



Office of Inspector General

**Annual Audit Plan for Fiscal Year 2014-2015
and Long-Term Audit Plans for
Fiscal Years 2015-2016 and 2016-2017**

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July 7, 2014

**Annual Audit Plan for Fiscal Year 2014-2015
and Long-Term Audit Plans for Fiscal Years 2015-2016 and 2016-2017**

Section 20.055, Florida Statutes, requires that the Inspector General develop long-term and annual audit plans based on the findings of periodic risk assessments. Standard 2010, International Professional Practices Framework, published by The Institute of Internal Auditors, Inc. (IIA Standards) requires that risk-based plans be established to determine the priorities of the internal audit activity, consistent with the organization's goals. The plan will show the individual audits to be conducted during each year and related resources to be devoted to the respective audits. By statute, the plan is submitted to the agency head for approval with copies submitted to the Governor's Chief Inspector General and the Auditor General.

Overview of Methodology Used to Determine Areas Selected for Audit

The Office of the Inspector General (OIG) conducted a risk assessment that included all programs within the Department of Elder Affairs (Department.) The risk assessment process is used to evaluate potential work based upon the knowledge of the current events and accumulated knowledge of senior staff to ensure that we meet the OIG mission of promoting accountability, integrity, efficiency and compliance within the Department's programs and activities. Our risk assessment methodology included:

- Review program objectives, financial information, applicable laws, various internal and external audit reports, and other available program data.
- Survey program management regarding the complexity of their operation and obtain their insight into operation and associated risks.
- Interview senior management regarding their insight into operations and associated risks to their areas and the Department.
- Rank the information based on the unit's relative risk factors such as: the number of clients served; number of employees including volunteers; the size of the budget and flow of funds; the last time the program was audited by the Office of Inspector General, the Auditor General or other oversight authority; experience of management; complexity of operations; and existence of internal controls.

Calculation of Available Hours

The OIG has a limited number of hours available to complete the work that is waiting. Based on the current staff, there are approximately 10,328¹ hours available for all activities and projects, including audits, investigations, required administrative projects, leave and holidays.

¹ Total number of full time staff (4) multiplied by the number of work hours per year (2,080) plus one Other Personal Services (OPS) employee available for 2008 hours per year = Total number of hours available (10,328)

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Annual Audit Plan

The plan is a guide for the OIG to meet the goals and objectives of the office and to maximize the contribution to the mission of the Department. Based on the results from our assessment, audit priorities for this year were identified and hours are allocated as indicated below:

Audit Plan for Fiscal Year 2014-2015

Audit/Program Evaluation and Management Assistance Services	Hours
Work in Progress:	
- CARES – Human Resource Function	385
Contract Management and Monitoring Function	500
Purchasing Card Program Review	400
Health Insurance Portability and Accountability Act (HIPAA) Compliance Audit	325
Information Systems Risk and Security Assessment Reviews	211
Performance Measure Review	240
External Audit Coordination	125
Audit Follow-up Activities	250
Reserved for requested projects	275
Subtotal	2,711

Investigation Activities	Hours
Complaint Intake, Preliminary Inquiries, Investigations, and Management Reviews	2,384

Enterprise Projects	Hours
Requested Hours by the Chief Inspector General for Projects	818
Work in Progress:	
- Assessment of Managed Care Organizations Anti-fraud Process	20
Subtotal	838

Internal Reports	Hours
Annual Risk Assessment and Work Plan	320
Annual Report	140
Quality Assurance Review	350
Schedule IX	30
Subtotal	840

Office Management	Hours
Inspector General Duties	575
Administrative Duties	550
Staff Meetings	360
Personnel Issues	150
Public Records Request	170
Subtotal	1,805

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Training	Hours
Professional Training	200
Staff Development	214
Subtotal	414

Holiday and Leave	Hours
Annual Leave	632
Sick Leave	416
Holiday	288
Subtotal	1,336

Total Hours Available	10,328
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Description of Projects

Work in Progress:

CARES – Human Resource Function: This audit is currently in the fieldwork phase. The objective of this audit is to determine if the Bureau of Comprehensive Assessment and Review for Long Term Care Services (CARES) complies with all human resource policies, rules, and procedures. Additionally, to determine if there any efficiencies that can be gained by improving the human resource process to the CARES field offices.

Current Year Planned Engagements:²

Contract Management and Monitoring Function: Based on a current investigation, management has expressed concern over the Department’s contracting and grant management processes.

Purchasing Card Program Review: Management has questioned the current purchasing card monitoring process and if the Department is meeting the requirements of the Purchasing Card Program.

Health Insurance Portability and Accountability Act (HIPAA) Compliance Audit: Management stated they have concerns with staff maintaining Public Health information and if the Department is correctly reporting if we have a breach.

Information Systems Risk and Security Assessment Reviews: Section 282.318(4)(c), Florida Statutes, requires the Department to conduct, and update every 3 years, a comprehensive risk analysis to determine the security threats to the data, information and information technology resources of the agency.

² Specific scope of the current year planned projects will be determined during the preliminary survey phase of the projects. During this phase an expanded control assessment will be conducted to identify the highest risk areas within the topic.

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Performance Measure Review: Section 20.055(2)(b), Florida Statute, requires that the OIG assess the reliability and validity of the information provided by the Department on performance measures and standards and to make recommendations for improvement, if necessary. The Department just implemented the Statewide Medicaid Managed Care Long-Term Care Program and will be requesting that changes be made to most of the agencies performance measures.

External Audit Coordination and Audit Follow-up Activities: The OIG is the primary liaison with external audit entities (State of Florida and Federal Government) and is responsible for coordinating and facilitating responses to audits and reviews by those entities. The IIA Standards and Section 20.055(5)(h), Florida Statutes, also requires that the OIG monitor and report on the status of corrective actions taken in regard to audit issues.

Enterprise Projects: In an effort to leverage audit resources for the enterprise, each Governor's agency was requested to allocate approximately twenty-percent of the direct audit hours for participations in these projects.

Long Term Audit Plans for Fiscal Years 2015-2016 and 2016-2017

For Fiscal Years 2015-2016 and 2016-2017, we plan to ensure that the services of the OIG provide the most benefit to the Department. Our goal is to achieve and maintain an appropriate balance between audit, investigative and other accountability activities.

Based on the 2014-2015 Annual Plan, approximately 10,300 hours will be available to the OIG. The Office of Inspector General expects to expend the number of hours outlined below for each category during the Fiscal Year 2015-2016 as well as the Fiscal Year 2016-2017.

Long Term Audit Plan for Fiscal Year 2015-2016 and 2016-2017

Activity	Hours
Audit/Program Evaluation and Management Assistance	3,034
Investigation Activities	2,384
Enterprise Audits	840
Internal Reports	490
Office Management	1,830
Training	414
Holiday and Leave	1,336
Total Available Hours	10,328

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However, the long-term plans are subject to change based on the results of the periodic risk assessment and to be responsive to request made by the Secretary and the Chief Inspector General to evaluate particular programs.

Respectfully Submitted by:

Janet King

Date:

7/7/14

Audit Plan Approved by:

Charles Carney

Date:

7/7/14