

10/26/09

Excerpted findings and recommendations from the Governance Audit of the Orlando Orange County Expressway by Vantage Consulting, Inc.

Findings

- F1 There appears to be some uncertainty as to the actual responsibility of Board members and the Board Chairman.
- F2 There is uncertainty as to who can submit agenda items and whether items submitted by a Board Committee can be kept off the Board Agenda.
- F3 Responsibility for strategic planning, developing operating and capital budgets, long-term financial planning, oversight of capital projects is properly performed by EA employees.
- F4 The drive to improve both the actual and perceived culture at OOCEA is appropriately shared by both the Board and Management.
- F5 The authorization for, objectives and responsibilities of three of four Board Committees is inconsistent or nonexistent and needs to be addressed.
- F6 The inclusion of the Deputy Executive Director of Engineering and Operations as a member of the Right-of-Way and Operating Committees is awkward at a minimum and consolidates power inordinately in a mid-management level employee of the OOCEA.
- F7 There are no formal or agreed upon procedures for conducting Board and Board Committee meetings.
- F8 There is a written policies and procedures manual in place, however, it has not had a comprehensive review to ensure that it is up-to-date and inclusive of all required topics.
- F9 OOCEA has implemented a code of conduct that meets all requirements for an organization of this type.
- F10 Addition of a General Counsel, who reports directly to the board, provides adequate oversight regarding legal and regulatory compliance issues.
- F11 In the past, review and vetting of information provided to the Board for briefings or as part of Board Agenda packages, was often done informally.
- F12 There has been concern expressed that the results of studies or audits are often not followed up on and communicated to stakeholders in a formal manner.
- F13 A review of areas audited or studied seems to focus on areas other than construction, engineering, maintenance and operations which is where the largest amount of money is spent and where the greatest risk of problems may occur.

F14 Managers under the Deputy Executive Director of Engineering and Operations do not get many opportunities to provide direct information or feedback to other departments, the Executive Director, or the Board.

F15 The amount and type of data provided to Board members from EA personnel and Board Committees appears to be inconsistent and does not always meet the desires of Board members.

F16 The current structure of the EA management is not optimum for an organization of the size of the OOCEA.

F17 The Deputy Executive Director of Engineering and Construction has inordinate power and as currently organized, filters communication between his subordinates and other departments, senior management and the Board.

Recommendations

R1 Defer any changes regarding OOCEA board size until a final decision is made on the Wekiva Parkway extension in to other counties is concluded and discussions about a regional authority are complete or considered as part of the decision.

R2 Revise Section 1-1.008 of Procedures for Board meetings to clarify exactly how Board agenda items are set.

R3 Reconfigure the four board committees in a manner that is consistent, balanced and meets the needs of the OOCEA on a going forward basis. In addition, restate the objectives and mission of each Committee so that they have a clear mandate as to responsibility and reporting requirements.

Option 1 - Replace Employee with Outsider

Option 2 - Increase Committee Size to Five

Option 3 - Committee Make-up of Three Board Members

Option 4 - Committee of the Whole

R4 Develop or identify a set of meeting procedures for use at Board and Committee meetings.

R5 Continue with the review of all policies and procedures, identify areas where there are deficiencies and propose changes for the Board to consider.

R6 Formalize a process for analyzing agenda items to include all key departments within the authority.

R7 Improve the current "Action Plan" for providing feedback on management responses and status on all internal and external audits.

R8 Consider balancing audit plans and audit schedules to include both selection and conduct of major engineering, construction, operations and maintenance activities.

R9 Develop a consistent policy for disseminating the minutes of Board Committee meetings to Board members in advance of scheduled Board meetings.

- R10 Ensure that all details are provided to Board members on key issues prior to Board meetings.
- R11 Perform a comprehensive review of the EA organization with the goal of reducing the number of layers, increasing spans of control and determining whether all positions are necessary given today's cost control emphasis, and the upcoming implementation of the five-year plan.
- R12 Assess all positions before hiring to determine if a modified organization would provide for reduced cost while achieving an appropriate level of service.
- R13 Implement a structured, annual evaluation of the Executive Director, with input from all members of the Board in a manner that permits both positive and negative feedback in a transparent manner.