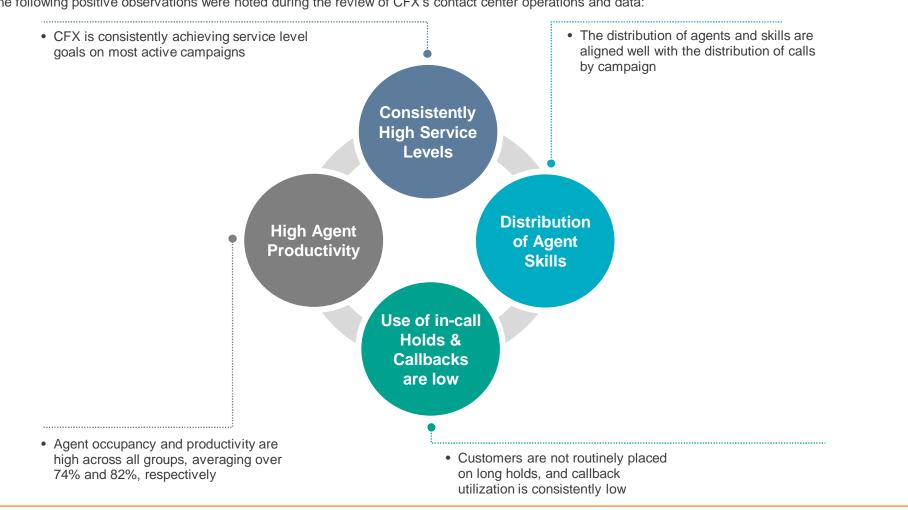
#### Phase IV – Findings and Recommendations Development

Internal Audit summarized the observations and enhancement opportunities identified during the assessment.



#### **Summary of Observations - Strengths**

The following positive observations were noted during the review of CFX's contact center operations and data:



### CFX PERFORMANCE INDICATORS

The chart below shows a comparison of key performance indicators for the period of audit in Fiscal Year 2024 as compared to the period of audit in Fiscal Years 2022, 2019, and 2017, years in which previous customer service center performance assessments were conducted by Internal Audit.

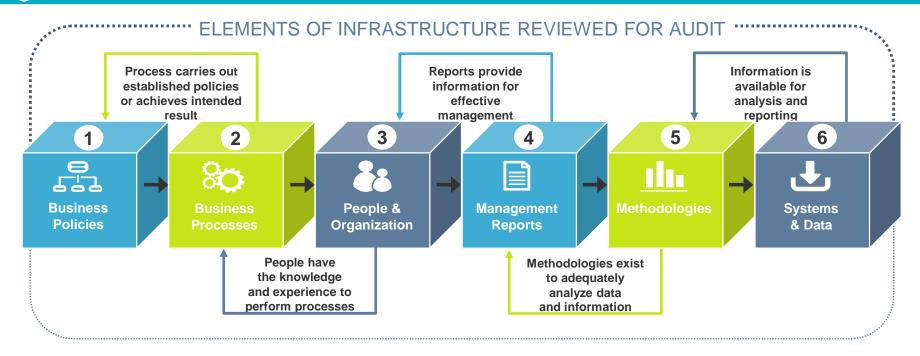
Performance Indicator	2024*	2022**	2019	2017	Change FY22 to FY24
Contact Center Agents	167	71	76	60	230% Increase
Average Daily Call Volume per 15-min Interval	575	109	16	10	580% increase
Average Speed of Answer	36 seconds	30 seconds	37 seconds	36 seconds	20% increase
Abandoned Calls	1.4%	1.75% - 3.66%	5% - 8%	6% – 10%	Little Change
Average Auxiliary Time Rate	21%	24%	25%	28%	3% Improvement
Average Talk Time	6:18	9.25	N/A***	N/A***	30% Improvement

<sup>\*</sup>Based on CFX Interval-level data from October 1, 2023 – January 31, 2024, the period subject to audit in 2024.

<sup>\*\*</sup>Based on CFX Interval-level data from November 1 – November 30, 2021.

<sup>\*\*\*</sup>Average Talk Time data for FY2019 and FY2017 was not available due to changes in the contact center infrastructure (skills, agent team assignments, etc.) which precluded direct comparison of select key statistics.

#### **Summary of Observations - Opportunities**



Obs#	Observation	Category	Relative Priority
1	Retention Campaign ASA Metrics	People & Organization	Moderate
2	Elevated Call Refusal Rates	Business Processes	Low
3	CSAT – NPS Scale Mismatch	Systems & Data	Low

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# **D.4**

# REVIEW AND ACCEPTANCE OF POLICY AND PROCEDURE REVIEW





# POLICY AND PROCEDURE REVIEW

January 2024

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

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#### **Overview and Objectives**

#### **Background**

The Central Florida Expressway Authority (CFX) was formally established in 2014 to incorporate representation from Orange, Lake, Osceola, and Seminole counties within a single regional tolling authority. The following year, CFX updated its Supplier Diversity Program Policy and Travel Policy, which were approved by the Board on May 14<sup>th</sup>, 2015, and December 10<sup>th</sup>, 2015, respectively. All CFX Policy updates require Board approval. There have been no revisions to these Policies since 2015.

The Supplier Diversity Program Policy is designed to promote business equity by encouraging the inclusion and utilization of disadvantaged business enterprises (DBEs), minority, and women-owned business enterprises (M/WBEs) in CFX's procurement processes.

The Travel Policy provides standardized procedures and guidelines for business-related travel expenses to achieve cost-efficiency and maintain compliance with relevant Florida statutes and regulations.

In accordance with the FY 2024 Internal Audit Plan, Internal Audit performed a Policy and Procedure Review focused on these two policies. The objectives of this review were to:

- 1) Assess the current state of policies and procedures in place to direct business operations specific to Supplier Diversity and Travel.
- 2) Propose recommendations, enhancements, and clarifications to strengthen these CFX policies and procedures within the context of the current business environment and business needs.
- \* DBEs and M/WBEs are collectively referred to as "D/M/WBEs" when combined.



#### **Scope and Approach**

To achieve the objectives of this review, Internal Audit performed the following procedures:

- 1) Reviewed and evaluated the current Supplier Diversity Program and Travel policies and procedures.
- 2) Interviewed CFX Staff to discuss key terms and the applicability to CFX's current business environment and business needs.
- 3) Compared current CFX policies to similar policies of other organizations, current federal guidance regarding travel expenses, and Florida statutes.
- 4) Identified and recommended potential enhancement opportunities to mature existing policies and procedures.





## Summary of Observations – Enhancement Opportunities

For each of the policies reviewed, an overview of the scope areas, procedures performed, and observations is outlined below.

#### **Supplier Diversity Program Policy**

Scope Area	Procedures Performed	Number of Observations
Evaluation of Policy Documentation	Reviewed current policy documentation; outlined key sections by topic and subject area; examined relevant Florida statutes and regulations.	2
Interviews	Collected feedback from CFX Staff regarding existing policies and procedures and their applicability to the current business environment.	2
Benchmarking Assessment	Reviewed policies and procedures implemented by peer organizations (City of Orlando, Orange, Osceola, and Seminole Counties), researched leading practices of Fortune 500 companies, and compared to current CFX policies for potential enhancement opportunities.	2

#### **Travel Policy**

Scope Area	Procedures Performed	Number of Observations
Evaluation of Policy Documentation	Reviewed current policy documentation; outlined key sections by topic and subject area; examined relevant Florida statutes and regulations.	2
Interviews	Collected feedback from CFX Staff regarding existing policies and procedures and their applicability to the current business environment.	1
Benchmarking Assessment	Reviewed policies and procedures implemented by peer organizations (City of Orlando, Orange, Osceola, and Seminole Counties), researched leading practices of Fortune 500 companies, and compared to current CFX policies for potential enhancement opportunities.	



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# D.5 REVIEW AND ACCEPTANCE OF PCI 4.0 GAP ASSESSMENT





# PCI 4.0 GAP ASSESSMENT

April 2024

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY



**Overview** 

#### **Scope and Approach**

Central Florida Expressway Authority (CFX) engaged Protiviti to perform a gap assessment against new and future-dated requirements in PCI-DSS Version 4.0, taking effect prior to CFX's 2024 PCI Assessment. Fieldwork was conducted in November and December 2023 with the CFX Team, and Protiviti created this memo to document gaps within the CFX environment for against the PCI-DSS Version 4.0 requirements. This memo provides a summary of CFX's compliance status, along with recommendations for remediation for any requirements where gaps have been identified.

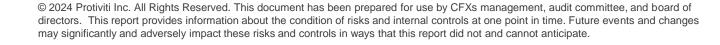
Protiviti did not conduct full PCI-DSS testing procedures of each requirement for this assessment, therefore additional findings may be identified during full ROC testing when performing a review of configurations and in-depth walkthroughs.

#### **Summary of Findings**

There are a total of 465 requirements noted within the PCI DSS version 4.0. Based on the initial assessment of these requirements, there were 362 noted as 'No Change', 45 noted as 'Not in Place', 49 noted as 'In Place - 4.0', 8 noted as 'Not Applicable', and 1 noted as "In Place – 4.0 with a Compensating Control'.

Total	No Change	Not in Place 4.0	In Place - 4.0	N/A	Comp Control
465	362	45	49	8	1

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# **D.6**

# REVIEW AND ACCEPTANCE OF IT TABLETOP EXERCISE





# TABLETOP EXERCISE

February 2024

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

### **EXECUTIVE SUMMARY**



### **Overview**

### **Memo Description and Objective:**

This memo provides a summary of the malicious insider tabletop exercise facilitated by Internal Audit ("IA") for the Central Florida Expressway Authority ("CFX"), which was performed on site at CFX on February 20th, 2024 This simulation was conducted to identify potential improvement opportunities regarding CFX's response to an attack from a malicious insider, where a disgruntled employee gave CFX network access to a Threat Actor ("TA"), who then used the access to modify the customer tolling database and attempt to extort the organization.

### Background:

IA created this simulation, in which a malicious insider gave CFX network access to a Threat Actor, as part of the Fiscal Year 2024 Audit Plan. No actual attack occurred during this simulation, rather, IA facilitated a two-hour long "tabletop" session where participants role-played their response to the malicious insider attack. To review specific activities related to incident response, several of CFX's controls that could prevent an actual attack were considered to be disabled or ineffective (e.g., user awareness training, multi-factor authentication).

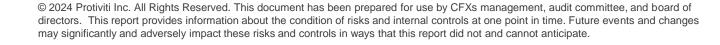
### **Simulation:**

To develop a realistic scenario, IA reviewed documentation and conducted interviews to gain an understanding of the controls CFX could potentially cite during the simulation. IA developed a PowerPoint deck to aid in facilitating the simulation. Within the introduction slides of this PowerPoint deck, several of CFX's current policies were included and reviewed, including CFX's approach to classifying an incident, CFX's Computer Emergency Response Team ("CERT") roles, and the phases of CFX's Incident Response plan. The remainder of the PowerPoint document outlined the simulated actions the malicious insider took to give the threat actor access into the CFX environment.

To begin the simulation, Executive Director Michelle Maikisch receives an email from an unknown source with screenshots from the customer tolling database that show tolls are set to triple starting next week. CFX followed their documented response procedures. After the session was complete, Internal Audit facilitated a discussion to identify and highlight lessons learned in which CFX conducted a self-review of their simulated response.

Team members from IT, HR, Public Relations, Records Management, and Special Projects participated in the simulation.

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# **D.7**

# REVIEW AND ACCEPTANCE OF DHSMV DATA SECURITY ASSESSMENT





# Memorandum of Understanding (MOU) Compliance Assessment

**April 2024** 



## **Executive Summary:**



**Background**: CFX has an agreement with the Department of Highway Safety and Motor Vehicles (DHSMV) to utilize DHSMV data for operational purposes. As part of the agreement, CFX is required to have an independent assessment completed by a Certified Public Accounting Firm (MSL) to assess that CFX has the appropriate data privacy and security policies and controls in place to prevent unauthorized use of DHSMV data.

**Overview**: An independent assessment was performed by MSL to evaluate the adequacy of policies, procedures, and controls in place. This assessment was conducted to ensure CFX is adhering to the data protection standards set forth in the Memorandum of Understanding (MOU) with the DHSMV to renew the agreement for future years.

**Approach**: MSL's assessment focused on examining management's assertion that CFX had the necessary measures to secure DHSMV data from unauthorized activities. MSL performed a comprehensive review including but not limited to: interviews with key personnel, analysis of internal controls, and verification of compliance practices against the MOU requirements.

**Conclusion:** MSL concluded that as of April 5<sup>th</sup>, 2024, there were adequate policies and controls in place to safeguard DHSMV data and that the assertions by management are accurate. In addition, there were some areas of improvement as noted in the report issued by MSL which were remediated by Management prior to the issuance of the report.

# **D.8**

# ANNUAL **DISCUSSION OF** THE COMMITTEE'S RESPONSIBILITIES AS OUTLINED IN THE AUDIT COMMITTEE CHARTER

### CENTRAL FLORIDA EXPRESSWAY AUTHORITY =

### CENTRAL FLORIDA EXPRESSWAY AUTHORITY BOARD **AUDIT COMMITTEE CHARTER**

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### CENTRAL FLORIDA EXPRESSWAY AUTHORITY BOARD AUDIT COMMITTEE CHARTER

### I. PURPOSE

The Audit Committee's primary function is to assist the CFX Board in fulfilling its oversight responsibilities by reviewing the financial information, systems of internal control which Management has established, the audit process, the process for monitoring compliance with laws and regulations and the Code of Ethics. In doing so, it is the responsibility of the Audit Committee to provide an open avenue of communication between the CFX Board, Management, the Internal Auditor, and external auditors. The Audit Committee is provided specific authority to make recommendations to the Chief Financial Officer, the Executive Director and the CFX Board.

### II. ORGANIZATION

The Audit Committee shall be composed of the following voting members:

- 1. Orange County staff member or citizen representative appointed by the Orange County Commission or in accordance with Orange County's policies providing for appointments to other governmental agencies;
- 2. City of Orlando staff member or citizen representative appointed by the City of Orlando Commission or in accordance with the City of Orlando's policies providing for appointments to other governmental agencies;
- 3. Lake County staff member or citizen representative appointed by Lake County Commission or in accordance with Lake County's policies providing for appointments to other governmental agencies;
- 4. Osceola County staff member or citizen representative appointed by the Osceola County Commission or in accordance with Osceola County's policies providing for appointments to other governmental agencies;
- 5. Seminole County staff member or citizen representative appointed by the Seminole County Commission or in accordance with Seminole County's policies providing for appointments to other governmental agencies;
- 6. Brevard County staff member or citizen representative appointed by the Brevard County Commission or in accordance with Brevard County's policies providing for appointments to other governmental agencies; and
- 7. Up to three (3) citizen representatives appointed by the CFX governing Board after receiving nominations submitted by the gubernatorial Board appointees. The term for Revised May 12, 2022

such appointments shall be for two years commencing upon appointment which term may be renewed. One nomination per gubernatorial appointee is allowed, but it shall not be mandatory that nominations be made.

Committee member appointments may not be delegated. The Committee members will serve at the pleasure of their respective jurisdictions. County and City appointments may include contract personnel currently providing services to the appointing entity. Notwithstanding the two-year term, the citizen representatives shall serve at the pleasure of the CFX Board.

Committee members should have financial expertise in general accounting principles and experience reviewing financial statements and audit reports.

### III. CHAIRMAN SELECTION

The Audit Committee will be chaired on an annual, rotating basis beginning September 1, 2017, in the following order:

- a.) Seminole County Representative
- b.) Osceola County Representative
- c.) One of the Citizen Representatives
- d.) Lake County Representative
- e.) City of Orlando Representative
- f.) Brevard County Representative
- g.) Orange County Representative

The Audit Committee Chair shall serve as the Board Liaison and may be requested to attend CFX Board meetings.

In the event there is no available representative from the entity assigned to serve the role of Chairman, the next scheduled representative shall serve a one-year term with regular order of succession to resume thereafter.

### IV. SUPPORT STAFF

The Internal Audit Director and the external auditors shall have direct and independent access to the Audit Committee and individually to members of the Audit Committee. The Committee shall have unrestricted access to employees and relevant information. The Committee may retain independent counsel, accountants or others to assist in the conduct of its responsibilities, subject to the CFX procurement policy and budget.

### V. MEETINGS

The Audit Committee shall meet at least quarterly. Meetings may be called by the CFX Board Chairman, the Audit Committee Chair, or any two Committee members. Public notice shall be provided in accordance with state law.

The agenda will be prepared by the Internal Audit Director and approved by the Chair and provided in advance to members, along with appropriate briefing materials. In the absence of any objection, the Chair or any Committee member may add or subtract agenda items at a meeting. In the event of objection, a majority vote shall decide. Committee recommendations shall be submitted to the Board for approval. Final committee meeting minutes shall be submitted to the Board for information.

### VI. QUORUM

If all three gubernatorial Board members make nominations and the Board approves the appointments, the Committee shall consist of nine members and a quorum shall be five members present. If only two appointments are made the Committee shall consist of eight members and a quorum shall be five members present. If only one appointment is made the Committee shall consist of seven members and a quorum shall be four members present. In order for any action or recommendation to pass there must be a majority affirmative vote of the quorum based on the then current composition of the Committee.

Due to scheduling conflicts or illness a Committee Member may appear by telephone and vote on agenda items where a quorum is physically present not to exceed three meetings per calendar year. The participating absent member must be able to hear all participants in the meeting and be heard by all participants. In the event of continued absenteeism the Audit Committee Chairman may recommend alternate appointments to the Board.

### VII. RESPONSIBILITIES

### A. Financial Reporting Oversight

- 1. Review with Management and the external auditors:
  - The annual financial statements and related footnotes:
  - The external auditors' audit of the financial statements and their report;
  - Management's representations and responsibilities for the financial statements;
  - Any significant changes required in the audit plan;
  - Information from the external auditors regarding their independence;
  - Any difficulties or disputes with Management encountered during the audit;
  - The organization's accounting principles; and
  - All matters required to be communicated to the Committee under generally accepted auditing standards.
- 2. Review with Management, the CFX's financial performance on a regular basis.

### B. <u>Internal Control and Risk Assessment</u>

- 3. Review with Management the effectiveness of the internal control system, including information technology security and control.
- 4. Review with Management the effectiveness of the process for assessing significant risks or exposures and the steps Management has taken to monitor and control such risks.

5. Review any significant findings and recommendations of the Internal Auditor and external auditors together with Management's responses, including the timetable for implementation of recommendations to correct any weaknesses.

### C. 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.

### D. Code of Ethics

- 7. Review with Management and monitor adequacy, administration, and compliance with the CFX's Code of Ethics.
- 8. Review the procedures for the anonymous and confidential submission of complaints and concerns regarding matters such as accounting, internal controls, auditing, waste, abuse, fraud, conflicts of interest, or other Code of Ethics violations.

### E. Internal Audit

- 9. Recommend to the Board the appointment or removal of the Internal Audit Director.
- 10. Review and approve the annual internal audit plan and all major changes to the plan.
- 11. Review the internal audit budget and submit to the Finance Committee.
- 12. Review and approve the Internal Audit Department Charter.
- 13. Review internal audit reports and recommend transmittal and acceptance of the audit for filing with the governing Board which shall be accomplished by separate item on the Consent Agenda at a regularly scheduled meeting.
- 14. Review annually the performance of the Internal Audit Director.
- 15. Review annually the effectiveness of the internal audit function.

### F. External Audit

- 16. Appoint Audit Committee Members to serve on the Selection Committee for all external audit services.
- 17. Recommend to the CFX Board the external auditors to be appointed and the related compensation.
- 18. Review and approve the discharge of the external auditors.
- 19. Review the scope and approach of the annual audit with the external auditors.
- 20. Approve all non-audit services provided by the external auditors.

### G. Other Authority and Responsibilities

- 21. Conduct other activities as requested by the CFX Board.
- 22. Conduct or authorize investigations into any matter within the Committee's scope of responsibilities.

- 23. Address any disagreements between Management and the Internal Auditor or external auditors.
- 24. Annually evaluate the Committee's responsibilities as outlined in this Charter and make recommendations, as needed.
- 25. Confirm annually that all responsibilities outlined in this Charter have been carried out.