



Office of Inspector General

2024-25 Audit Work Plan

MEMORANDUM

DATE: June 25, 2024
TO: J. Alex Kelly, Secretary
FROM: Jim Landsberg, Inspector General
SUBJECT: Office of Inspector General Audit Work Plan

We are pleased to present the results of the Office of Inspector General (OIG) annual risk assessment and Audit Work Plan development efforts. Our Audit Work Plan is risk-based and includes input from both Department management and OIG staff. The activities outlined in our Plan address the major operations of the Department with the purpose of promoting efficiency in programs, systems, and contracts with outside entities.

At the direction of the Governor's Chief Inspector General, we have set aside some of our audit resources for enterprise activities.

The approved Audit Work Plan will guide our activities but can be adjusted to meet management's needs as other priorities are identified.

The annual and long-term work plans are approved as presented.



J. Alex Kelly
Secretary, Florida Department of Commerce

6/28/24
Date

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Introduction

Section 20.055, Florida Statutes, establishes the Office of Inspector General (OIG) within the Florida Department of Commerce (FloridaCommerce) to provide a central point of coordination and responsibility for activities that promote accountability, integrity and efficiency.

Both Florida Statutes and professional audit standards¹ require the OIG to develop risk-based annual and long-term audit plans that consider resource requirements and input from senior management. Florida law requires this plan to be approved by the Department head and copies submitted to the Auditor General and the Governor's Chief Inspector General.

The goal for our Audit Work Plan is to provide broad audit coverage while focusing our resources on areas with the greatest known risks. In addition, our work plan for fiscal years 2024-25 and 2025-26 is based on the results of our risk assessment survey, interviews with selected senior management, prior OIG audits and reviews, discussions with the OIG's Investigation Manager, monitoring information, external audits, independent audit reports of subrecipients and public private partnerships,² and management requests.

The activities outlined in our Audit Work Plan also add value by addressing cybersecurity issues. Planned projects involving cybersecurity are identified in the table of projects provided at the end of this document.

The Governor's Chief Inspector General asked that we set aside some of our audit resources for enterprise activities, and we have allocated 600 hours each year toward these efforts. These initiatives align well with our identified priorities.

¹ The Institute of Internal Auditor's International Professional Practices Framework Standard 2010.A1.

² Section 14.32(3), Florida Statutes, requires the Chief Inspector General (CIG) to engage in certain activities related to public-private partnerships. Those activities include the development of internal controls, monitoring for compliance with contractual requirements, and the development of performance measures. The CIG consults with the FloridaCommerce Office of Inspector General for this function.

Risk Assessment Process

The risk assessment process has two purposes: to help ensure that Department risk exposures are understood and managed, and to assist in identifying OIG work plan assignments. Both Florida Statutes and professional audit standards require the OIG to develop risk-based annual and long-term audit plans which consider resource requirements and input from senior management. We developed our Audit Plan by following the Institute of Internal Auditors' eight-step risk assessment process.

First, we defined our audit universe and auditable units by using the organizational chart and various online resources that describe six divisions consisting of twenty-two bureaus and nine public-private partnerships.

Following the identification of the audit universe, we identified the objectives of the Department and mapped each objective to the applicable division/divisions primarily responsible for meeting the objective.

We categorized our objectives into four risk factor categories and determined the risks associated with each category. We next identified fourteen areas of risk within the four risk factor categories.

Lastly, we developed questions related to the fourteen areas of risk and distributed a survey of the questions to 200 managers and supervisors within each auditable unit to include the public-private partnerships. Additionally, we performed 7 interviews either in-person or via Microsoft Teams. The survey response rate was approximately 16.5% (33 of 200) from various auditable units.

In addition to the analysis of survey results, we also performed an assessment of the audit or review history for each bureau including the public-private partnerships that have a relationship with the Department. We considered the results of this assessment in forming our annual and long-range work plans.

A portion of the Risk Assessment Survey involved questions soliciting responses of "High, Medium, or Low" which were assigned corresponding values of 5, 3, or 1. Survey responses were then calculated to produce the average response values by auditable unit.

Audit Work Plan

The intent of our Audit Work Plan is to provide broad audit coverage while focusing our resources on areas with the greatest known risks. We have dedicated resources to provide audit coverage of Department programs, systems and expenditures.

The Internal Audit Section currently has five positions. Based on our estimated resources when fully staffed, which combines hours for both the annual and long-range plans, staff members are able to expend 10,420 hours on audit plan engagements. A total of 1,200 of these hours will be set aside for Enterprise Projects. Another 1,015 hours are needed to complete ongoing projects initiated during the prior fiscal year.

The remaining 8,205 hours will be allocated to projects and functions as outlined below:

- Some projects are performed every year (e.g., performance measure assessments).
- Some projects are scheduled due to recurring management requests.
- Time is reserved to accommodate project requests that may arise during the year.
- OIG will serve as the liaison for audit and audit-related activities with state and federal agencies.
- The balance of audit resources will be used to address projects identified through our Risk Assessment Survey.

The following table outlines the projected projects for fiscal years 2024-25 and 2025-26. Our Plan is subject to change as management priorities evolve and new risks are identified.

		ESTIMATED RESOURCES	
AUDIT WORK PLAN PROJECTS	SELECTION CRITERIA	FY 2024-25 ANNUAL AUDIT WORK PLAN	FY 2025-26 LONG-TERM AUDIT PLAN
Management Requested Projects - TBD	Executive Management Request	(See One-Stop Consulting Engagement)	400
Contract Management Audit	Statutory Requirement - 287.136 F.S.	500	650
Community Action Agency Audit	Project Selected Based on Risk Concerns	600	600
One-Stop Monitoring Consulting Engagement	Management Request	400	502
* Cybersecurity IT Asset Management	Project Selected Based on Risk Concerns	600	600

Local Workforce Board Audit	Project Selected Based on Risk Concerns	600	750
Performance Measure Assessment (for statutory compliance and/or audit) and Public/Private Partnership Review	Statutory Requirement - Section 20.055, Florida Statutes; Requirement of Section 14.32(3), Florida Statutes	300	400
*Florida Department of Highway Safety and Motor Vehicle's Audit and Attestation of the Data Exchange.	Management Request as Part of Contractual Agreement.	400	400
*Florida Department of Highway Safety and Motor Vehicle's Audit and Attestation of DAVID.	Management Request as Part of Contractual Agreement.	200	200
Florida Housing Finance Corporation's Limited Quarterly Review	Contractual Requirement	80	80
External Audits Coordination and Follow-up	Statutory Requirement - Section 20.055, Florida Statutes	200	200
Request for New Catalog of State Financial Assistance (CSFA) Numbers and Annual Florida Single Audit Act (FSAA) Updates	DFS Requirement for OIG Certification	80	80
Technical Assistance and Investigative Support	Annual OIG Project	95	148
Quality Assurance Review	Standards Requirement	140	200

*** THESE PROJECTS INVOLVE CYBERSECURITY ISSUES AND ARE INTENDED TO ASSIST IN PRESERVING THE CONFIDENTIALITY, INTEGRITY, AND AVAILABILITY OF DATA, INFORMATION, AND INFORMATION TECHNOLOGY RESOURCES.**

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Statement of Accordance

The mission of the Department is to promote economic prosperity for all Floridians and businesses through successful workforce, community, and economic development strategies.

The mission of the Office of Inspector General is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

This engagement was conducted pursuant to Section 20.055, Florida Statutes, and in accordance with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors.

Please address inquiries regarding this report to the Department's Office of Inspector General at (850) 245-7135.