

Office of Inspector General



Annual Audit Plan for Fiscal Year 2018-2019
And Long-term Audit Plans for
Fiscal Years 2019-2020 and 2020-2021

Report Number: A-1819-11
September 24, 2018

Annual Audit Plan for Fiscal Year 2018-2019 And Long-term Audit Plans for Fiscal Years 2019-2020 and 2020-2021

Section 20.055, Florida Statutes, requires that the Inspector General (IG) 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 shows the individual audits to be conducted during the year and related resources to be devoted to the respective audits. By statute, the plan is to be 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 IG conducted a risk assessment that included executive management, bureau chiefs, platform managers, and selected individuals within the Agency for State Technology (Agency). The risk assessment process is used to evaluate potential work efforts based on knowledge of current events and the accumulated knowledge of staff. The process ensures conformance with the IG's mission of promoting accountability, integrity, efficiency, and compliance within the Agency's programs. The risk assessment methodology included:

- Reviewing program objectives, financial information, applicable laws, and various external audit reports.
- Surveying platform and bureau chief management regarding the complexity of their operations and obtaining their insight into operations and associated risks.
- Interviewing executive management regarding their insight into Agency operations and associated risk areas.
- Ranking the information based on the area's relative risk factors such as:
 - Size of the budget;
 - Number of Cherwell service request and change/release records;
 - Last time the program was audited by the Auditor General or other oversight authority;
 - Management concerns;
 - Operational or technology changes;
 - Complexity of operations; and
 - Existence of internal controls.

Calculation of Available Hours

The IG has a limited number of hours available to complete work due to the absence of additional staff. There are approximately 2,080¹ hours available annually for all activities and projects including: audits, investigations, required administrative projects, leave, and holidays.

Annual Audit Plan

The plan is a guide for the IG to meet the goals and objectives of the Office of Inspector General (OIG) and to maximize the contribution to the mission of the Agency. As part of this, the IG would like to thank and acknowledge that the Agency hired a Director of Compliance, Risk and Audit during last fiscal year which greatly alleviated the coordination work with external auditors. However, the IG continues to have concerns with the ability to meet the requirements of section 20.055, Florida Statutes, and the required audit and investigative standards.

The IG continues to be the only staff person working to meet these requirements and therefore, is a single point of failure within the Agency. The OIG cannot be augmented with Agency staff without compromising the independence and confidentiality of the office. Additionally, in the absence of the IG, there is no independent resource for someone to report issues of potential fraud, waste, misconduct, or abuses. Furthermore, the limited number of hours available to conduct internal audit and investigative work leaves the Agency vulnerable and prevents the OIG from being proactive.

Based on the results from the risk assessment and concerns of the IG noted, the audit priorities for this year were identified and hours are allocated as follows:

Audit Plan for Fiscal Year 2018-2019

Audit Activities	Hours
Purchasing Card Audit	150
Common Controls Audit	206
Microsoft Reseller Contract Review (SHI) [Work in progress]	50
Performance Measure Review	10
External Audit Coordination	250
Audit Follow-up Activities	125
Enterprise Projects (Requested by the Chief Inspector General)	50
Subtotal	841

¹ Total number of hours (2,080) available for full time staff to work. The calculation is $5 \times 8 \times 52 = 2,080$.

Investigation Activities	Hours
Complaint Intake, Preliminary Inquiries, and Investigations	250
Computer Security Incident Response Team	25
Subtotal	275

Internal Reports	Hours
Annual Risk Assessment and Work Plan for FY 2018-2019	70
Annual Risk Assessment and Work Plan for FY 2019-2020	10
Annual Report	20
Audit Charter Updates	10
Schedule IX – Major Audit Findings and Recommendations	14
Legislative Reporting	15
Subtotal	139

Office Management	Hours
Administrative Duties	250
Update Policies and Procedures	20
New System Implementation	100
Public Records Requests	5
Subtotal	375

Training	Hours
Professional Training	45
Staff Development	45
Subtotal	90

Holiday and Leave	Hours
Annual Leave	176
Sick Leave	104
Holiday	80
Subtotal	360

Total Hours Available	2,080
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Description of Projects

Purchasing Card Audit – As part of our purchasing card program, the Agency makes an attestation to the State Chief Financial Officer that periodic audit and reviews are conducted of the internal controls by the OIG. With the new purchasing card system being implemented, the OIG will conduct a review of purchasing cards and their use within the Agency.

Performance Measure Review – Section 20.055(2)(b), Florida Statutes, requires that the OIG assess the reliability and validity of the information provided by the Agency on performance measures and make recommendations for improvement, if necessary.

Common Controls Audit – State Data Center customers are required to meet several federal control standards; therefore, the Agency is also required to meet these standards. Using the Common Controls Hub, the OIG will review the noted common controls within several selected standards and assess Agency compliance with these controls. *Note:* the OIG envisions this project as a composition of several reports based on control family over the course of at least the next two fiscal years.

External Audit Coordination and Audit Follow-up Activities – Even with the hiring of the Director of Compliance, Risk and Audit, the OIG continues to liaise with external audit entities who are directly auditing the Agency by coordinating and facilitating responses to audits and reviews. Additionally, the IIA Standards and section 20.055(5)(h), Florida Statutes, require that the OIG monitor and report on the status of corrective actions taken by the Agency with regard to audit issues.

Enterprise Projects – In an effort to leverage audit resources for the enterprise, each Governor’s agency was requested by the Chief Inspector General to allocate direct audit hours for participation in these projects.

Long-term Audit Plans for Fiscal Years 2019-2020 and 2020-2021

For fiscal years 2019-2020 and 2020-2021, the OIG plans to ensure that provided services will be the most benefit to the Agency. The goal is to achieve and maintain an appropriate balance between audit, investigation, and other accountability activities.

If the OIG continues to only have a single person, the IG, the OIG will continue to have only 2,080 hours available for projects during the 2019-2020 and 2020-2021 fiscal years. Therefore, the OIG would expect to expend the hours in the following activities:

Long-term Work Plan

Activity	Hours
Audit Activities	890
Investigation Activities	325
Internal Reports	140
Office Management	275
Training	90
Holiday and Leave	360
Total Available Hours	2,080

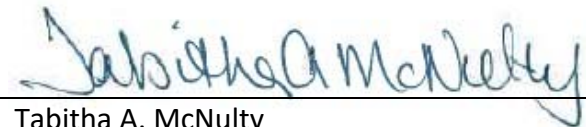
If the OIG were to gain an additional employee, there would be 4,160 available hours for projects during the 2019 - 2020 and 2020 – 2021 fiscal years. The OIG would expect to expend the hours in the following categories:

Long-term Work Plan with Two Employees

Activity	Hours
Audit Activities	2,115
Investigation Activities	550
Internal Reports	195
Office Management	400
Training	180
Holiday and Leave	720
Total Available Hours	4,160

As mentioned above, the IG expects the Common Controls Audit to extend over several fiscal years with the number of controls that are available in the multiple standards. However, the long-term plans are subject to change based on the results of the risk assessment and to be responsive to the concerns of both the State Chief Information Officer/Executive Director and Chief Inspector General.

Respectfully Submitted by:



Tabitha A. McNulty
Inspector General

Date: 9/24/18

Audit Plan Approved by:



Eric M. Larson
State CIO/Executive Director

Date: 9/25/18



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