

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

**AGENDA**  
**AUDIT COMMITTEE MEETING**  
**April 30, 2025**  
**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 29, 2025 AUDIT COMMITTEE MEETING MINUTES** (action item)

**D. AGENDA ITEMS**

1. **FISCAL 2025 INTERNAL AUDIT PLAN STATUS UPDATE** – *Jeff Tecau, Managing Director, Protiviti* (info item)
2. **FISCAL 2025 PRIOR AUDIT RECOMMENDATIONS: SEMI-ANNUAL FOLLOW-UP** – *Jeff Tecau, Managing Director, Protiviti* (info item)
3. **FISCAL 2025 IT TABLETOP EXERCISE** – *Chris Porter, Director, Protiviti* (action item)
4. **FISCAL 2025 ETHICS POLICY COMPLIANCE AUDIT** – *Landon Willey, Senior Manager, Protiviti* (action item)
5. **FISCAL 2025 PUBLIC RECORDS AND INFORMATION MANAGEMENT REVIEW** – *Landon Willey, Senior Manager, Protiviti* (action item)
6. **ANNUAL DISCUSSION OF THE COMMITTEE'S RESPONSIBILITIES AS OUTLINED IN THE AUDIT COMMITTEE CHARTER AND RECOMMENDATIONS, AS NEEDED** – *Lisa Lumbard, Chief Financial Officer* (info item)

(CONTINUED ON NEXT PAGE)

## E. OTHER BUSINESS

1. **CORRESPONDENCE RELATED TO CFX'S SR 414 EXTENSION PROJECT** – *Lisa Lumbard, Chief Financial Officer* (info item)

## 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](mailto: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.*

**C.**

**Approval  
of  
Minutes**

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

## MINUTES CENTRAL FLORIDA EXPRESSWAY AUTHORITY AUDIT COMMITTEE MEETING January 29, 2025

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

### Committee Members Present:

Jamie Rowland, Osceola County Representative, Chairman  
Jose Fernandez, City of Orlando Representative  
Lorie Bailey Brown, Seminole County Representative  
Michelle Miller, Citizen Representative  
Ray Walls, Orange County Representative

### Committee Members Not Present:

Kristy Mullane, Lake County Representative  
Kathy Wall, Brevard County Representative

### Staff Present:

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

### **A. CALL TO ORDER**

The meeting was called to order at approximately 2:02 p.m. by Chairman Rowland.

### **B. PUBLIC COMMENT**

There was no public comment.

### **C. APPROVAL OF THE OCTOBER 31, 2024 MINUTES**

A motion was made by Mr. Fernandez and seconded by Mr. Walls to approve the October 31, 2024 minutes as presented. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Two (2) Committee members, Ms. Wall and Ms. Mullane were not present.

### **D. AGENDA ITEMS**

1. **FISCAL YEAR 2025 INTERNAL AUDIT PLAN STATUS UPDATE**

Mr. Jeff Tecau with Protiviti provided a status update on the Fiscal 2025 Internal Audit Plan.

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

2. **FISCAL YEAR 2025 PROCUREMENT AND CONTRACT BILLING AUDIT**

Mr. Landon Willey with Protiviti detailed the findings and observations of the Fiscal Year 2025 Procurement and Contract Billing Audit.

The Committee members asked questions which were answered by Mr. Willey and Ms. Lumbard.

**A motion was made by Ms. Bailey Brown and seconded by Ms. Miller to accept the Fiscal Year 2025 Procurement and Contract Billing Audit as presented. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Two (2) Committee members, Ms. Wall and Ms. Mullane were not present.**

3. **FISCAL YEAR 2025 DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES ("DHSMV") DATA SECURITY ASSESSMENT**

Mr. Chris Porter with Protiviti described and presented the scope, approach and results of the Fiscal Year 2025 Department of Highway Safety and Motor Vehicles ("DHSMV") Data Security Assessment (Memorandum of Understanding Compliance Assessment).

**A motion was made by Mr. Walls and seconded by Mr. Fernandez to accept the Fiscal Year 2025 Department of Highway Safety and Motor Vehicles ("DHSMV") Data Security Assessment as presented. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Two (2) Committee members, Ms. Wall and Ms. Mullane were not present.**

4. **FISCAL YEAR 2025 DRIVER AND VEHICLE INFORMATION DATABASE ("DAVID") DATA SECURITY ASSESSMENT**

Mr. Chris Porter with Protiviti provided the findings of the Fiscal Year 2025 Driver and Vehicle Information Database ("DAVID") Data Security Assessment.

The Committee members asked questions which were answered by Mr. Porter and Ms. Lumbard.

**A motion was made by Ms. Bailey Brown and seconded by Ms. Miller to accept the Fiscal Year 2025 Department of Highway Safety and Motor Vehicles (“DHSMV”) Data Security Assessment as presented. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Two (2) Committee members, Ms. Wall and Ms. Mullane were not present.**

**5. FISCAL YEAR 2025 PAYMENT CARD INDUSTRY (“PCI”) ASSESSMENT WITH REPORT ON COMPLIANCE**

Mr. David Taylor with Protiviti described and presented the findings of the Fiscal Year 2025 Payment Card Industry (“PCI”) Assessment with Report on Compliance. Mr. Chris Porter described the scope of the assessment.

The Committee members asked questions, which were answered by Mr. Taylor, Mr. Porter, Ms. Lumbard and Ms. Maikisch.

**A motion was made by Ms. Miller and seconded by Mr. Fernandez to accept the Fiscal 2025 Payment Card Industry (“PCI”) Assessment with Report on Compliance. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Two (2) Committee members, Ms. Wall and Ms. Mullane were not present.**

**6. INTERNAL AUDIT BUDGET FOR FISCAL YEAR 2026**

Ms. Lisa Lumbard, Chief Financial Officer, presented the Internal Audit Budget for FY 2026 in the amount of \$564,000.00 for approval.

Discussion ensued regarding number of current audits and agency needs.

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

**A motion was made by Mr. Fernandez and seconded by Mr. Walls to accept the Internal Audit Budget for Fiscal Year 2026 in the amount of \$564,000.00. The motion carried unanimously with five (5) committee members present voting AYE by voice vote. Two (2) Committee members, Ms. Wall and Ms. Mullane were not present.**

**E. OTHER BUSINESS**

No other business was discussed.

**F. ADJOURNMENT**

Chairman Rowland announced that the next Audit Committee meeting is scheduled for April 30, 2025.

Chairman Rowland adjourned the meeting at approximately 2:42 p.m.

Minutes approved on \_\_\_\_\_, 2025.

*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.**

# **Agenda**

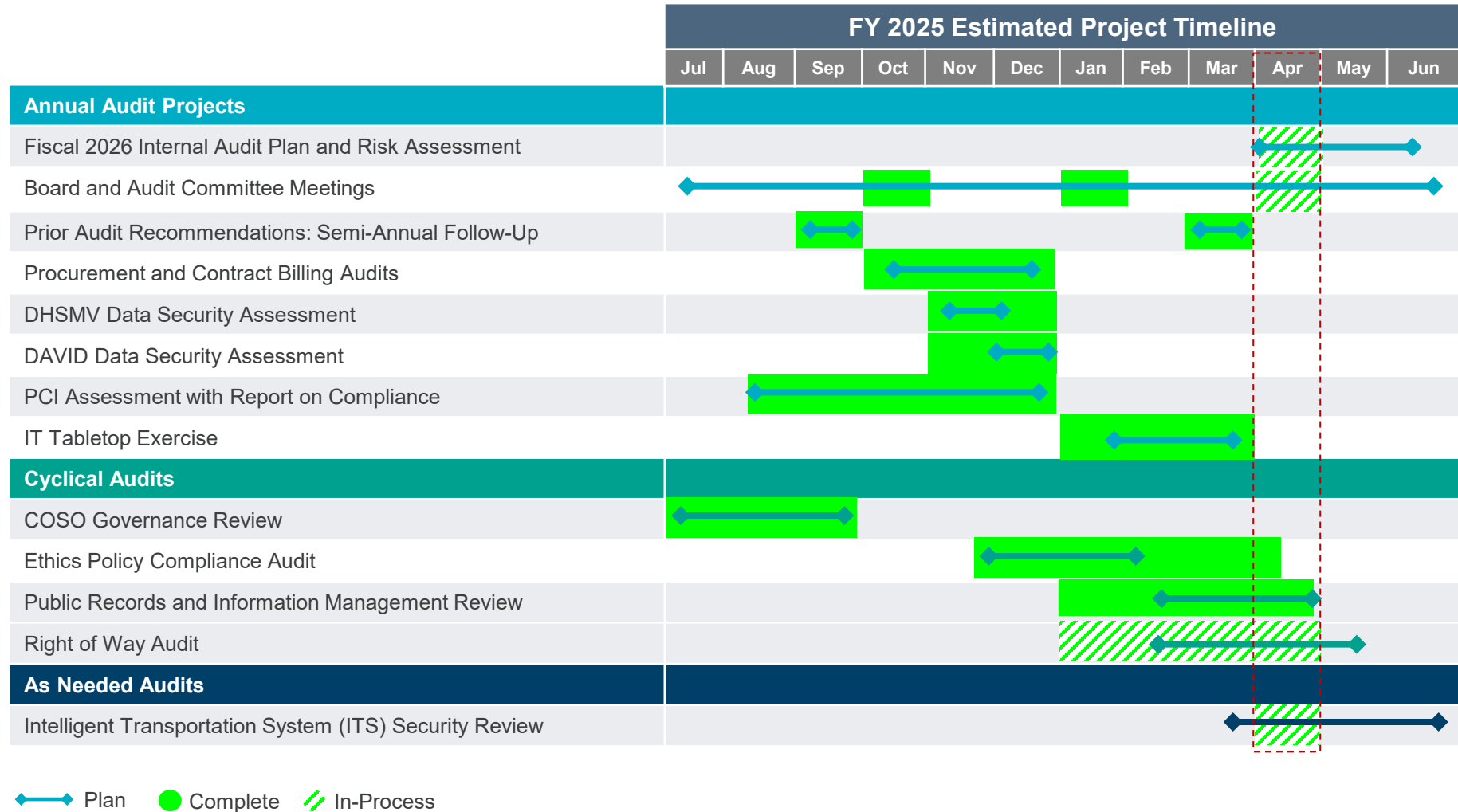
# **Items**



**D.1.**

# 2025 INTERNAL AUDIT TIMELINE

AS OF APRIL 30, 2025



**D.2.**

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Prior Audit Recommendations Follow-Up

March 31, 2025

# TABLE OF CONTENTS



## **3**    **Executive Summary**

## **5**    **Status of Open Recommendations**

# EXECUTIVE SUMMARY



## Overview

As part of the Fiscal Year 2025 Internal Audit plan, Internal Audit performed a review of open audit recommendations from prior audit reports as of March 31, 2025, to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:



2019 Accounting Financial Controls Review	2023 Toll Revenue Audit
2019 IT Project Management Review	2023 Sensitive Data Review
2020 Secure Code Review	2024 Policy and Procedure Review
2020 P-Card and Gas Card Audit	2024 Microsoft Cloud Security Review
2020 Retail Transponder Sales Review	2025 Procurement and Contract Billing Audit
2022 Engineering and Construction Invoicing Review	2025 COSO Governance Review
2022 Customer Service Center Performance Assessment	

Internal Audit last reviewed the status of open audit recommendations in September 2024. Results were reported to the Audit Committee in October 2024.



## Objectives, Scope, and Approach

This review was completed as of March 31, 2025, and consisted of meetings with management to determine the status of open audit recommendations and testing of management's response and reported 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 31, 2024, 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, 2024	New Action Plans	Completed as of March 31, 2025	In Progress as of March 31, 2025*	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	1	0	1	0	0
2023 Sensitive Data Review	2	0	0	2	0
2024 Policy and Procedure Review	9	0	0	9	9
2024 Microsoft Cloud Security Review	2	0	0	2	0
2025 Procurement and Contract Billing Audit	0	1	0	1	0
2025 COSO Governance Review	0	3	2	1	0
<b>Total</b>	<b>21</b>	<b>4</b>	<b>3</b>	<b>23</b>	<b>11</b>

\***23** recommendations are classified as "In Progress".

\*\*Of the 23 "In Progress" recommendations, 17 are past the original agreed-upon due date, although **six** of the 17 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 **11** past due recommendations, **one** relates to the 2022 Customer Service Center Performance Assessment which has been impacted by the delay of integration work required with the Dynamics project and has a revised due date of 3/31/2026. **One** relates to the 2020 Secure Code review, which has been impacted by a phased system implementation approach that CFX has chosen to pursue and has a revised due date of 12/31/2025. **Nine** recommendations relate to the 2024 Policy and Procedure Review, which have been delayed in consideration of ongoing strategic discussions. These recommendations are expected to be implemented by the end of 2025, and the due dates have been revised to reflect the expectations.

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**D.3.**



# IT TABLETOP EXERCISE

February 2025

**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 11th, 2025. This simulation was conducted to identify potential improvement opportunities regarding CFX’s response to an attack from a malicious insider, where a disgruntled Vanasse Hangen Brustlin, Inc. (“VHB”) Consultant (“TA”) intentionally modified a Dynamic Messaging Sign (“DMS”) using an anonymous account, resulting in a large-scale traffic accident in a construction zone.

### **Background:**

IA created this simulation, in which a malicious insider gave CFX network access to a Threat Actor, as part of the Fiscal Year 2025 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. The PowerPoint document outlined the simulated actions the malicious insider took to intentionally modify the DMS, resulting in a large-scale accident in a construction zone.

The exercise scenario began when CFX received calls from first responders regarding a large-scale accident in a construction zone on State Route 429. Initial reports from the scene of the accident stated that the DMS for the lanes where the construction took place were marked as “Open” instead of “Closed”. The CFX team began investigating the SunGuide system and confirmed that the lane where the construction took place was in fact marked as “Open” instead of “Closed”. Further investigation into SunGuide’s logs revealed that an anonymous account named “John Doe” modified the DMS responsible for the large-scale accident. Once the account responsible for modifying the DMS was identified, the CFX team discovered that the anonymous “John Doe” account was created by a VHB Consultant named Bill Johnson. Requests from CFX to interview Bill Johnson were unsuccessful, as he could not be reached over multiple communication channels. Finally, CFX received an email from the Orlando Sentinel, inquiring about the large-scale accident and the individual responsible for it. The scenario concluded with a discussion of the containment, eradication, and recovery procedures, including the feasibility of restoring the environment from backups. In addition, the team discussed what messages will be sent to internal stakeholders and affected third parties.

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**D.4.**

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Ethics Policy Compliance Review

April 2025

# TABLE OF CONTENTS



## **3 Executive Summary**

## **5 Summary of Procedures Performed**

## **7 Detailed Observations**

## **13 Appendix A: Other Matters**



# EXECUTIVE SUMMARY



## Overview

The Central Florida Expressway Authority (“CFX”) operates for the benefit of the public. As such, CFX strives to conduct business in accordance with the highest standard of ethics. The CFX Code of Ethics governs Board Members, Committee Members, Employees, and Consultants in the performance of their duties and obligations to CFX and serves as the standard for official conduct.

In accordance with the FY 2025 Internal Audit Plan, Internal Audit has completed a review of CFX’s compliance with the Code of Ethics. Internal Audit last reviewed compliance with the Code of Ethics in January 2021.



## Objectives, Scope, and Approach

The objectives of this audit were to (1) review the CFX Code of Ethics, (2) review compliance with key provisions from Florida state legislation\*, (3) review CFX’s ethics compliance process and monitoring controls for design and operating effectiveness, (4) assess CFX Board and Committee Member, Employee, and Consultant compliance with key provisions of the Code of Ethics, and (5) leverage leading practices to suggest additional areas for consideration to include in the policy.

The Ethics Policy Compliance Review was performed using the following approach:

1. Conducted interviews with CFX management regarding policy, applicable Florida Statutes, procedures, key personnel, and compliance reporting;
2. Reviewed the Code of Ethics and the following Florida Statutes to identify compliance requirements:
  - a. Chapter 112, Part III
  - b. Chapter 348.753
  - c. Chapter 287.055 and Chapter 287.017
  - d. Section 104.31
  - e. Section 106.011
  - f. Section 286.012;



# EXECUTIVE SUMMARY



## Objectives, Scope, and Approach

3. Evaluated CFX's processes for monitoring and implementing compliance with key provisions of the Code of Ethics and related internal controls for design effectiveness. Processes evaluated included the following areas:
  - a. Communication and Awareness
  - b. Training and Reinforcement
  - c. Change Management
  - d. Conflicts of Interest and Financial Disclosure Monitoring
  - e. Violation Monitoring
  - f. Penalties and Enforcement;
4. Performed operating effectiveness testing for identified key internal controls for the period July 1, 2022 through June 30, 2024;
5. Sampled and assessed CFX Board and Committee Member, Employee, and Consultant compliance with key provisions of the Code of Ethics for the period July 1, 2022 through June 30, 2024; and
6. Identified opportunities and developed recommendations for improving CFX's ethics compliance management process and internal controls.

\*The results of this Audit are based on the walkthroughs, documents, reports and responses to our inquiries provided by CFX staff. The information presented in this report should not be construed as legal advice; management should consult with counsel regarding compliance with applicable laws and regulations. The results of the Audit are presented herein for CFX's consideration. This report provides CFX and the Audit Committee with information about the condition of risks and internal controls at a point in time. Future changes in environmental factors and actions by personnel may significantly and adversely impact these risks and internal controls in ways this report did not and cannot anticipate. Our work was not designed, nor should it be relied on, to provide assurance that CFX is complying with all applicable sanctions, laws, and regulations. CFX is solely responsible for ensuring CFX's compliance with all applicable sanctions, laws, and regulations, including but not limited to, taking any and all steps necessary to confirm that any recommendation by Internal Audit is consistent with CFX's legal obligations.

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**D.5.**



# PUBLIC RECORDS AUDIT

February 2025

**CENTRAL  
FLORIDA  
EXPRESSWAY  
AUTHORITY**

# TABLE OF CONTENTS

Section	Page
Executive Summary	3
Summary of Audit Procedures Performed and Results	5
Process Maturity Improvements	6
Detailed Observations	7

# EXECUTIVE SUMMARY



## Project Overview

In accordance with the FY2025 Internal Audit Plan, Internal Audit reviewed the policies, procedures, and technology surrounding the Central Florida Expressway Authority’s (CFX) public records management program.

As a public agency, CFX is required to comply with Chapter 119 of the Florida Statute, Florida Public Records Law. The law provides that any records made or received by any public agency in the course of its official business are available for inspection, unless specifically exempted by the Florida Legislature. Public records include all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software or other material, regardless of physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by CFX.

The CFX Records Management department consists of a Records Management Specialist, Public Record Coordinator, and a Director of Records Management, who also serves as the agency’s Records Management Liaison Officer (RMLO) with Florida’s Division of Library and Information Services. CFX selects Record Coordinators within each department to work with Records Management. The Records Management function and Record Coordinators are jointly responsible for maintenance, retention, preservation, and destruction of public records as required by the Public Records Law. CFX manages public records in various forms, including paper records, electronic documents, electronic mail (email), and text messages. CFX utilizes a commercial offsite storage vendor to store physical records boxes and leverages the vendor’s web-based portal to track the contents of the offsite boxes. CFX uses a combination of the offsite storage vendor and a shredding vendor for public records destruction for records that have met retention requirements. CFX’s content management platform, OnBase, went live in November 2023, and serves as the master repository for long-term public records, and is used to track and monitor all public records requests.

# EXECUTIVE SUMMARY



## Project Objectives

This review focused on CFX's records and information management processes and the four cornerstones of a sustainable information governance program:

1. Compliance with internal policies and legal and regulatory requirements;
2. Operational efficiencies to minimize disruptions to business operations and improve ways to create, use and dispose of data;
3. Cost savings from practical solutions that reduce storage and retrieval costs, as well as requirements for responding to investigations, litigation or regulatory requests;
4. Defensible processes in routine business operations that allow organizations to demonstrate reasonable and good faith efforts when challenged.



## Project Scope and Approach

As part of this review, Internal Audit:

- Reviewed CFX's public records policies and procedures surrounding custodial requirements, maintenance, preservation, retention, exemptions, destruction of public records, and employee training;
- Documented key risks and controls;
- Evaluated the operating effectiveness of key controls;
- Reviewed existing tools and technology used to store, monitor, retrieve, and control electronic records and communications;
- Performed data analysis to benchmark the program's progress using key performance indicators.

# EXECUTIVE SUMMARY



## Summary of Audit Procedures Performed and Results

The areas reviewed, audit observations, and related recommendations are outlined below:

Process	Key Areas Reviewed	Number of Observations	Observation Reference	Relative Priority
Policies and Procedures	✓ Reviewed CFX's public records management process to comply with the Florida Public Records statutes surrounding custodial requirements, maintenance, preservation, retention, exemptions, and destruction of public records.	-	N/A	N/A
Training and Awareness	✓ Determined how public records requirements are communicated to Authority employees, committee members, and the board of directors. ✓ Evaluated the public records management training process.	-	N/A	N/A
Technology	✓ Determined what technologies are currently utilized to retain electronic communication via text messaging and email at CFX. ✓ Reviewed the configurations of identified technologies to determine how electronic communication is captured or stored. ✓ Reviewed the processes in place to review the records that are captured and stored within CFX's environment.	3	1, 2, 3	1 – Moderate 2 – Moderate 3 – Moderate
Records Collection and Retention	✓ Reviewed CFX's records management process for organizing, identifying, and tracking offsite storage records.	-	N/A	N/A
Records Destruction	✓ Reviewed CFX's process and internal controls for destroying public records that have met retention requirements.	-	N/A	N/A
TOTALS:		3		



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**D.6.**

# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

## CENTRAL FLORIDA EXPRESSWAY AUTHORITY BOARD AUDIT COMMITTEE CHARTER

### TABLE OF CONTENTS

<b>I. PURPOSE .....</b>	<b>2</b>
<b>II. ORGANIZATION.....</b>	<b>2</b>
<b>III. CHAIRMAN SELECTION.....</b>	<b>3</b>
<b>IV. SUPPORT STAFF.....</b>	<b>3</b>
<b>V. MEETINGS .....</b>	<b>3</b>
<b>VI. QUORUM .....</b>	<b>4</b>
<b>VII. RESPONSIBILITIES .....</b>	<b>4</b>
A. Financial Reporting Oversight.....	4
B. Internal Control and Risk Assessment.....	4
C. Compliance.....	5
D. Code of Ethics.....	5
E. Internal Audit.....	5
F. External Audit .....	5
G. Other Authority and Responsibilities .....	5

# **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

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. Internal Control and Risk Assessment**

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.



**E.**

**Other Business**

# E.1.

## Content Agenda

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