2725 Judge Fran Jamieson Way
Viera, FL 32940

Agenda Report

Consent

F.11. 12/16/2025

Subject:
Acceptance and Approval of Internal Audit Reports and Internal Audit Plans.

Fiscal Impact:
There is no fiscal impact associated with this request.

Dept/Office:
County Manager's Office

Requested Action:
It is requested that the Board of County Commissioners acknowledge and approve the Internal Auditors' Reports and the Internal Audit Plans.

Summary Explanation and Background:
The Internal Auditors completed the following Audit Reports for FY 2024-25:

- Library Firewall Implementation (Public Report)
- FY 2025 Half-Cent Sales Surtax Save Our Indian River Lagoon
- Solid Waste Management CIP Funding
- Information Technology:
  - PCI DSS Readiness (Public Report)
  - PCI External and Internal Penetration (Public Report)

Internal Audit Plans for FY 2025-26:

- Internal Auditors' Proposed Internal Audit Plan for FY 2025-26
- Clerk of the Court Comptroller's Organizational Audit Plan for FY 2025-26

These reports and plans were reviewed by the Internal Audit Committee.

Clerk to the Board Instructions:

BREVARD County
BOARD OF COUNTY COMMISSIONERS

FLORIDA'S SPACE COAST

Kimberly Powell, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Kimberly.Powell@brevardclerk.us

December 17, 2025

M E M O R A N D U M

TO: Jim Liesenfelt, County Manager

RE: Item F.11., Acceptance and Approval of Internal Audit Reports and Internal Audit Plans

The Board of County Commissioners, in regular session on December 16, 2025, acknowledged and approved the Internal Auditors' Reports and the Internal Audit Plans.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

Kimberly Powell

Kimberly Powell, Clerk to the Board

/tr

Brevard County, Florida
Internal Audit Report: Library Firewall Implementation

August 27, 2025

TRANSMITTAL LETTER

August 27, 2025

The Audit Committee of
Brevard County, Florida
2725 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to our approved audit plan for fiscal year ("FY") 2024/25 with Brevard County, Florida ("County"), we have completed the Library Firewall Implementation.

The objective of the 'Library Firewall Implementation' engagement was to support the County IT team in the planning, configuration, and migration of the Library firewall to a new platform. RSM collaborated closely with the County and Library IT teams to develop a project plan, enhance security measures, execute the migration, and provide cutover support. This resulted in a successful migration.

The subject matter covered under the testing is confidential in nature, and thus exempt from Florida Statutes 119.07(1) and 286.001; specific details are not disclosed to avoid the possibility of compromising County information and security.

This exemption from Florida Statutes and other laws and rules requiring public access or disclosure is addressed under Florida Statute 282.318(5), *The portions of risk assessments, evaluations, external audits, and other reports of a state agency's cybersecurity program for the data, information, and information technology resources of the state agency which are held by a state agency are confidential and exempt from disclosure*. This public report is being provided to the Audit Committee of Brevard County, and all confidential matters have been communicated with appropriate personnel at the County.

In connection with the performance of these services, we have not performed any management functions, made management decisions, or otherwise performed in a capacity equivalent to that of an employee of the County.

We would like to thank the staff and all those involved in assisting our firm with this report.

Respectfully Submitted,

RSM US LLP

RSM US LLP

RSM US LLP
7351 Office Park Place
Melbourne, Florida 32940
321.751.6200
www.rsmus.com

Brevard County

Brevard County, Florida
Internal Audit Report: FY 2025 Half-Cent Sales Surtax
Save Our Indian River Lagoon (SOIRL)

August 13, 2025

RSM

TABLE OF CONTENTS

TRANSMITTAL LETTER

August 13, 2025

The Audit Committee of
Brevard County, Florida
2725 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to the approved Brevard County (County) Fiscal Year (FY) 2025 internal audit plan, we hereby present our internal audit report of the Half-Cent Sales Surtax – Save Our Indian River Lagoon Program (SOIRL) for FY 2025. We had no audit observations or exceptions noted in our internal audit.

Below is an overview of the SOIRL timeline.

SOIRL TIMELINE	
FY 2017	The County began collecting surtax revenue in January 2017. RSM issued the first SOIRL report dated October 25, 2017, presented it to the Audit Committee on November 1, 2017, and to the independent SOIRL Citizen Oversight Committee (COC) on November 17, 2017. Our report included walkthroughs and control design assessments of the interlocal agreement process as well as the County's financial system, SAP, project tracking processes, and account monitoring and oversight. There were minimal expenditures, and as such, no expenditures were tested.
FY 2018	RSM issued the FY 2018 SOIRL report dated May 2, 2018 and presented it to the Audit Committee on May 16, 2018. A copy was provided to the SOIRL COC. In addition to sharing the project plan status, the scope of the detailed transaction testing in this report included revenue, interlocal contracting, and expenditures.
FY 2019	RSM issued two SOIRL reports during FY 2019, dated November 7, 2018, and August 7, 2019. They were presented to the Audit Committee on November 7, 2018, and August 21, 2019, respectively, and to the SOIRL COC in January 2019 and October 2019. The scope of the detailed transaction testing in these reports focused on revenues and expenditures for a sample of projects as well as providing unaudited example project timelines.
FY 2020	RSM issued the FY 2020 SOIRL report on March 22, 2022, and presented it to the Audit Committee on April 20, 2022, and to the COC on May 20, 2022. The scope of the detailed transaction testing focused on revenues, procurement, and expenditures.
FY 2021	RSM issued the FY 2021 SOIRL report dated June 9, 2021, and presented it to the Audit Committee on June 9, 2021, and to the SOIRL COC in July 2021. The scope of the detailed transaction testing in this report included revenues and expenditures.
FY 2022	RSM issued the FY 2022 SOIRL report dated September 23, 2022, and presented it to the Audit Committee on October 26, 2022, and to the SOIRL COC on November 18, 2022. The scope of the detailed transaction testing in this report included revenues, procurement, and expenditures.

TRANSMITTAL LETTER - CONTINUED

SOIRL TIMELINE (CONTINUED)	
FY 2023	RSM issued the FY 2023 SOIRL report dated September 18, 2023, and presented it to the Audit Committee on November 8, 2023, and to the SOIRL COC on November 17, 2023. The scope of the detailed transaction testing in this report included revenues, procurement, and expenditures.
FY 2024	RSM issued FY 2024 SOIRL report dated October 31, 2024, and presented it to the Audit Committee on November 6, 2024, and to the SOIRL COC on November 15, 2024. The scope of the detailed transaction testing in this report included revenues, procurement, and expenditures.
FY 2025	RSM completed the draft FY 2025 SOIRL report dated August 13, 2025, and will present it to the Audit Committee on August 27, 2025. The final report will be presented to the SOIRL COC in an upcoming meeting. The scope of the detailed transaction testing in this report included revenues, procurement, and expenditures.

We would like to thank the staff in County Finance, Central Services, Natural Resources Department, Utilities Services and all those involved in assisting the Internal Auditors in connection with this internal audit.

Respectfully Submitted,

RSM US LLP

RSM US LLP

EXECUTIVE SUMMARY

Background

On November 8, 2016, the citizens of Brevard County passed a Half-Cent Sales Surtax to address the critical need of funding to implement the SOIRL Project Plan aimed to meet water quality targets and improve the health, productivity, aesthetic appeal, and economic value of the lagoon. The surtax is effective for a period of ten years, beginning January 2017, and was originally projected by the County to generate $340 million in funding. The surtax is due to sunset in December 2026.

The original Project Plan (Plan) was developed in partnership with scientists, economists, environmentalists and multiple government agencies. The first annual Plan update was recommended by the COC and approved by the Board of County Commissioners (BOCC) in March 2017. Local stakeholders submit projects annually to the County for inclusion in the Plan which are reviewed by the COC and approved for Plan inclusion by the BOCC. The most recent plan update was approved by the BOCC in February 2025.

The County manages certain projects in the Plan and contracts directly with the respective organizations/contractors to complete the work. Key accounting and compliance duties in the administration of the Plan are segregated between the County's Central Services Office and County Finance. The County's Central Services function drives the procurement and contracting. In addition, certain portions of the Plan require the County to enter into agreements with local municipal governments where the Indian River Lagoon (IRL) shares jurisdiction. Based upon the current Project Plan, as amended, there are multiple municipal partners with whom the County contracts, on a reimbursement basis, to complete projects funded by the surtax. An agreement must be executed for each project, so there may be multiple agreements for one municipality. County Finance receives the deposit of SOIRL funds directly from the Florida Department of Revenue and disburses the funds for eligible expenditures directly to municipal partners/vendors.

Summary of Observation Ratings
(See page 10 for risk rating definitions)

FY 2025 SOIRL	High	Moderate	Low
Detailed Testing	-	-	-

Objectives and Approach

The primary purpose of the Half-Cent Sales Surtax internal audit is to test the appropriateness, existence, and accuracy of the SOIRL activities as reported by the County Management to the COC, BOCC, and public. Our audit approach consisted of the following phases:

We obtained preliminary data from County Finance, Central Services, Utilities Services and Natural Resources relative to our in-scope period. We reviewed the COC committee meeting minutes as well as relevant Statutes, Ordinances, Administrative Orders, and written policies and procedures.

For the scope period June 1, 2024, through May 31, 2025, RSM performed select audit procedures, including confirmation of reported surtax collections, validation of a sample of expenditure supporting documentation, and review of procurement documentation for compliance with applicable Florida Statutes and BOCC policies and procedures. We judgmentally sampled non-project procurements as well as approved projects for testing, considering the amount spent during the scope period, prior audit testing, and complexity of the contract as follows:

- Confirmed 100% of collections independently through the Department of Revenue.
- 19 out of 74 active projects were selected for expenditure testing, representing $4,935,466 of $9,998,141 (49%) total expenditures during the scope period. There was a total of 271 invoices tested.
- Reviewed evidence of proper procurement compliance for all the vendors sampled in the expenditure testing. While the vendors selected for expenditure testing had updated task orders executed, there was one (1) new Invitation to Bid (ITB) issued during our scope period. However, no new Requests for Proposals (RFPs) or Requests for Qualifications (RFQs) specifically related to SOIRL were identified.

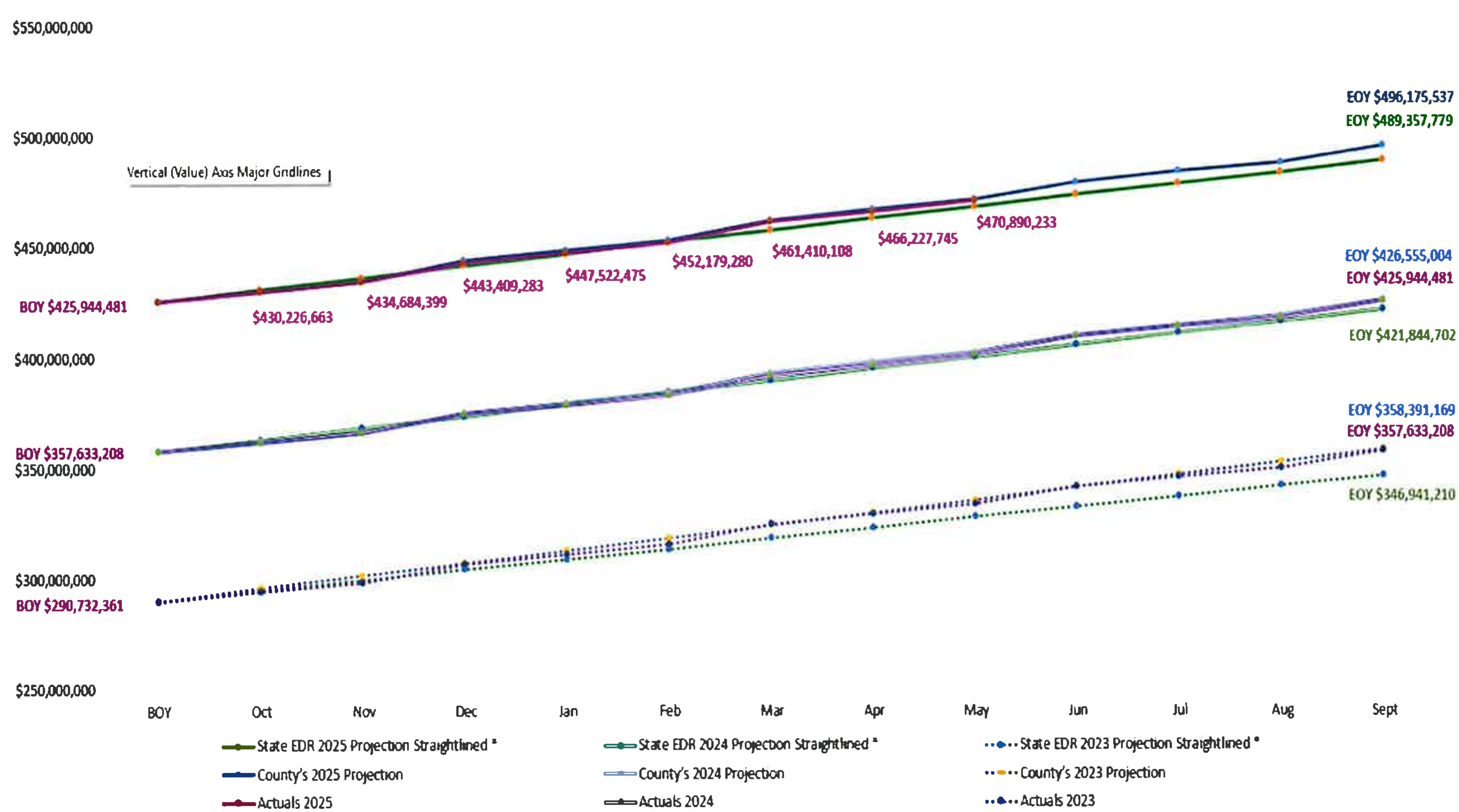
At the conclusion of our internal audit, we summarized our findings into this written report and conducted exit conferences with various members of County Management and Leadership.

We would like to thank all County team members who assisted us throughout this internal audit.

OVERVIEW

On November 8, 2016, the citizens of Brevard County passed a Half-Cent Sales Surtax to address the critical need for funding to implement the Plan. The surtax is effective for a period of ten (10) years, with collections starting January 1, 2017. As is customary with sales tax, the first payment is received 2-3 months after being earned, starting with January collections being paid in March 2017. The below graphic represents projected versus actual collections. This graphic is updated and published by the County on its website and presented to the COC monthly.

Projected vs. Actual Revenues (October 2023 - May 2025)



OVERVIEW (CONTINUED)

As of May 2025, the County has received $470,890,233 and is estimating that the plan will bring in up to $586 million in revenue over ten (10) years. The Economic and Demographic Research Data (EDR) comes from the Florida's Office of Economic and Demographic Research using their Estimation of Realized and Unrealized Tax Revenue Table. The table below is a representation of the County's projected versus actuals starting from FY2023 to May 2025.

Projected vs. Actual Revenues (October 2023 - May 2025)

Month	State EDR 2025 Projection Straightlined *	County's 2025 Projection	Actuals 2025	State EDR 2024 Projection Straightlined *	County's 2024 Projection	Actuals 2024	State EDR 2023 Projection Straightlined *	County's 2023 Projection	Actuals 2023
BOY	$425,944,481	$425,944,481	$425,944,481	$357,633,208	$357,633,208	$357,633,208	$290,732,361	$290,732,361	$290,732,361
Oct	431,228,923	430,534,938	$430,226,663	$362,984,166	$362,138,073	$361,824,622	$295,416,432	$296,370,595	$294,991,249
Nov	436,513,364	434,955,456	$434,684,399	$368,335,124	$366,476,167	$366,098,349	$300,100,502	$302,008,829	$299,092,473
Dec	441,797,806	444,009,250	$443,409,283	$373,686,082	$375,361,146	$374,419,168	$304,784,573	$307,647,063	$307,492,311
Jan	447,082,247	448,463,027	$447,522,475	$379,037,039	$379,731,879	$378,631,822	$309,468,644	$313,285,297	$311,773,147
Feb	452,366,689	453,120,357	$452,179,280	$384,387,997	$384,302,369	$383,100,779	$314,152,715	$318,923,531	$316,249,631
Mar	457,651,130	462,111,655	$461,410,108	$389,738,955	$393,126,019	$392,011,297	$318,836,785	$324,561,765	$324,891,795
Apr	462,935,572	466,867,475	$466,227,745	$395,089,913	$397,793,163	$396,591,796	$323,520,856	$330,199,999	$329,462,945
May	468,220,013	471,473,922	$470,890,233	$400,440,871	$402,313,719	$401,244,060	$328,204,927	$335,838,233	$333,890,522
Jun	473,504,455	479,487,867		$405,791,829	$410,178,239	$409,639,429	$332,888,998	$341,476,467	$341,593,283
Jul	478,788,896	484,175,149		$411,142,786	$414,778,122	$413,904,849	$337,573,068	$347,114,701	$346,098,557
Aug	484,073,338	488,488,152		$416,493,744	$419,010,706	$418,126,812	$342,257,139	$352,752,935	$350,244,084
Sept	489,357,779	496,175,537		$421,844,702	$426,555,004	$425,944,481	$346,941,210	$358,391,169	$357,633,208

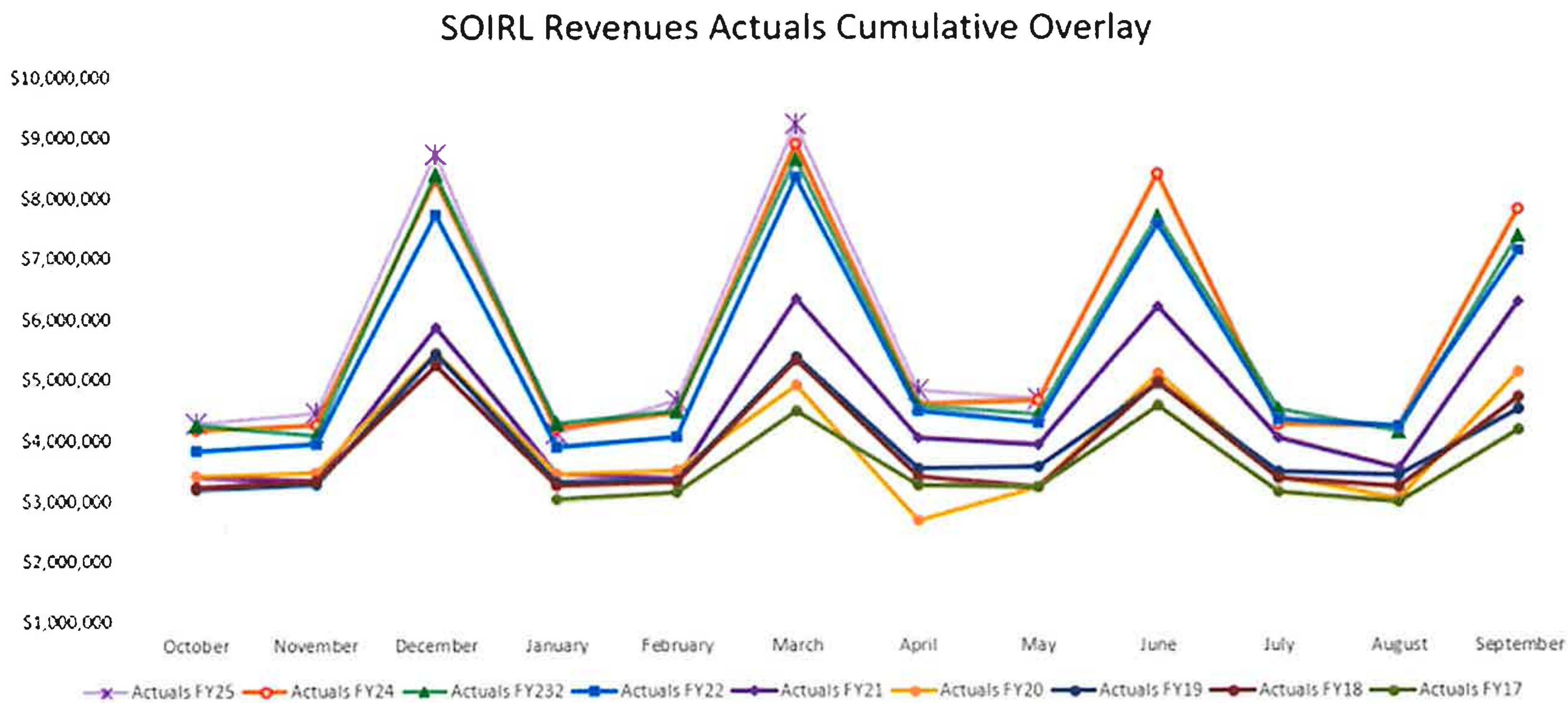
- BOY – Beginning of Year
- Projected and Actual Data is from Systems, Application and Products program.

RESULTS

Collections Testing

The County receives a monthly surtax deposit via ACH from the State of Florida. County Finance receives an e-mail from the Department of Revenue to log in to their account detailing the revenue collections for the covered period. The information includes multiple tax types and the reported totals for the deposited month. The funds are deposited directly from the Florida Department of Revenue to the County, and County Finance posts the journal entry to the SOIRL trust fund. We independently confirmed the reported revenues for the SOIRL surtax by comparing them to the Department of Revenue's publicly available surtax transaction detail to test for completeness and accuracy of the County's reported SOIRL surtax collections. ***No exceptions were noted in our testing.***

The surtax allocation trends of actual collections over the scope period are illustrated below.



RESULTS (CONTINUED)

Expenditures

The County reported a total of $9,998,141 in SOIRL expenditures from the SOIRL trust fund for the period of June 1, 2024, through May 31, 2025. Those expenditures funded 74 active projects during the scope period. Of the active projects, we obtained support from County Finance and the publicly available records database for a sample of 19 projects, with 271 invoices totaling $4,935,466 (49%) of the total SOIRL expenditure during the scope period. The projects sampled were judgmentally selected. The table below shows the compiled results of the testing procedures, and a description of testing attributes completed for the current round of testing. ***No exceptions were noted in our testing.***

	Septic Removal by Sewer Extension					Muck Removal & Interstitial Treatment		Septic System Upgrades		Sewer Laterals
Detailed Procedures	South Central - Zone A	Riverside Drive Septic-to-Sewer Conversion	Sykes Creek - Zone T	Sykes Creek - Zone R	South Central - Zone F / Pineapple Avenue	Titusville Railroad East & Interstitial Treatment	Eau Gallie Northeast Muck & Interstitial Treatment	Banana River Lagoon 100 Septic System Upgrades	Central IRL 939 Septic System Upgrades	Osprey Basin Lateral Repair Project
Prime Contractor(s) / Municipality	Kimley-Horn & Associates, The Title Station	City of Melbourne	Wade Trim Inc., Florida Power and Light Company, Terracon Consultants, and The Title Station.	The Title Station	City of Melbourne	GeoSyntec Consultants Inc	Atkins North America Inc., CPH Consulling LLC, Florida Power and Light Company	Private Citizens	Private Citizens	City of Titusville
Subcontractor(s)		Youngs Communication, LLC			Sun Plumbing, Young's Communications, LLC					Envirowaste Services Group Inc.
Approved Prime Contract	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Set Contracted Values	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assigned Task Order	4	1	4	4	1	✓	✓	3	3	1
Invoice Supported and Reviewed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prime Contractor Proof of Payment Reviewed*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reimbursement Package Reviewed	2 + 4	✓	2 + 4	4	✓	2	2 + 4	✓	✓	✓
Municipality Proof of Payment Reviewed	N/A	✓	N/A	N/A	✓	N/A	N/A	N/A	N/A	✓
Homeowner Proof of Payment Reviewed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	N/A
Expense Allowable per Program	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

RESULTS (CONTINUED)

Expenditures (Continued)

	Oyster Bars		Stormwater Projects		Monitoring & Respond		Public Education	Septic Removal by Sewer Connections	WWTF Upgrades for Reclaimed Water
Detailed Procedures	Brevard Zoo Banana River Oyster Project	Brevard Zoo Central Indian River Lagoon Tributary Pilot Oyster Project	Denitrification Retrofit of Flounder Creek Pond	McNabb Outfall Bioretention	Restoring Seagrass for Improved Natural Resilience	School Board Pond Wetland Restoration	Restore Our Shores: Community Collaborative	North IRL Septic System 463 Quick Connections	City of Rockledge Flow Equalization Basin
Prime Contractor(s) / Municipality	East Coast Zoological Society	East Coast Zoological Society	W & J Construction Corporation	City of Cocoa Beach	Onset Computer Corporation, East Coast Zoological Society, and Ecological Associates Inc.	DRMP Inc.	East Coast Zoological Society	Private Citizens	City of Rockledge
Subcontractor(s)				BDI Marine Contractors					L7 Construction, Inc, Tetra Tech, inc, Arctic Breeze, Dixie Metal products, Fluidyne Corp., GenServe, Graybar Electric Company, Maschmeyer Concrete, McDade Waterworks, Inc.
Approved Prime Contract	✓	✓	✓	✓	✓	✓	✓	✓	✓
Set Contracted Values	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assigned Task Order	4	4	2	1	4	2	4	3	1
Invoice Supported and Reviewed	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prime Contractor Proof of Payment Reviewed*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Reimbursement Package Reviewed	4	4	2	✓	4	2	4	✓	✓
Municipality Proof of Payment Reviewed	N/A	N/A	N/A	✓	N/A	N/A	N/A	N/A	N/A
Homeowner Proof of Payment Reviewed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓
Expense Allowable per Program	✓	✓	✓	✓	✓	✓	✓	✓	✓

* All SOIRL payments and/or journal entries are processed by the County Finance Department.

Notes:

1. SOIRL projects completed by municipalities, special districts, or contracted community organizations will not have assigned task orders, as these documents are specific to projects that are implemented by Brevard County staff and contractors. The municipality submits an application for reimbursement. The supporting documentation submitted for these applications includes the invoices documenting that the municipality has received the goods and/or services and municipality proof of payment as evidence that the municipality subsequently paid for those goods and/or services. Homeowner proof of payment is not applicable.
2. SOIRL projects where Brevard County is the responsible entity and the contract is for continuing services will have assigned task orders and/or invoices for the completion of work from those task orders. As such, those projects will not have reimbursement packages or proof that another municipality or homeowner has paid for those goods and/or services.
3. SOIRL septic system upgrades are reimbursement agreements with individual homeowners and, therefore, would not have assigned task orders and/or the municipality's involvement for proof of payment.
4. SOIRL projects where Brevard County is the responsible entity and the contract is for construction will have invoices for the completion of work. As such, those projects will not have assigned task orders, reimbursement packages, or proof that another municipality has paid for those goods and/or services.

RESULTS (CONTINUED)

Procurement

All vendors selected for expenditure testing were reviewed for proper procurement processes. While these vendors had new task orders and subsequent purchase orders for expenditures, all of which were tested, there was one (1) new competitive solicitation (invitation to bid (ITB), request for qualifications (RFQ), or request for proposals (RFP)) awarded for the vendors in our expenditure audit period. Per discussion with the Natural Resource Management Department, it was determined that one (1) ITB was solicited which was initiated, selected, and procured through the Brevard County Utilities Services. ***No exceptions were noted in our testing.***

	Sampled Vendors						
Detailed Procedures*	Kimley-Horn & Associates	The Title Station	W & J Construction Corporation	East Coast Zoological Society	Onset Computer Corporation	Ecological Associates, Inc	Hinterland Group, LLC**
Purchase Order Approved by Purchasing	✓	Land	✓	✓	✓	✓	✓
Purchase Thresholds and Related Required Admin Approvals Reviewed	✓	✓	✓	✓	✓	✓	✓
Purchase Served Public Purpose and Related to SOIRL Project	✓	✓	✓	✓	✓	✓	✓
No Bid Splitting to Avoid Competitive Solicitation Reviewed	✓	✓	✓	✓	✓	✓	✓
Procurement Method	RFQ/CCNA	Land	RFQ/CCNA	SS	Quote	RFQ/CCNA	ITB

	Sampled Vendors						
Detailed Procedures*	DRMP Inc.	Wade Trim	Florida Power and Light	Terracon Consultants Inc	GeoSyntec Consultants	Atkins North America Inc.	CPH Consulting, LLC
Purchase Order Approved by Purchasing	✓	✓	✓	✓	✓	✓	✓
Purchase Thresholds and Related Required Admin Approvals Reviewed	✓	✓	✓	✓	✓	✓	✓
Purchase Served Public Purpose and Related to SOIRL Project	✓	✓	✓	✓	✓	✓	✓
No Bid Splitting to Avoid Competitive Solicitation Reviewed	✓	✓	✓	✓	✓	✓	✓
Procurement Method	RFQ/CCNA	RFQ/CCNA	SS	RFQ/CCNA	RFQ/CCNA	RFQ/CCNA	RFQ/CCNA

* Detailed Procedures are based on Applicable Florida Statutes (FS), BOCC Policies (BCC), BOCC Administrative Order (AO), and Purchasing Services (PS) Procedures as follows: FS 287.017, 287.055, 287.057; BCC-25, BCC-26; AO-29.
** Vendors selected for competitive procurement testing

Procurement Notes:
- RFQ/CCNA - procured via a request for qualifications under the Consultant's Competitive Negotiation Act and approved by the BOCC pursuant to BCC-26 and BCC-25 and associated FS.
- RFP – procured via a request for proposals and approved by the BOCC pursuant to BCC-25 and associated FS.
- ITB - procured via an invitation to bid and approved by the BOCC pursuant to BCC-25 and associated FS.
- SS - procured via single source method and approved by the BOCC pursuant to BCC-25 and associated FS.
- Land - procurement related to the acquisition of land (purchase orders are not issued for land acquisitions) and approved by the BOCC pursuant to BCC-25 and associated FS.

APPENDIX A: OBSERVATION RISK RATING DEFINITIONS

Definitions of the rating scale are included below. We had no audit observations or exceptions noted in our internal audit.

Observation Risk Rating Definitions	
Rating	**Explanation**
Low	Observation presents a low risk (i.e., impact on financial statements, internal control environment, public perception/brand, or business operations) to the organization for the topic reviewed and/or is of low importance to business success/achievement of goals and internal control structure.
Moderate	Observation presents a moderate risk (i.e., impact on financial statements, internal control environment, public perception/brand, or business operations) to the organization for the topic reviewed and/or is of moderate importance to business success/achievement of goals and improve its internal control structure. Action should be in the near term.
High	Observation presents a high risk (i.e., impact on financial statements, internal control environment, public perception/brand, or business operations) to the organization for the topic reviewed and/or is of high importance to business success/achievement of goals and improve its internal control structure. Action should be taken immediately.

APPENDIX B: ORDINANCE 2016-15

- The BOCC adopted Ordinance 2016-15 on August 23, 2016. The ordinance placed a Tax Referendum on the upcoming election ballot for voter consideration.
- On November 8, 2016, within the territorial limits of Brevard County, the Tax Referendum was voted on and passed with 62% favorable vote, to allow for a half-cent sales surtax on sales within the County.
- This legally restricted tax will help pay to restore the IRL over a 10-year period by implementing the approved SOIRL Project Plan, as amended.

- The Ordinance authorizes the use of the half-cent sales surtax to provide restoration services to improve the quality of the water and the lagoon through methods such as:
  - Wastewater Treatment Facility Upgrades for Reclaimed Water,
  - Public Education on Pollution,
  - Storm-water Outfall Treatment,
  - Septic to Sewer,
  - Septic Upgrades,
  - Muck Removal and Interstitial Treatment,
  - Restoring Oysters and Living Shorelines and
  - Monitoring, Reporting and Adapting.

APPENDIX C: SOIRL COMMITTEE

The Citizen Oversight Committee

The Ordinance requires the creation of SOIRL COC, which consists of seven (7) members and seven (7) alternate members across seven (7) different fields. On August 27, 2024, the Board approved legislative intent and permission to advertise changes to the ordinance that controls the current structure. In this, two (2) existing lanes, the Education and Outreach field and the Lagoon Advocacy field, would be combined to form the new lane called Lagoon Advocacy. Additionally, the ordinance created two (2) non-voting emeritus positions. This structure was approved by the BOCC on October 22, 2024 and implemented to the members that started beginning March of 2025.

- Economics / Finance
- Lagoon Education / Outreach / Advocacy
- Science
- Tourism
- Real Estate
- Technology
- Lagoon Commerce
- Non-voting Emeritus

Additionally, the COC meetings typically include the following County staff at each meeting:

- Natural Resources Management (NRM) Director
- Assistant County Attorney
- Executive Secretary
- SOIRL Program staff, as appropriate

SOIRL COC Role

The role of the SOIRL COC per the Bylaws adopted on February 17, 2017, is to review monitoring data on timeliness of project delivery, actual and updated project costs, and actual nutrient removal effectiveness; review new literature and local studies on the types of projects included in the plan and potential alternative project types; evaluate alternative project proposals received from the community; and recommend adjustments to the Project Plan to be approved by the Board of County Commissioners.

2025 Citizen Oversight Committee

- Curt Smith, Economics/Finance Member
- Richard Nipper, Technology Member
- Kimberly Newton, Lagoon Education/Outreach Advocacy Member
- Richard Bankhead, Lagoon Commerce Member
- Donald Deis, Science Member
- Laurilee Thompson, Tourism Member
- Barbara Wall-Scanlon, Real Estate Member
- Fredric Goldstein, Economics/Finance Alternate
- Mark Schrope, Science Alternate
- Deborah Harmon, Lagoon Education/Outreach Advocacy Alternate
- Bruce Larson, Technology Alternate
- D. Eric Mannes, Real Estate Alternate
- Kimberly Newton, Education Alternate
- Nicholas Sanzone, Tourism Alternate
- John Windsor, Emeritus BOCC
- Charles Venuto, Emeritus LOC

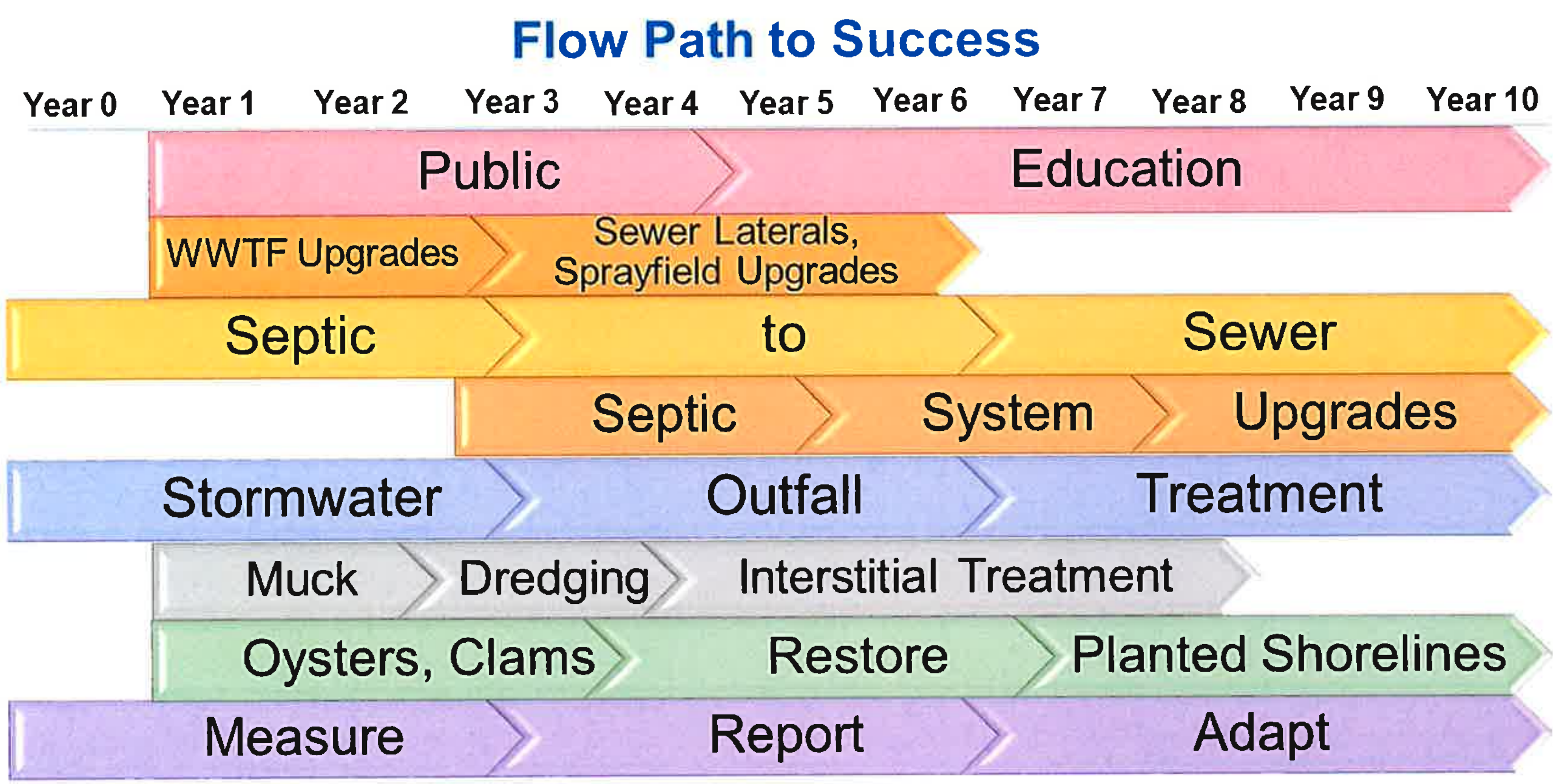
Meetings

Since December 16, 2016, the SOIRL COC is scheduled to meet monthly. Meetings are open to the public and include time for public comments. Meeting minutes and agenda are available at the website: http://www.brevardfl.gov/SaveOurLagoon.

APPENDIX D: PROJECT PLAN

The original Plan was developed in partnership with scientists, economists, environmentalists, and multiple government agencies. The COC recommended the first annual Plan update in February, which the BOCC approved in March 2017. Local stakeholders are provided the opportunity to submit projects annually to the County for inclusion in the Plan. These projects are reviewed by the COC and approved for inclusion by the BOCC.

The SOIRL tax was approved for ten (10) years. The plan projects have been prioritized and ordered to deliver improvements to the lagoon in the most beneficial spatial and temporal sequence with the ultimate goal of a healthy IRL system. If a future project is ready to move forward earlier than scheduled in the Plan, if such advancement is consistent with temporal sequencing goals in the Plan and is recommended by the COC, and if there are sufficient SOIRL trust fund dollars available, the County Manager (for budget changes less than $200,000) or BOCC have the authority to adjust the project schedule at any time to ensure that approved projects funded in the Plan move forward as soon as feasible. The timing of the projects is shown in the figure below.



RSM US LLP
7351 Office Park Place
Melbourne, Florida 32940-8229
(321) 751-6200
www.rsmus.com

For more information, visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Internal Audit Committee of Brevard County, Florida

Internal Audit of Solid Waste Management CIP Funding

CRI ADVISORS, LLC

Prepared By:
Internal Auditors

Table of Contents

CRI CARR RIGGS & INGRAM
CRI ADVISORS, LLC

CRI Advisors, LLC
7506 Lynx Way
Suite 201
Melbourne, FL 32940

321.255.0088
386.336.4189 (fax)
CRIadv.com

November 5, 2025

The Audit Committee of
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to the approved 2024/2025 internal audit plan, we hereby submit our internal audit of the Solid Waste Management funding associated with three Construction Improvement Plan ("CIP") projects. We will be presenting this report to the Audit Committee at the next scheduled meeting on November 19, 2025.

Our report is organized in the following sections:

Executive Summary	This provides an overview, the objectives, approach and results summary.
Background	This provides background information about the funding and three associated CIP projects including select financial statistics.
Objectives and Approach	The internal audit objectives and focus are expanded upon in this section as well as a review of our approach.
Observations Matrix	This section provides the results of our internal audit procedures, including our recommended actions and management responses.

We would like to thank all those involved in assisting the Internal Auditors in connection with the internal audit of the Solid Waste Management CIP funding assessment for the three associated CIP projects.

Respectfully Submitted,

CRI Advisors, LLC

Internal Auditors

Executive Summary

Overview

The projects below will be partially financed or refinanced with all or a portion of the proceeds of the Series 2023 Bonds. Such projects may be amended or supplemented from time to time by the County:

- US-192 South Disposal Facility – a new solid waste management facility in south Brevard County.
- Titusville Transfer Station – new construction to replace an aging receiving building.
- Central Disposal Facility – planned 185-acre expansion of the Central Disposal Facility.

Based on Solid Waste Management's financial plan, the department needed additional funding in FY2023-2024 to partially fund the above projects. In consultation with the County Manager and its Financial Advisor, it was determined to be more cost-effective to secure a short-term commercial paper loan, until the municipal bond market rates decline.

Objectives

The objective is to assess the status and reasonableness of the County's plan for determining the future Solid Waste Revenue Bonds to fund the above projects, and to review the significant costs and requirements that have occurred or estimated to occur for CIP outside the annual audit review period ended (9/30/2024) to maintain coverage (funding for the CIP projects noted below) including compliance with the bond documents.

Approach

We interviewed key members of Solid Waste Management and obtained and reviewed relevant documents including engineering studies, cost estimates, design and engineering contracts, construction contracts, payment applications, purchase orders, budgets, reconciliations, documented management's monitoring procedures and performed sample substantive testing, reconciliations, and assessments in the following areas: Oversight/Monitoring, Capital Expenditures, Project Status, Project Funding and Bond Compliance.

Results Summary

Oversight and Monitoring - Obtained and reviewed the Solid Waste Management plan and related monitoring procedures, documents, schedules, engineering study, financial plan, that Solid Waste Management utilized to determine the adequacy of future bond revenue to partially fund the Construction Improvement Plan projects. Solid Waste Management indicated that the department utilized historical population growth, consumer price index for solid waste to estimate revenue growth and historical consumer price index for operating and engineering estimates for capital projects. However, management did not formally document the specific procedures/steps utilized in performing their assessment. See **Observation 1.**

Capital Expenditures and Bond Compliance - Tested 70 expenditures related to the above three projects representing over 90% of the total expenditures for the scoping period (October 1, 2024 – May 31, 2025) noting the expenditures were properly approved, supported and allowable under the bond agreements without exception.

Project Status - obtained and reviewed the original and updated project schedules, obtained most recent payment applications and reconciled to contractor invoices and project records without exception.

Executive Summary

Project Funding - Obtained management's financial plan, and agreed the contracted amounts to the respective contracts, as applicable. Management determined the projected funding based on the contracted amounts plus the estimated costs from the engineer's cost estimate related to Central Disposal Facility South Parcel Landfill – Cell 3 (Class I) Construction. The contracted amounts and the engineer's cost estimate agreed and reconciled to Solid Waste CIP Funding Needs summary in in the financial plan. Total Short-Term Loan Need for CIP Funding identified at the time of testing by Solid Waste Management was $33.3 million for the three projects. Compared these estimated costs with budget forecasts prepared by management to identify potential funding gaps and assess the reasonableness of estimates. No funding gaps were identified, and the estimates appeared reasonable.

Observations

Observation ratings are a subjective evaluation of the severity of the concern and the potential impact on the operations. An observation rating of "High" represents an issue of immediate concern and could cause significant operational issues if not addressed soon. A "Moderate" rating is an issue that may also cause operational issues and does not require immediate attention but should be addressed as soon as possible. Observations given a "Low" rating could escalate into operational issues but can be addressed through the normal course of conducting business.

The following is a summary of observation noted.

Ratings by Observation	Risk Rating
1. *Oversight and Monitoring* *– Solid Waste Management indicated that the department utilized historical population growth, consumer price index for solid waste to estimate revenue growth and historical consumer price index for operating and engineering estimates for capital projects. However, Solid Waste Management did not formally document the methodology and procedures that management utilized to develop the financial plan in determining the short-term capital and long-term capital funding needs for the three projects described in the Overview above.*	Low

Background

Overview

The Solid Waste Management Department is allocating Series 2023 Bonds for the funding of the following projects:

- US-192 South Disposal Facility – a new solid waste management facility in south Brevard County area. The construction of the US192 South Disposal Facility, a 28+ acre lined Class III disposal cell and support facilities including truck scales and scale house, on-site access roads, leachate collection, transmission and storage tanks with tanker loading, and a small employee quarters/operations office building. The Construction period was planned for FY2024 – FY2026 with the facility to be certified by the Florida Department of Environmental Protection (FDEP) to operate as a solid waste disposal facility in 2027. The construction schedule will be re-evaluated during the CIP funding analysis that will be conducted later in FY2026. Series 2023 bonds were utilized for design, permitting, and a portion of the Phase I construction and engineering oversight costs.

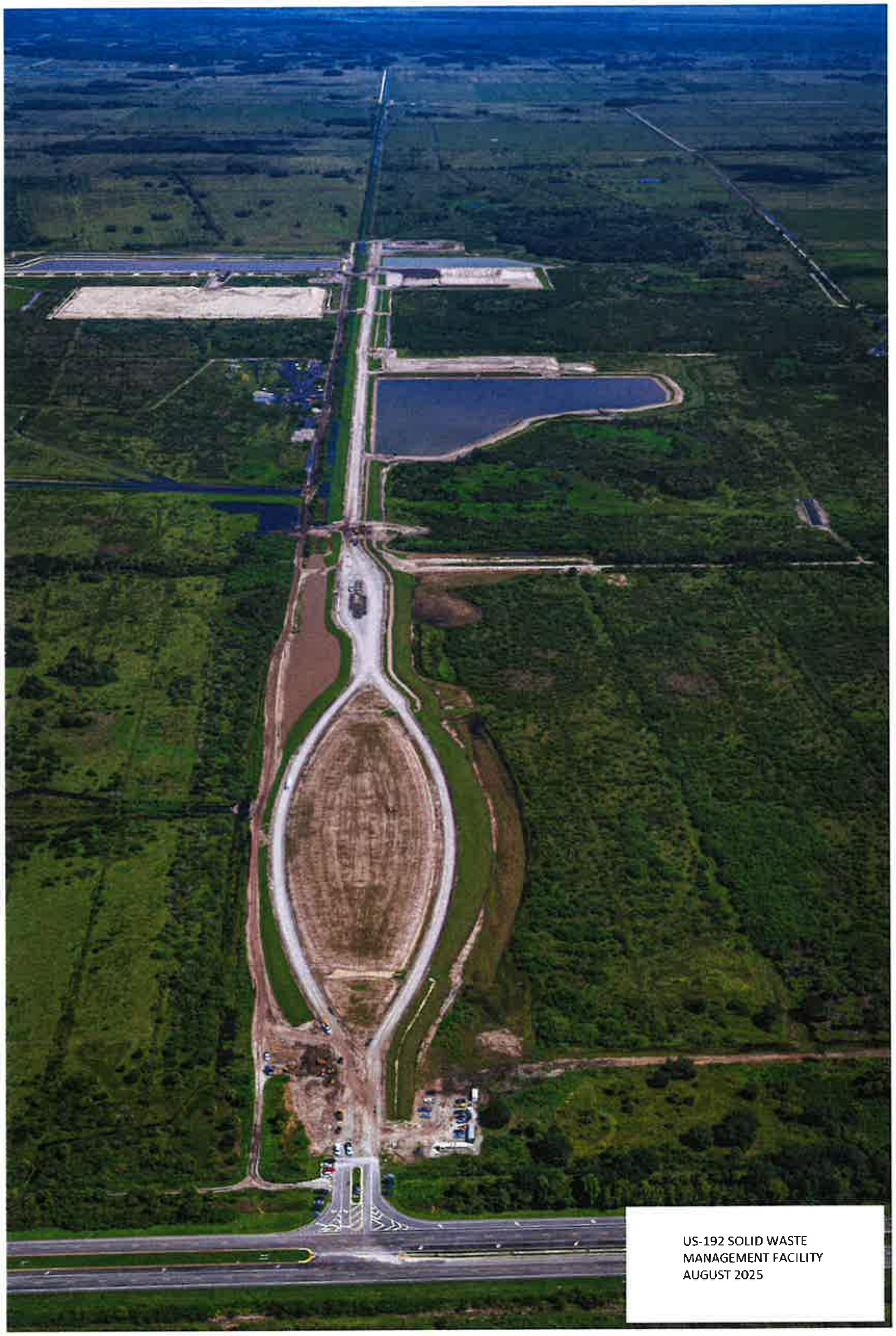
- Titusville Transfer Station – new construction to replace an aging receiving building, improve the on-site roads and traffic safety controls, and expansion of the facility to combine with the adjacent Mockingbird Way Yard Wase Mulching Facility. Engineering plans and permitting have been completed and the County has entered a contract for construction, which is ongoing and anticipated to be completed in April 2026. Series 2023 bonds were utilized to fund a portion of the project construction and all engineering oversight.

- Central Disposal Facility – a 185-acre expansion of the Central Disposal Facility near Cocoa, Florida. The South Landfill expansion consists of Class I Cells 1 through 5. Currently, construction permitting has been approved for Cells 3, 4, and 5 and construction of Cell 3, a 53-acre expansion cell, is anticipated to begin in early 2026. Series 2023 bonds were utilized to fund the design and construction permitting of Cells 3, 4, and 5.

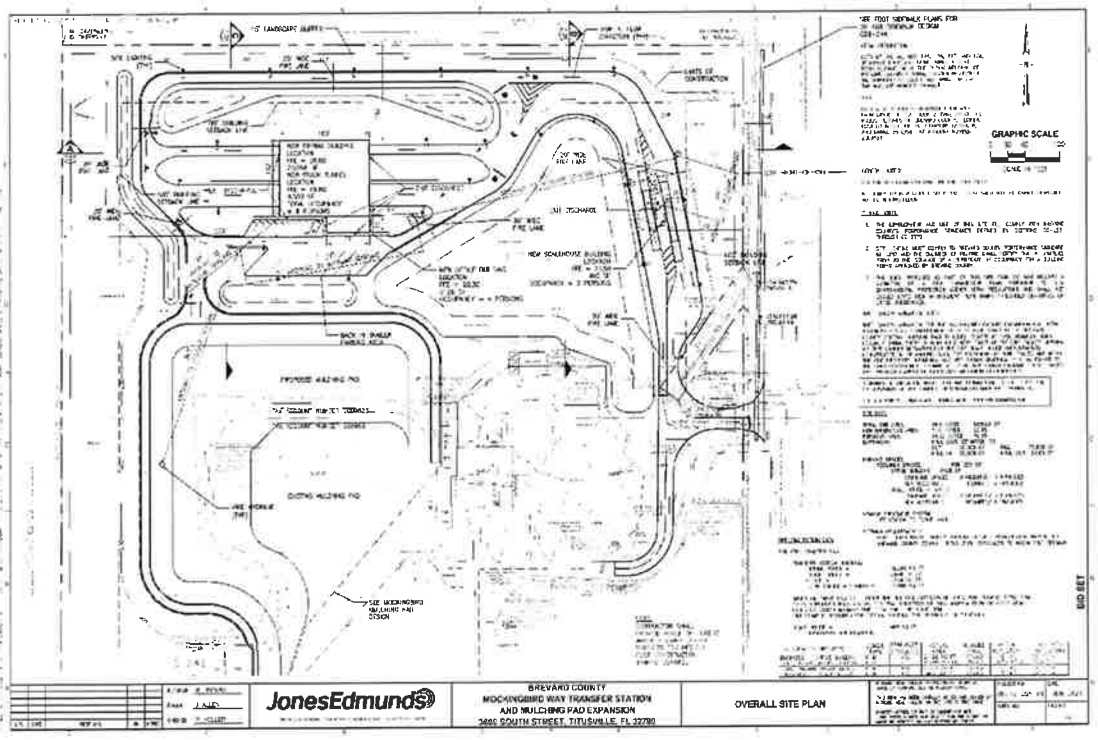
Based on Solid Waste Management's financial plan, the department needed additional funding in FY2023-2024 to partially fund the above projects. In consultation with the County Manager and its Financial Advisor, it was determined to be more cost-effective to secure a short-term commercial paper loan, until the municipal bond market rates decline.

Additionally, county management indicated that the department utilized historical population growth, consumer price index for solid waste to estimate revenue growth and historical consumer price index for operating expenses and engineering estimates for capital project funding.

Background - continued



Background - continued



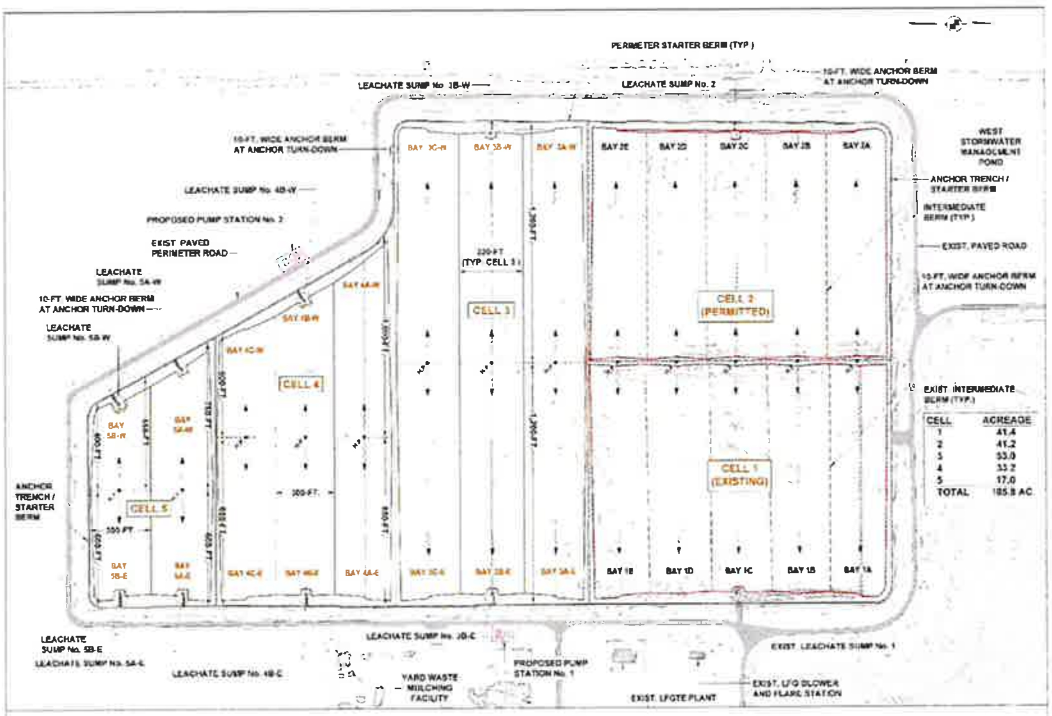


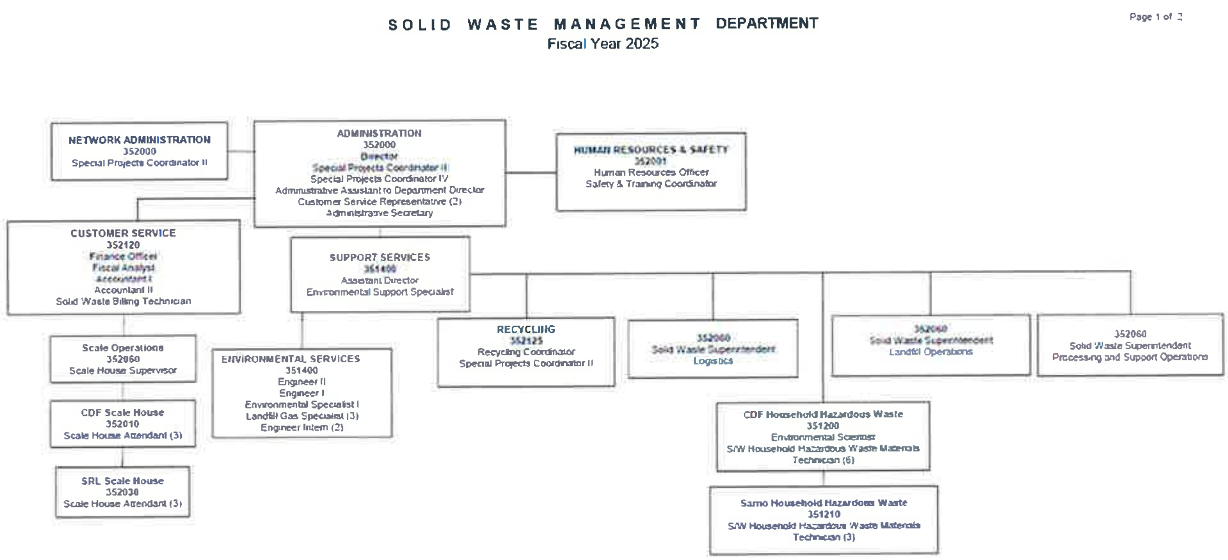
EXHIBIT 2
PROPOSED CELL AND BAY DESIGNATION

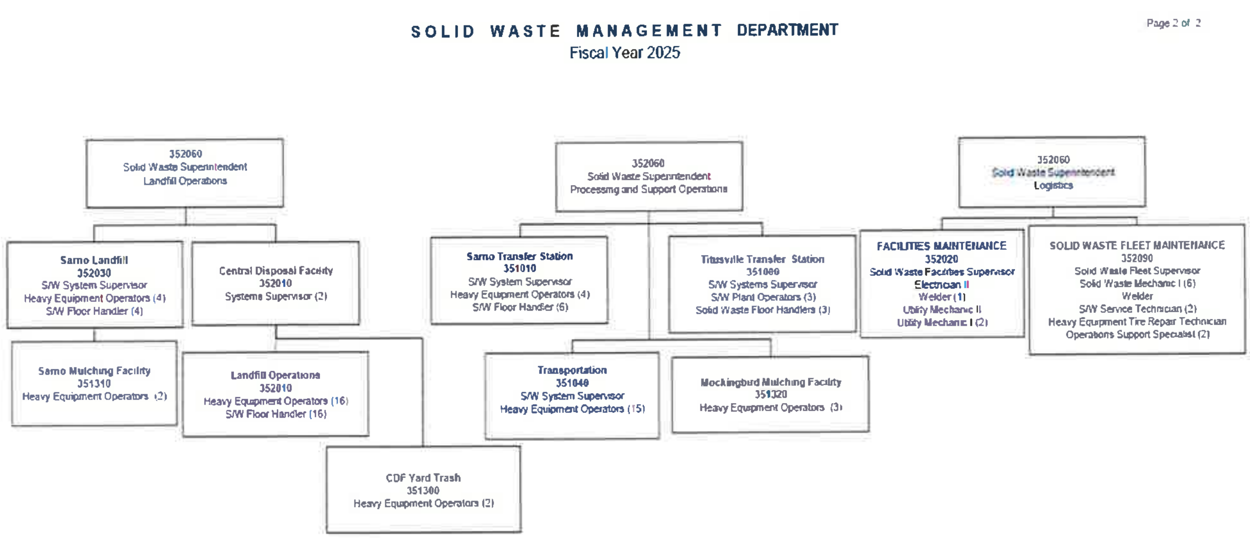
Background - continued

Organization & Staffing

Key personnel from Solid Waste Management that are involved in the operations and assisted in the internal audit are as follows:

Name	Title
Thomas Mulligan	Director
Tiffany Filing	Finance Officer





154 Employee Positions.

Background - continued

Select Statistics – (Source: Operating and Capital Budget Proposed FY 2025-2026)

Solid Waste Management Department

Summary

Solid Waste Management Department Revenue & Expense Category	Actual FY 2023-2024	Current Budget FY 2024-2025	Proposed Budget FY 2025-2026	Difference	% Change
Taxes Revenue	$-	$-	$-	$-	-%
Permits, Fees & Special Assessment Revenue	$1,205,702	$900,000	$900,000	$-	-%
Intergovernmental Revenue	$58,704	$-	$1,500,000	$1,500,000	-%
Charges for Services Revenue	$56,930,814	$60,895,631	$65,582,906	$4,687,275	7.70%
Fines and Forfeits Revenue	$-	$-	$-	$-	-%
Miscellaneous Revenue	$5,898,312	$2,057,350	$2,505,790	$448,440	21.80%
Statutory Reduction	$-	$(3,192,648)	$(3,524,435)	$(331,787)	10.39%
Total Operating Revenues	$64,093,532	$60,660,333	$66,964,261	$6,303,928	10.39%
Balance Forward Revenue	$103,270,547	$93,586,019	$100,446,859	$6,860,840	7.33%
Transfers - General Revenue	$-	$-	$-	$-	-%
Transfers - Other Revenue	$(0)	$-	$-	$-	-%
Other Finance Source Revenue	$-	$-	$-	$-	-%
Total Non-Operating Revenues	$103,270,547	$93,586,019	$100,446,859	$6,860,840	7.33%
Total Revenues	**$167,364,079**	**$154,246,352**	**$167,411,120**	**$13,164,768**	**8.53%**
Compensation and Benefits Expense	$10,504,747	$12,561,609	$13,827,078	$1,265,469	10.07%
Operating Expense	$35,547,019	$41,249,838	$46,899,462	$5,649,624	13.70%
Capital Outlay Expense	$5,068,970	$7,974,424	$6,807,458	$(1,166,966)	(14.63%)
Operating Expenditures	$51,120,736	$61,785,871	$67,533,998	$5,748,127	9.30%
C I P Expense	$3,414,516	$39,845,551	$38,318,185	$(1,527,366)	(3.83%)
Debt Service Expense	$3,349,538	$3,674,198	$5,037,123	$1,362,925	37.09%
Reserves-Operating Expense	$-	$1,553,910	$11,332,994	$9,779,084	629.32%
Reserves - Capital Expense	$-	$6,435,547	$2,057,887	$(4,377,660)	(68.02%)
Reserves - Restricted Expense	$-	$39,183,185	$41,305,957	$2,122,772	5.42%
Grants and Aid Expense	$-	$-	$-	$-	-%
Transfers Expense	$1,662,748	$1,768,090	$1,824,976	$56,886	3.22%
Total Non-Operating Expenses	$8,426,801	$92,460,481	$99,877,122	$7,416,641	8.02%
Total Expenditures	**$59,547,538**	**$154,246,352**	**$167,411,120**	**$13,164,768**	**8.53%**

Source: Brevard County Operating and Capital Budget Proposed FY 2025-2026

Background - continued

Solid Waste Management Department

Disposal

Disposal Program Revenue & Expense Category	Actual FY 2023-2024	Current Budget FY 2024-2025	Proposed Budget FY 2025-2026	Difference	% Change
Taxes Revenue	$-	$-	$-	$-	-%
Permits, Fees & Special Assessment Revenue	$1,205,702	$900,000	$900,000	$-	-%
Intergovernmental Revenue	$1,656	$-	$-	$-	-%
Charges for Services Revenue	$35,203,744	$37,693,739	$41,876,894	$4,183,155	11.10%
Fines and Forfeits Revenue	$-	$-	$-	$-	-%
Miscellaneous Revenue	$5,118,389	$1,714,714	$1,913,790	$199,076	11.61%
Statutory Reduction	$-	$(2,015,422)	$(2,234,534)	$(219,112)	10.87%
Total Operating Revenues	$41,529,491	$38,293,031	$42,456,150	$4,163,119	10.87%
Balance Forward Revenue	$99,997,756	$91,042,371	$96,470,558	$5,428,187	5.96%
Transfers - General Revenue	$-	$-	$-	$-	-%
Transfers - Other Revenue	$(0)	$-	$-	$-	-%
Other Finance Source Revenue	$-	$-	$-	$-	-%
Non-Operating Revenues	$99,997,756	$91,042,371	$96,470,558	$5,428,187	5.96%
Total Revenues	**$141,527,247**	**$129,335,402**	**$138,926,708**	**$9,591,306**	**7.42%**
Compensation and Benefits Expense	$10,504,747	$12,561,609	$13,827,078	$1,265,469	10.07%
Operating Expense	$14,060,090	$17,973,469	$21,696,813	$3,723,344	20.72%
Capital Outlay Expense	$5,068,970	$7,974,424	$6,807,458	$(1,166,966)	(14.63%)
Operating Expenses	$29,633,807	$38,509,502	$42,331,349	$3,821,847	9.92%
C I P Expense	$3,414,516	$39,845,551	$38,318,185	$(1,527,366)	(3.83%)
Debt Service Expense	$3,349,538	$3,674,198	$5,037,123	$1,362,925	37.09%
Reserves-Operating Expense	$-	$260,490	$8,359,244	$8,098,754	3109.05%
Reserves - Capital Expense	$-	$6,435,547	$2,057,887	$(4,377,660)	(68.02%)
Reserves - Restricted Expense	$-	$39,183,185	$41,305,957	$2,122,772	5.42%
Grants and Aid Expense	$-	$-	$-	$-	-%
Transfers Expense	$1,317,984	$1,426,929	$1,516,963	$90,034	6.31%
Non-Operating Expenses	$8,082,038	$90,825,900	$96,595,359	$5,769,459	6.35%
Total Expenses	**$37,715,845**	**$129,335,402**	**$138,926,708**	**$9,591,306**	**7.42%**

Budget Variance – CIP Expense $(1,527,366); (3.83%): FY25 projects are underway and the borrowed $54M is projected to be spent; however, to complete the FY25 projects and start new construction on other projects, will borrow $34M at the end of FY25.

Source: Brevard County Operating and Capital Budget Proposed FY 2025-2026

Objectives and Approach

Objectives

The objective is to assess the status and reasonableness of the County's plan for determining the future Solid Waste Revenue Bonds to fund the above projects, and to review the significant costs and requirements that have occurred or estimated to occur for CIP outside the annual audit review period ended (9/30/2024) to maintain coverage (funding for the CIP projects noted below) including compliance with the bond documents.

Approach

Our approach consisted of three phases:

Understanding and Documentation of the Process

During the first phase, we held an entrance conference with key personnel of Solid Waste Management to discuss the scope and objectives of the internal audit work, obtain preliminary data, and establish working arrangements. We obtained and reviewed relevant documents including engineering studies, cost estimates, design and engineering contracts, construction contracts, payment applications, purchase orders, budgets, reconciliations, etc. We interviewed key members of Solid Waste Management and updated our understanding of the processes and relevant monitoring controls.

Detailed Testing

The purpose of this phase was performance of testing procedures based on our understanding of the projects and monitoring procedures to meet the objectives stated above. Our procedures included inquiry, walkthrough and testing of individual transactions and assessments in the areas detailed below.

Oversight and Monitoring

Obtained and reviewed Solid Waste Management's financial plan and related monitoring procedures, documents, schedules, engineering study, etc. that Solid Waste Management utilized to determine the adequacy of future bond revenue to partially fund the CIP projects noted below.

CIP Expenditures / Bond Compliance

Obtained a CIP Expenditure (detailed significant costs for CIP projects) incurred from October 1, 2024, to May 31, 2025, per project (Titusville Transfer Station, US-192 South Disposal Facility, & Central Disposal Facility Expansion), selected 70 expenditures and performed the following:

- Vouched the cost incurred to the invoices, support, and payment approvals.
- Verified that the expenditure was approved/received by the Solid Waste Management Department.
- Verified that the expenditure complies with terms outlined in bond documents, focusing on allowable costs and timing.

Note: *We tested over 90% of the expenditures for the three projects for October 1, 2024 to May 31, 2025.*

Objectives and Approach

Project Status

Obtained the original and updated project schedules, finding plans, and actual expenditures report for the Titusville Transfer Station, US-192 South Disposal Facility, and Central Disposal Facility Expansion as of May 31, 2025.

- Analyzed whether the expenditure to date aligns with the actual completion percentages and determines cost efficiency or scope changes involved.
- Checked if delays push expenditures beyond the period of usage designated in the bond documents.
- Reconciled the most recent payment application (including amounts for Original Contract, Current Contract, Total Work Completed to Date, Balance, and Percent Complete) to contractor invoices and project records.

Project Funding

Obtained the Solid Waste financial plan, Engineer's Cost Estimate and performed the following:

- Agreed/Reconciled each of the amounts listed to the supporting documentation (i.e. contracts, purchase orders, engineer cost estimates, etc.).
- Verified that the county's forecast/estimations prepared by the county's finance department or external consultant aligns with the project actual cost.
- Compared estimated future costs with budget forecasts to identify potential funding gaps and assess the reasonableness of estimates.

Reporting

At the conclusion of our procedures, we summarized our observations into this written report. We conducted an exit conference with management and have incorporated management's responses into our report. We prepared our report and related observations and provided copies to appropriate County personnel.

Observations Matrix

1. ***Oversight and Monitoring***	Low

Observation

Solid Waste Management indicated that the department utilized historical population growth, consumer price index for solid waste to estimate revenue growth and historical consumer price index for operating and engineering estimates for capital projects.

However, Solid Waste Management did not document the methodology and procedures utilized to develop the financial plan in determining the short-term and long-term capital funding needs for the three projects described in the Executive Summary and Background sections above: Titusville Transfer Station, US-192 South Disposal Facility, & Central Disposal Facility Expansion.

Recommended Action

We recommend that Solid Waste Management document the methodology and procedures utilized to develop the financial plan in determining the short-term and long-term capital funding needs for the three projects: Titusville Transfer Station, US-192 South Disposal Facility, & Central Disposal Facility Expansion.

Management Response

The Solid Waste Management Department agrees and has provided our documented methodology that explains all data and assumptions utilized to create the financial plan.

Responsible party: Thomas Mulligan, Solid Waste Management Department Director

Estimated completion date: Completed: November 10, 2025

Follow-up:

We obtained and reviewed the procedures and methodology documented by management that were utilized to develop the financial plan in determining the short-term capital and long-term capital funding needs for the three projects described in the Overview above without exception.

This item is considered closed.

Internal Audit Report: PCI DSS Version 4.0 Readiness

Brevard County, Florida

October 22, 2025

TRANSMITTAL LETTER

October 22, 2025

The Audit Committee of
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to our approved audit plan for fiscal year ("FY") 2025-26 with Brevard County, Florida ("County"), we have completed the PCI DSS Version 4.0 Readiness assessment. Brevard County currently accepts payment cards for customers and staff-related services rendered by Brevard County. As such, Brevard County must comply with the Payment Card Industry (PCI) Data Security Standard (DSS). Brevard County engaged RSM US LLP (RSM) to conduct a PCI DSS Version 4.0.1 readiness assessment for the county departments.

Starting in May and continuing through September, RSM, a PCI Qualified Security Assessor Company, conducted a PCI readiness assessment to evaluate Brevard County against PCI DSS v4.0.1. During this process, we conducted interviews, reviewed documentation and observed system settings to assess Brevard County's payment processes and ability to protect payment card data.

The subject matter covered under the assessment is confidential in nature, and thus exempt from Florida Statutes 119.07(1) and 286.001; specific details are not disclosed to avoid the possibility of compromising County information and security.

This exemption from Florida Statutes and other laws and rules requiring public access or disclosure is addressed under Florida Statute 282.318(5), *The portions of risk assessments, evaluations, external audits, and other reports of a state agency's cybersecurity program for the data, information, and information technology resources of the state agency which are held by a state agency are confidential and exempt from disclosure*. This public report is being provided to the Audit Committee of Brevard County, and all confidential matters have been communicated with appropriate personnel at the County. We will be presenting this public report to the Audit Committee at the next scheduled meeting on November 19, 2025.

In conjunction with this internal audit, we have provided management with recommendations related to the PCI DSS Version 4.0.1 Readiness Assessment. The information in the confidential report is intended to assist the County in enhancing its practices over payment card and data security practices. In connection with the performance of these services, we have not performed any management functions, made management decisions, or otherwise performed in a capacity equivalent to that of an employee of the County.

We would like to thank the staff and all those involved in assisting our firm with this report.

Respectfully Submitted,

RSM US LLP

RSM US LLP

RSM US LLP

7351 Office Park Place
Melbourne, FL 32940

T +1 321 751 6200

www.rsmus.com

Internal Audit Report: PCI External and Internal Penetration Testing

Brevard County, Florida

October 17, 2025

TRANSMITTAL LETTER

October 17, 2025

The Audit Committee of
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

Pursuant to our approved audit plan for fiscal year ("FY") 2025-26 with Brevard County, Florida ("County"), we have completed the External and Internal Penetration Assessment. We hereby present our results to the following tests:

- **External penetration test (August 18 to August 20, 2025):** We simulated an attack against the external environment. Email-based social engineering (phishing) and technical-based attacks were leveraged in an attempt to gain access to sensitive information and systems.
- **Internal penetration test (August 21 to August 27, 2025):** We simulated an attack against the internal environment to determine what kind of access an attacker might be able to achieve or sensitive data that might be obtained.

The subject matter covered under the testing is confidential in nature, and thus exempt from Florida Statutes 119.07(1) and 286.001; specific details are not disclosed to avoid the possibility of compromising County information and security.

This exemption from Florida Statutes and other laws and rules requiring public access or disclosure is addressed under Florida Statute 282.318(5), *The portions of risk assessments, evaluations, external audits, and other reports of a state agency's cybersecurity program for the data, information, and information technology resources of the state agency which are held by a state agency are confidential and exempt from disclosure*. This public report is being provided to the Audit Committee of Brevard County, and all confidential matters have been communicated with appropriate personnel at the County. We will be presenting this public report to the Audit Committee at the next scheduled meeting on November 19, 2025.

In conjunction with this internal audit, we have provided management with recommendations related to the Internal and External Penetration Assessment. The information in the confidential report is intended to assist the County in enhancing its security of technology assets and its practices over network security. In connection with the performance of these services, we have not performed any management functions, made management decisions, or otherwise performed in a capacity equivalent to that of an employee of the County. In order to remain effective, the provisions recommended in the report will need to be continuously maintained and regularly validated through an ongoing network security program.

We would like to thank the staff and all those involved in assisting our firm with this report.

Respectfully Submitted,

RSM US LLP

RSM US LLP

RSM US LLP

7351 Office Park Place
Melbourne, FL 32940

T +1 321 751 6200

www.rsmus.com

Brevard County, Florida
Fiscal Year 2025-26 Revised Proposed Internal Audit Plan

December 10, 2025

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TRANSMITTAL LETTER

December 10, 2025

The Audit Committee of
Brevard County, Florida
2700 Judge Fran Jamieson Way
Viera, Florida 32940-6699

We hereby submit the Revised Proposed Internal Audit Plan for the Brevard County, Florida ("County") for fiscal year ("FY") 2025/2026. Per direction from the County and consensus from the Audit Committee we updated the August 13, 2025 internal audit plan to add our ongoing annual review of Save Our Indian River Lagoon ("SORIL") Half Cent Sales Tax internal audit. We applied a broad-based, comprehensive view of risk, linked to the annual budget and operations, and reviewed documents and conducted interviews with County Commissioners, as well as the County Manager, the County Clerk and other stakeholders to gain a high-level understanding of their pressure points and concerns to narrow in on the relevant objectives and identified inherent risks. Our 'risk' focus is centered on Financial, Operational, and Compliance risk, as well as the general effect of Public Perception with regard to County-wide activities and initiatives.

Through our conversations with the County Commissioners, County Manager and County Clerk, it is our understanding that the County Clerk will be assuming responsibility for the internal audit function as of April 1, 2026. We are providing a FY 2025/2026 Revised Proposed Internal Audit Plan focused on Information Technology and SORIL which will be completed by RSM. To help support a smooth transition of the internal audit function to the County Clerk, we met with the County Clerk and shared the high-risk audit areas we had identified during our risk assessment process.

Follow Up is not included in this Revised Proposed Internal Audit Plan due to the transition to the County Clerk, who is assuming responsibility for the internal audit function.

The Plan is continuously evolving and is presented in draft form because it is a living document. As factors change and situations arise, this Plan can and will change. We have included the potential significant risks and internal audit strategy for each of the functions in the revised proposed FY 2025/2026 internal audit plan in this report.

We would like to thank the County Commissioners, County Manager, County Clerk, Management, various departments and staff involved in assisting with the risk assessment process.

Respectfully Submitted,

RSM US LLP

RSM US LLP

PROCESS OVERVIEW

Objectives

This process is intended to assist in analyzing risk impacting the County's current operating environment, including inherent and residual impacts and likelihood, and to identify the key risks impacting the current operating environment, functions, and activities. Objectives included the following:

- Identify and prioritize key risks impacting the County's current operating environment, functions, and activities.
- Refresh the County's risk profile and enhance management's awareness of risks, as applicable.
- Facilitate discussions with management regarding risk ownership and mitigation activities.
- Develop a proposed internal audit plan for the County.

Approach

1. *Identify and Measure Risk*
   - Conducted interviews with key stakeholders to identify current risks.
   - Reviewed the County's strategic plan, financial statements, current events, prior risk universe, and other information as deemed applicable.
2. *Prioritize risk*
   - Evaluated the level of risk within each process area based on the frequency with which it was mentioned during the interviews and the severity of potential impact on County operations and fulfillment of objectives.
   - Evaluated risk across various classifications, such as: Reputation, Technology, Compliance, Finance, External Factors, Operations, Human Resources, and Strategic.

   Note: RSM evaluated and prioritized risks based on information obtained from interviews, severity of impacted business operations, and interference with fulfillment of County objectives. Our review did not include detailed testing of source documents.
3. *Communicate Results*
   - Prepared an overall risk profile by classification.
   - Reviewed risk profile and deliverable with each County Commissioner and the County Manager.

Risk Classifications

Risk classifications serve as the framework for assessing and prioritizing the risk model. RSM classified each of the risks into one or more of the following categories:

Compliance
Compliance with applicable laws and regulations.

External Factors
Known and emerging market trends, industry regulations, external stakeholder expectations, political, environmental, social, and technological unexpected events.

Finance
Oversight and internal controls over budgeting and forecasting, procurement, financial reporting, endowment, and utilization of resources.

Human Resources
Policies, procedures, and practices for attracting, training, and maintaining a qualified, skilled, and diverse workforce.

Operations
Effectiveness and efficiency of processes and communications across departments to achieve strategic, financial, and operational objectives.

Reputation
Ability to anticipate and mitigate risks that could adversely affect external perceptions of the organization.

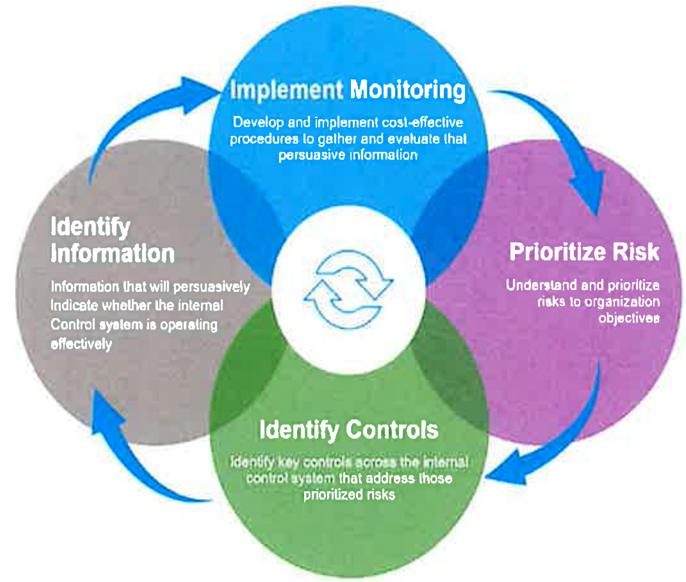
Strategic
Executive level oversight, planning and reporting processes established to achieve strategic objectives including monitoring performance and organizational alignment to meet objectives.

Technology
A sufficient IT infrastructure and environment to meet the needs of the County. Oversight and internal control over data integrity, business continuity, disaster recovery, data privacy, general and application controls, and cybersecurity.

PROCESS OVERVIEW (CONTINUED)

As previously noted, the objective of this risk assessment is to provide the County with a proposed internal audit plan that has coverage of those areas evaluated as having a relatively high-risk profile or that otherwise require internal audit attention for various reasons.

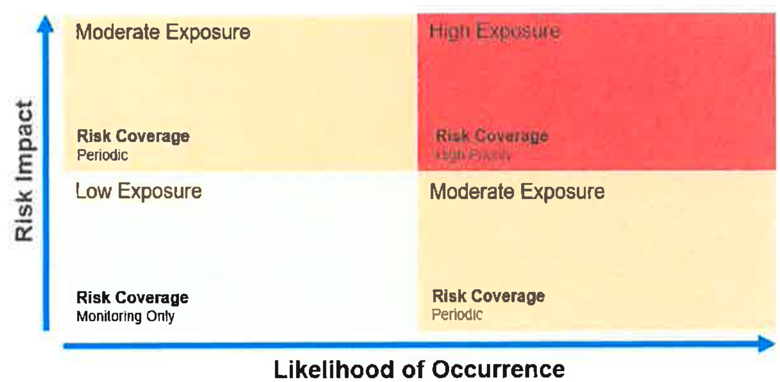
Our approach is based on the widely accepted Committee of Sponsoring Organizations ("COSO") guidance on monitoring Internal Control Systems as shown to the right.



Preparing the proposed internal audit plan from the risk assessment will facilitate that resources are focused on areas, which are currently of most immediate concern to the County. Our risk assessment considers 'inherent risk', which is the risk of a function in an environment void of controls. Therefore, functions that are inherently high-risk may be included in the proposed internal audit plan; although their inclusion does not mean 'issues' or concerns currently exist, but rather that the high-risk nature of the function is such that a higher potential exists for issues to develop. This proposed internal audit plan is *on-line real-time* and will be consistently presented in *draft* form because it is a *living document*. As factors change and situations arise, this proposed internal audit plan can and will change.

The chart below illustrates the exposure environment for positioning the County's risks and evaluating the desired response based upon the likelihood of occurrence and priority of risk concerns. The proposed internal audit plan generally focuses on areas or functions that are high exposure and high priority (the upper right quadrant). We also consider other areas that are not included in this quadrant to insert a level of unpredictability into the proposed internal audit plan and risk assessment process in order facilitate County-wide awareness that all business units, functions, and processes may be subject to an internal audit at any time.

A proposed internal audit plan generally focuses on areas or functions that are high exposure and high priority, at a point in time.



Inherent Risk

- Risk of an occurrence before the effect of any existing controls.
- If you were building this process, what would you be concerned about?
- What can we <u>not</u> prevent?

Residual Risk

- Risk remaining after the application of controls.
- Potentially reduced impact or likelihood.

PROCESS OVERVIEW (CONTINUED)

Our risk assessment was conducted utilizing a broad-based business view of risk. We conducted interviews with each of the County Commissioners to gain an understanding of their perspective of risk, focusing on their objectives to identify potential risks. We also conducted interviews with the County Manager, various department heads and other personnel within the County to identify risks, vulnerabilities, and potential opportunities. In addition, we reviewed media coverage and County meeting agendas, minutes, and other available documentation. Our research and discussion with various levels of leadership within the County provides broad insight and understanding of potential risk from the perspectives of key process owners.

We evaluated the level of risk present in each area / function, across a standard spectrum of industry-accepted risk categories as follows:

Control Environment	Describes the overall tone and control consciousness of the process / function. It involves the integrity, ethical values, and competence of personnel as well as management philosophy and operating style.
Change	Addresses the extent to which change has affected or is expected (in the near term) to affect the process / function, including changes in key personnel, statutes, the organization, its products, services, systems, or processes.
Process Risk	Addresses the inherent risk of the activities performed by the process / function, including assets managed or in the custody of the process / function. Process risk addresses the extent of support the process / function provides to vital County functions, including the threat to continuity of the County caused by failures or errors: the probability of failure due to the amount of judgment, or technical skill required to manage the unit or perform key activities.
External Factors	Describes the environment in which the process / function operates and the type and amount of external interaction in which the process / function engages. Factors to consider include overall County and regulatory environment, the level of interaction with stakeholders and success in satisfying their requirements, the financial reporting environment, and results of regulatory compliance audits.
Revenue Source / Materiality	Describes resources available and expended by the process / function. Factors to consider include the originating source of funds for a process / function, function budget, function spend, availability and use of other resources, and significance of impact to the overall operation of the County.

A strong, high-functioning internal audit process has a balance of all types of internal audits and reviews.

PROCESS OVERVIEW (CONTINUED)

The County's internal auditors have developed an audit methodology aligned with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and AICPA consulting standards. This methodology includes systematic audits selected through a risk assessment, ad hoc audits as new facts emerge, or requests from stakeholders such as the Internal Audit Committee or County Manager. Additionally, fully functioning audit operations should incorporate these processes to verify thorough and effective oversight.

Update Risk Assessment and Audit Plan Development

Risk is not stagnant; it is constantly evolving. As factors change and situations arise, this plan can and will change. The high-risk areas of focus and proposed internal audit plan should be updated annually.

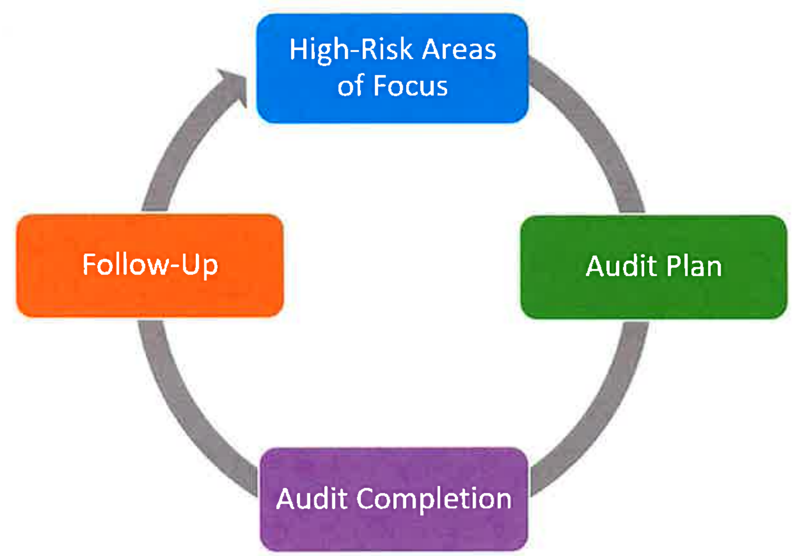
Follow-up Procedures

Auditors should establish a follow-up process to confirm that management actions have been effectively implemented or that Management has accepted the risk of not acting. Included within each report provided, for each audit completed, a Management Response section will be added for Management to respond and include an action plan for remediation (if needed), as well as a targeted date of completion. Follow-up procedures will be performed after the completion date noted by Management. Follow-up typically occurs after ample time has passed with the new control/procedure in place (generally six months) to verify and report the implementation status of the recommendations and Management's action related to the previously reported findings.

The County Clerk is assuming responsibility for Follow-up.

Quality Control

Internal Auditors should maintain a quality assurance and improvement program that covers all aspects of the audit activity, including appropriate supervision, periodic internal assessments, and ongoing monitoring of quality assurance. RSM's quality control processes specific to public sector clients include, when applicable, concurring partner review (independent of the engagement) and, when necessary, consultation with the County General Counsel prior to reports being issued into the public record.



REVISED PROPOSED INTERNAL AUDIT PLAN – FY 2025-26

Through our conversations with the County Commissioners, County Manager and County Clerk, it is our understanding that the County Clerk will be assuming responsibility for the internal audit function as of April 1, 2026. We are providing a FY 2025/2026 Revised Proposed Internal Audit Plan focused on Information Technology and SORIL which will be completed by RSM. To help support a smooth transition of the internal audit function to the County Clerk, we met with the County Clerk and shared the high risk audit areas we had identified during our risk assessment process. Follow Up is not included in this Revised Proposed Internal Audit Plan due to the transition to the County Clerk, who is assuming responsibility for the internal audit function.

Through the risk assessment, we have identified and propose the following functions to be reviewed during FY 2025/2026. The below revised proposed subject areas are in no particular order.

1. Information Technology - IT Governance

Overview:

Information Technology (IT) risk is closely linked to business performance and continuity. A clear understanding of IT risks—through structured analysis—is essential for developing effective strategies to mitigate those risks. In an environment of rapid technological advancement and shifting market demands, accurately assessing IT risk becomes increasingly complex. Strong IT governance is critical to ensuring that IT investments and activities align with organizational strategy, deliver business value, and function within an acceptable risk and compliance framework. With this foundation, management can better prioritize infrastructure decisions, operational procedures, and control mechanisms to address the most critical risks. It is important to note that Brevard County's Information Technology Department is anticipating key leadership turnover within the next year. This transition may pose challenges to the continuity and effectiveness of current IT governance and risk management strategies.

Inherent Risks:

Inadequate IT governance poses several inherent risks to the organization, stemming from the absence of proper oversight, alignment, and resource management across IT functions. Key risks include: Lack of Oversight, Strategic Misalignment, Inefficient Resource Allocation, Inadequate Risk Management, Missed Value Realization, Resource Constraints or Overinvestment and Innovation Blind Spots.

Internal Audit Strategy:

The objective will be to evaluate the design and operational effectiveness of Brevard County's IT governance framework. The assessment will focus on:

- Measuring governance maturity based on industry standards
- Identifying control weaknesses and areas of non-compliance
- Evaluating the risks associated with identified gaps
- Providing practical and prioritized recommendations for improvement

Special consideration will be given to the anticipated leadership turnover within the IT Department. Our approach will emphasize the need to reinforce governance continuity by identifying critical risk areas and assessing existing controls. The goal is to offer actionable insights that will help strengthen IT governance, enhance information security, reduce vulnerabilities, and operational resilience during organizational transitions.

REVISED PROPOSED INTERNAL AUDIT PLAN – FY 2025-26 (CONTINUED)

2. Information Technology - Payment Card Industry (PCI) Compliance - Ongoing

Overview:

The Payment Card Industry Data Security Standard (PCI DSS) refers to payment security standards that verify all sellers safely can securely accept, store, process, and transmit cardholder data and credit card information during a credit card transaction. Any merchant with a merchant ID that accepts payment cards must follow these PCI compliance regulations to protect against data breaches under 4.0.1 of the PCI Data Security Standard (DSS). The requirements range from establishing data security policies to removing card data from the County's processing system and payment terminals.

Cardholder or payment data covers information such as the full primary account number, the cardholder's name, and the credit card service code and expiration date. Merchants are also responsible for protecting sensitive authentication data in the magnetic-stripe data.

Inherent Risks:

Lack of compliance with Payment Card Industry standards increases the risk of data breaches, fines, card replacement costs, costly forensic audits and investigations, damage to public perception and more if a breach occurs. The purpose of this assessment will be to identify areas of non-compliance with the new standard and/or vulnerability and make recommendations to mitigate any issues noted as well as track efforts and progress on those previously noted remediation areas. We have performed procedures to assist the County with their PCI readiness since FY21 and will continue to do so in FY26.

Internal Audit Strategy:

This audit will focus on testing the accuracy and completeness of policy documentation, including incident response plans and their expansion to cover PCI-related events. Testing will also include evaluating the effectiveness of IT controls, particularly around PCI compliance, network segmentation, and third-party service provider management. Additional procedures will involve assessing the adequacy of procurement processes, verifying the proper definition of roles and responsibilities, and validating that backup practices, including offsite backups, are in place to mitigate risks. Assessments will verify ongoing alignment with industry standards and regulatory requirements.

REVISED PROPOSED INTERNAL AUDIT PLAN – FY 2025-26 (CONTINUED)

3. Information Technology - Network Scans / Penetration and Security Testing - Ongoing

Overview:

We have performed ongoing network scanning and deeper targeted penetration testing regularly since 2017. Network security is constantly evolving as threat actors continue to change their attack approaches. Best practice is to perform ongoing network scanning and targeted penetration testing on a regular basis to monitor the County's defense against attacks. As the County undergoes further transformation in Information Technology this coming year, we will continue to provide ongoing monitoring and penetration testing, provide follow up to our prior reports as needed, as well as provide our subject matter professionals to the County for consultation.

Inherent Risks:

Network scans, penetration testing, and security assessments pose a variety of internal risks. These risks include both internal and external data breaches, potential data theft or inadvertent loss, exposure to social engineering and phishing attacks, reputational damage, operational disruptions or failures, and financial losses. It is crucial to recognize and mitigate these risks to guarantee comprehensive security and maintain business continuity.

Internal Audit Strategy:

The primary objective would be to assess the productivity of the County's current security controls in place by conducting internal and external penetration tests and vulnerability scans. Focus areas may also include social engineering assessments and threat intelligence gathering. The outcome of these penetration tests document the County's existing security posture and identify targeted weaknesses and vulnerabilities in Brevard County's internal and external presence.

REVISED PROPOSED INTERNAL AUDIT PLAN – FY 2025-26 (CONTINUED)

4. Natural Resource Management – Save Our Indian River Lagoon Half-Cent Sales Tax - Ongoing

Overview:

The citizens of Brevard County voted on November 8, 2016, to approve a half-cent sales tax to be assessed and remitted to the County for use in clean-up efforts for the Indian River Lagoon. The tax is in effect for a period of 10 years and is independently overseen by the Save Our Indian River Lagoon (SORIL) Committee. The role of the Internal Auditors includes monitoring the activities of the SOIRL Committee as well as the reports presented to the Committee by the department of Natural Resource Management.

Inherent Risks:

Lack of proper oversight and monitoring of the Half-Cent Sales Tax - Lagoon Tax presents several risks that could hinder the successful execution of the Lagoon restoration projects. The estimated $586 million in revenue over ten years increases the risk of mismanagement, fraud, or misuse if not adequately controlled and monitored. Inaccurate reporting of SOIRL collections can lead to significant budgeting issues, creating either a false surplus or potential deficits that could affect project funding. Failing to verify that expenditures from the SOIRL trust fund adhere to proper procedures could lead to misallocation of funds, diverting resources from their intended projects and creating inefficiencies in project execution. The lack of adherence to proper procurement processes further heightens the risk of conflicts of interest, favoritism, or the awarding of contracts to unqualified vendors, which could result in delays, cost overruns, or subpar execution. The purpose of this assessment will be to evaluate these risks and recommend strategies to mitigate them, validating that funds are appropriately allocated, and procurement processes are transparent and efficient.

Internal Audit Strategy:

Internal Audit procedures may include testing project budget set up and monitoring, procurement of contracted services, as well as revenue and expenditure reporting, and compliance with municipal cost-share agreements.

RSM US LLP
7351 Office Park Place
Melbourne, Florida 32940
321.751.6200
www.rsmus.com

RACHEL M. SADOFF, CFCC
CLERK OF THE CIRCUIT COURT & COMPTROLLER
BREVARD COUNTY, FLORIDA

Administration
P.O. BOX 999
TITUSVILLE, FL 32781-0999

MAIN (321) 637-5413
ADMIN (321) 637-2017
FAX (321) 284-8840
WWW.BREVARDCLERK.US

CLERK OF THE CIRCUIT COURT & COMPTROLLER

BREVARD COUNTY, FLORIDA

ORGANIZATIONAL AUDIT PLAN

FISCAL YEAR 2025-2026

Office of Inspector General

Date: November 4, 2025

Risk Assessment Methodology

Each fiscal year, the Office of Inspector General (OIG) conducts an organization-wide risk assessment. The purpose of this assessment is to focus the OIG resources in areas that produce the maximum benefit to Brevard County governmental operations and efficiencies. A well-executed risk assessment allows OIG personnel to identify areas that pose the most immediate and impactful risks to Clerk operations. These risks, having been identified, can be subjected to audit work that would verify the potential threat, isolate the cause, and make recommendations for mitigating the risk.

The mechanics of the risk assessment can take a number of forms depending on the needs and resources of the OIG. The specific steps employed by the IG include:

I. Surveying the riskscape on a broad basis. What is happening on a national, state, or local level that might negatively impact county government operations? What is happening in other adjacent or nearby counties that may negatively impact our specific county government operations? Document the results of this survey.

II. Surveying Brevard County's recent history. What has happened in the recent past in Brevard County that may negatively impact our current county government operations? What steps have already been taken to mitigate any risks from those events? Document the results of this survey.

III. Interviewing the Clerk and County leadership. The Clerk and County leadership often has specific concerns about high risk areas. These concerns are generally based on events and interactions the leadership has had that indicate potential problem areas for our county government operations. Document these interviews.

IV. Conducting risk quantification exercises. Each auditable area or function of the county government can be listed. The Inspector General, or designee, then assigns a numerical value to that area based on various factors (likelihood of occurrence, value of impact, public relations implications, etc.). Document the quantification exercise.

V. Surveying the audit personnel. Audit personnel spend appreciable amounts of time in the field. They talk with county employees and citizens. They observe everyday situations. They apply their experience and knowledge to situations they observe. The result is that the OIG staff have keen insights to high-risk areas faced by county government. Document this survey process.

Any of these actions, or a combination of these actions, can be used to determine the most productive audits to be undertaken in the coming year.

Audit Plan for Fiscal Year 2025-2026

Audited Unit	Audit Title	Audit Objective(s)	Projected Start Date
Clerk Employee Assistance Fund	**Clerk Employee Assistance Fund**	**The purpose of this audit is to evaluate the accuracy, completeness, and integrity of the Employee Assistance Fund Program. Specifically, we aim to assess adherence to applicable laws, regulations, and policies, as well as the effectiveness of internal controls related to the program.**	**April 2026**
Emergency Management	Purchase Card Audit – Emergency Management	The purpose of this audit is to evaluate the accuracy, completeness, and integrity of the purchase card program. Specifically, we aim to assess adherence to applicable laws, regulations, and policies, as well as the effectiveness of internal controls related to the program.	November 2025
Road and Bridge	**Purchase Card Audit – Road and Bridge**	**The purpose of this audit is to evaluate the accuracy, completeness, and integrity of the purchase card program. Specifically, we aim to assess adherence to applicable laws, regulations, and policies, as well as the effectiveness of internal controls related to the program.**	**TBD**
Facilities Management	Purchase Card Audit – Facilities Management	The purpose of this audit is to evaluate the accuracy, completeness, and integrity of the purchase card program. Specifically, we aim to assess adherence to applicable laws, regulations, and policies, as well as the effectiveness of internal controls related to the program.	TBD
Solid Waste	**Purchase Card Audit – Solid Waste**	**The purpose of this audit is to evaluate the accuracy, completeness, and integrity of the purchase card program. Specifically, we aim to assess adherence to applicable laws, regulations, and policies, as well as the effectiveness of internal controls related to the program.**	**TBD**
Various County Departments	Follow-up on Previous RSM Audit Recommendations	Our objective here is to verify that recommendations by RSM and commitments made by the County are being fulfilled. See attached.	TBD