Melanie S. Griffin
Secretary

Rodney J. MacKinnon
Inspector General

OIG ANNUAL AUDIT PLAN FOR FISCAL YEAR 2026-27 AND LONG-TERM AUDIT PLANS FOR FISCAL YEARS 2027-28 THROUGH 2028-29
June 30, 2026

INTRODUCTION

The Office of Inspector General (OIG) was established within the Department of Business and Professional Regulation (Department) to serve as the central office responsible for promoting accountability, integrity, and operational efficiency throughout the Department. Pursuant to Section 20.055, Florida Statutes, the Inspector General provides independent oversight of the Department's programs and operations. The statutory responsibilities of the Inspector General include:

- Advising in the development of performance measures.
- Reviewing actions taken by the Department to improve program performance.
- Directing, supervising, and coordinating audits, investigations, and management reviews relating to Department programs and operations.
- Evaluating internal controls to promote fiscal accountability, operational efficiency, and the integrity of the Department's programs and operations.

In carrying out these responsibilities, the OIG conducts independent and objective audits, reviews, and assessments of the Department's programs, activities, and operations. These engagements provide Department management with objective assurance regarding the adequacy and effectiveness of internal controls, compliance with applicable laws, rules, regulations, policies, and procedures, and the efficiency and effectiveness of Department operations. The OIG also identifies opportunities to strengthen governance, enhance risk management, and improve operational performance.

The Fiscal Year 2026–2027 Audit Plan has been developed using a risk-based approach that considers statutory requirements, enterprise and operational risks, management input, prior audit coverage, emerging issues, and available audit resources. The plan is intended to provide flexible, responsive audit coverage while supporting the Department's mission, strategic objectives, and commitment to continuous improvement.

The OIG conducts its audit activities in accordance with the Global Internal Audit Standards issued by the Institute of Internal Auditors.

ANNUAL RISK ASSESSMENT PROCESS

Section 20.055, Florida Statutes, requires the Inspector General to develop annual and long-term audit plans based on the results of periodic risk assessments. Consistent with the Global Internal Audit Standards, the Office of Inspector General (OIG) develops its engagement plan based on a documented risk assessment that is conducted at least annually.

To support the Fiscal Year 2026–2027 Audit Plan, the OIG conducted its annual risk assessment during 2025. The assessment included a review and analysis of the Department's strategic plans, operational reports, budgets, prior audit results, and other relevant information to identify areas of potential risk and emerging issues.

During April 2026, the OIG distributed an electronic Risk Assessment Survey to the Department's Division Directors, who appropriately delegated the survey to bureau chiefs and other key personnel. The survey was designed to identify potential risk exposures that could affect the Department's ability to achieve its objectives and to inform the development of the OIG's annual audit plan and related activities. The OIG received responses from all 14 Divisions, resulting in a 100 percent response rate.

In addition to the survey, the OIG conducted risk assessment interviews with Division Directors and other key Division personnel. The interviews expanded upon survey responses and provided further insight into current and emerging risks, significant operational changes, and challenges affecting Division objectives. Discussions included governance and oversight processes, the ethical environment and organizational culture, operational and regulatory risks, internal control effectiveness, information technology and data risks, fraud risks, and reputational risks.

Consideration of the Department's ethical environment including the promotion of integrity, accountability, and ethical conduct supports the OIG's assessment of governance processes and informs the development of a risk-based audit plan.

CYBERSECURITY RISK ASSESSMENT PROCESS

Section 20.055(6)(i), Florida Statutes, requires each Office of Inspector General to include a cybersecurity audit in its annual audit plan. To support this requirement, the OIG conducted a separate technology risk assessment of the Division of Technology in recognition of the Division's responsibility for the Department's information technology environment, cybersecurity program, and related governance processes.

As part of the assessment, the OIG distributed a Technology Risk Assessment Survey to the Division of Technology to obtain information regarding the Department's cybersecurity governance, internal control environment, risk management practices, and technology operations. The survey evaluated areas including cybersecurity framework alignment, information security policies and procedures, technology governance, risk assessment practices, asset management, third-party/vendor risk management, user access controls, privileged account monitoring, system change management, incident reporting, and anticipated changes to the Department's technology environment. The survey also assessed governance over the ethical use of information systems, including policies, training, monitoring, and enforcement related to ethical system access and data handling.

In addition, the OIG conducted risk assessment interviews with the Chief Information Officer and Deputy Chief Information Officer. The interviews expanded upon the survey responses and provided further insight into current and emerging technology risks, cybersecurity initiatives, governance processes, and operational challenges. Discussions focused on cybersecurity strategy, information security governance, internal controls, data security and privacy, cybersecurity incidents and disaster recovery capabilities, system vulnerabilities and threat management, third-party risks, and the Division's oversight of ethical practices related to information systems and the protection of Department data.

INTERNAL AUDIT STAFFING

The Bureau of Internal Audit is staffed by the Director of Auditing and three internal auditors. We determined that 4,875 hours of auditor staff time are available for direct audit activities for the upcoming and subsequent fiscal years. In calculating available staff hours, we deducted reasonable leave time, holiday hours, required training hours, administrative time, and time dedicated to statutorily required activities and responsibilities. These staff resources are available to conduct internal audits of department programs, activities, and functions, perform consulting engagements and management reviews, provide advisory services to management, and participate in enterprise-related activities as requested by the Chief Inspector General.

HOURS AVAILABLE FOR DIRECT AUDIT ACTIVITY	
Total Staff Hours (2,080 Hours x 4 Staff)	**8,320**
Less Estimated Hours:	
Holiday and Leave Time	(1,160)
Professional Training *(40 hours annually required per audit standards **[GIAS 3.2 – Continuing Professional Development]** x 4 staff)*	(160)
Administrative Activities [*General administrative activities of the Bureau of Internal Audit Staff, including the Quality Assurance and Improvement Program (QAIP) activities required by internal audit standards*] [*General administrative activities of the Audit Director, including Bureau of Internal Audit activities and projects*]	(200) (888)
Statutory and Other Required Activities • Coordination of external reviews: (200) • Florida Single Audit Act coordination, review and technical assistance: (300) • Annual and on-going risk assessment: (122) • Annual and long-term audit plan preparation: (300) • Annual Report preparation: (75) • LBR Schedule IX preparation: (40)	(1,037)
Direct Audit Hours	**4,875**

ANNUAL AND LONG-TERM AUDIT PLANS

The Annual and Long-Term Audit Plans are developed based on the results of the Office of Inspector General's (OIG) risk assessment process and management's identified priorities for audit coverage. The risk assessment identifies areas of greatest risk at a specific point in time and serves as the foundation for determining planned audit engagements. In developing the audit plan, the OIG considered the department's risk exposure and the adequacy and effectiveness of internal controls related to:

- Operational changes
- Safeguarding of assets
- Exposure to potential fraud
- Reliability and integrity of financial and operational information; and

- Cybersecurity controls.

Because risks and priorities may change throughout the fiscal year, the OIG will continue to monitor the department's operating environment to identify emerging risks and issues that may warrant audit attention. The OIG also recognizes that management may request audit or consulting services during the year to address immediate operational concerns. Accordingly, this audit plan is intended to be flexible and may be revised, as necessary, to address management requests, emerging risks, legislative priorities, or other issues of significance.

Consistent with the Chief Inspector General's guidance, Executive Branch agency Offices of Inspectors General are to reserve at least 20 percent of available direct audit hours for participation in enterprise audits. Enterprise audits evaluate risks and issues that are common across state agencies and are intended to identify best practices and practical solutions for implementation throughout the executive branch. For Fiscal Year 2026-27, the Chief Inspector General has designated *Supply Chain Risk Management*, with an emphasis on cybersecurity, as one of the enterprise audit topics.

The following table presents the internal audits planned for Fiscal Year 2026-27, including three engagements carried forward from the previous fiscal year. The table also identifies the estimated staff resources allocated to each engagement. A brief description of each planned audit is provided on the pages that follow, along with the Long-Term Audit Plan for Fiscal Years 2027-28 and 2028-29.

ANNUAL AUDIT PLAN - FISCAL YEAR 2026-27		
Division/Office	**Audit/Assurance Engagement Topic**	**Estimated Hours**
To Be Determined	Chief Inspector General Enterprise Audits *[Selected Topic(s)]*	250
Division of Technology	Carry-Forward Project: Chief Inspector General Enterprise Audit: [*Data Security and Protection*]	300
Division of Alcoholic Beverages and Tobacco	Carry-Forward Project: [*Cash Management*]	300
Department	Carry-Forward Project: [*Department Wex Card Program*]	325
Division of Technology	Chief Inspector General Enterprise Audit: [*Supply Chain Risk Management*]	850
Department	Employee Leave Administration and Compliance	850
Department	Ethics Compliance Audit	700

Division/Office	Internal Audit Engagement	Estimated Hours
Office of Inspector General/Bureau of Internal	Internal Assessment: **Standard 8.3 -** *In accordance with IIA's Global Internal Audit Standards*	325
Division/Office	**Follow-up Engagements (Internal)**	**Estimated Hours**
Department	Follow-up reviews of the status of corrective action taken in response to internal audits and reviews conducted by external state and federal audit entities	275
Division/Office	**Management Reviews and Advisory/Technical Assistance Services**	**Estimated Hours**
To Be Determined	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	700
Total Hours		**4,875**

NOTE: This plan is subject to revision based on changes in the department's risk environment and extenuating circumstances.

Overview of Engagements Planned for Fiscal Year 2026-27

Cybersecurity Audit Plan: in accordance with s. 20.055(6)(i), long-term and annual audit plans shall include a specific cybersecurity audit plan. As such, the Chief Inspector General has selected *"Supply Chain Risk Management"* The audit will evaluate the effectiveness of the Division's controls over supply chain risk management to ensure cybersecurity risks associated with third-party vendors, software, hardware, and service providers are appropriately identified, assessed, managed, and monitored.

Employee Leave Administration and Compliance: The purpose of this audit is to determine whether the Department has established and implemented effective controls to ensure employee leave is administered, recorded, approved, and used in accordance with applicable laws, rules, policies, and collective bargaining agreements.

Ethics Compliance Audit: The purpose of this review is to determine whether the Department has established and implemented an effective ethics program that promotes compliance with applicable laws, rules, and Department policies and provides reasonable assurance that ethical standards are communicated, understood, and consistently followed.

LONG-TERM AUDIT PLANS

The following tables present the Office of Inspector General's (OIG) Long-Term Audit Plans for the remaining two fiscal years of the audit cycle. The plans are based on the results of the current

risk assessment and are intended to provide a framework for future audit coverage. As part of the OIG's on-going risk assessment process, the OIG will evaluate changes in the Department's risk environment, management priorities, and other emerging issues to determine whether revisions to the Long-Term Audit Plans are warranted to address areas of higher risk or greater organizational significance.

LONG-TERM AUDIT PLAN Fiscal Year 2027-28		
Division/Office	**Audit/Assurance Engagement Topic**	**Estimated Hours**
To Be Determined	Chief Inspector General Enterprise Audit(s) *[Selected Topic(s)]*	375
Division of Technology	Audit of Department Cybersecurity	850
Division of Alcoholic Beverages	DAVID Audit – ABT	800
Division(s) of Technology, Regulation, and CPA	DAVID Audit-Technology	800
Division of Administration and Financial Management – Bureau of Agency Services	1079 Audit	700
Division/Office	**Follow-up Engagements**	**Estimated Hours**
Multiple Divisions	Follow-up Engagements: **To Be Determined**	300
Division/Office	**Internal Audit Engagement**	**Estimated Hours**
Office of Inspector General/Bureau of Internal Audit	Internal Assessment: **Standard 8.3 -** *In accordance with IIA's Global Internal Audit Standards*	350
Division/Office	**Management Reviews and Advisory/Technical Assistance Services**	**Estimated Hours**
Division (TBD)	TBD	350
To Be Determined	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	350
Total Hours		**4,875**

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LONG-TERM AUDIT PLAN Fiscal Year 2028-29		
Division/Office	**Audit/Assurance Engagement Topic**	**Estimated Hours**
To Be Determined	Chief Inspector General Enterprise Audits *[Selected Topic(s)]*	375
Division of Technology	Audit of Department Cybersecurity	850
Division of Service Operations	Customer Contact Center—Compliance Review	875
Division of Regulation – Farm & Child Labor Regulation	Performance Measures Audit	700
Florida Athletic Commission	Process Review	800
Division/Office	**Internal Follow-up Engagements**	**Estimated Hours**
Multiple Divisions	Follow-up Engagements: To Be Determined	300
Division/Office	**Internal Audit Engagement**	**Estimated Hours**
Office of Inspector General/Bureau of Internal Audit	Internal Assessment: **Standard 8.3 -** (*In accordance with the IIA's Global Internal Audit Standards*	325
Division/Office	**Management Reviews and Advisory/Technical Assistance Services**	**Estimated Hours**
To Be Determined	Ad Hoc Services and Reviews Per Management Request or as deemed necessary	650
Total Hours		**4,875**

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To promote accountability, integrity, and efficiency in government, the Office of Inspector General conducts audits and reviews of Department of Business and Professional Regulation programs, activities, and functions. This project was conducted pursuant to Section 20.055, Florida Statutes, and in conformance with applicable *Principles and Standards for Offices of Inspectors General* as published by the Association of Inspectors General and applicable standards of the Global Internal Audit Standards as published by the Institute of Internal Auditors, Inc.

Other reports prepared by the Office of Inspector General of the Department of Business and Professional Regulation can be obtained by telephone (850-414-6700) or by mail (2601 Blair Stone Road, Tallahassee, FL 32399-1018).

LONG-TERM AUDIT PLAN Fiscal Year 2028-29		
Division/Office	**Audit/Assurance Engagement Topic**	**Estimated Hours**
To Be Determined	Chief Inspector General Enterprise Audits *[Selected Topic(s)]*	375
Division of Technology	Audit of Department Cybersecurity	850
Division of Service Operations	Customer Contact Center—Compliance Review	875
Division of Regulation – Farm & Child Labor Regulation	Performance Measures Audit	700
Florida Athletic Commission	Process Review	800
Division/Office	**Internal Follow-up Engagements**	**Estimated Hours**
Multiple Divisions	Follow-up Engagements: To Be Determined	300
Division/Office	**Internal Audit Engagement**	**Estimated Hours**
Office of Inspector General/Bureau of Internal Audit	Internal Assessment: **Standard 8.3 -** (*In accordance with the IIA's Global Internal Audit Standards*	325
Division/Office	**Management Reviews and Advisory/Technical Assistance Services**	**Estimated Hours**
To Be Determined	Ad Hoc Services and Reviews Per Management Request or as deemed necessary	650
Total Hours		**4,875**

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APPROVAL/SIGNATURES:

Rodney J. MacKinnon, Inspector General/Chief Audit Executive

8/11/26
Date

Melanie S. Griffin, Secretary

8/12/26
Date

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