



Department of Elder Affairs
Office of Inspector General

MEMORANDUM

To: Jeffrey S. Bragg, Secretary

From: Taroub J. Faraj, Inspector General *J.F.*

Date: June 21, 2018

Re: Annual Audit Plan for Fiscal Year 2018-19 and Long-Term Audit Plans for Fiscal Years 2019-20 and 2020-21

I am pleased to submit for your review and approval our annual *Audit Plan for Fiscal Year (FY) 2018-19 and the Long-Term Audit Plans for FYs 2019-20 and 2020-21.*

Our plans are risk-based to provide effective coverage of the Department's programs, activities, and functions. The risk analysis is based on the results of a risk assessment survey we conducted in May 2018. We subsequently met with key operational managers to discuss survey responses and obtain additional input. In addition, we interviewed department management to identify risks that could prevent the Department from achieving its mission and goals. The proposed plans address management's priorities and higher risk exposures identified in the risk assessment.

The audit plan is intended to respond to changing conditions and will be modified in accordance with management's concerns and our on-going assessment of circumstances and events that impact the Department's operations. Additionally, at the request of the Chief Inspector General, we have reserved 200 hours of our direct audit time to participate in enterprise-wide audits. These audits are intended to address risk exposures that exist across all executive agencies.

I am requesting your review and approval of our proposed annual and long-term audit plans. Please indicate your concurrence with your signature on page four of the audit plan. Once approved, a copy of this plan will be sent to the Chief Inspector General and the Office of the Auditor General.

Your continued support is greatly appreciated.

TJF/kj

Attachment

Department of
ELDER AFFAIRS
STATE OF FLORIDA



Office of Inspector General

***Annual Audit Plan for Fiscal Year 2018-19
and Long-Term Audit Plans for
Fiscal Years 2019-20 and 2020-21***

Report No. S-1617DEA-060

June 21, 2018

Department of Elder Affairs
Office of Inspector General

***Annual Audit Plan for Fiscal Year (FY) 2018-19
and Long-Term Audit Plans for FYs 2019-20 and 2020-21***

Section 20.055, Florida Statute, requires the Inspector General to 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 (CIG) and the Auditor General (AG).

Overview of Methodology Used to Determine Areas Selected for Audit

The Office of 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's mission of promoting accountability, integrity, efficiency, and compliance within the Department's programs and activities. Our risk assessment methodology included:

- Surveying program management regarding the complexity of their operations and obtaining their insight into operations and associated risks;
- Interviewing Department management and key operational managers to identify risks that could prevent the Department from achieving its mission and goals; *and*
- Ranking the information based on the unit's relative risk factors such as:
 - Number of clients served;
 - Number of employees including volunteers;
 - Size of the budget and flow of funds;
 - Last time the program was audited by the OIG, AG, or other oversight authority;
 - Experience of management;
 - Complexity of operations; *and*
 - Existence of internal controls.

Calculation of Available Hours

Based on audit and investigative staff: a Director of Internal Audit, an Internal Auditor, and an Investigator, there are 6,240¹ hours available for OIG activities, including audits, investigations, required administrative projects, leave and holidays. We estimate that 2,640 hours of audit staff time are available for direct audit activities.

¹ Total number of full-time audit and investigative staff (3) multiplied by the number of work hours per year (2,080).

Department of Elder Affairs
Office of Inspector General

Annual Audit Plan

The plan is a guide for the OIG to meet the goals and objectives of the office and to maximize its contribution to the Department's mission. Based on the results from our risk assessment, the following table lists the activities planned for Fiscal Year (FY) 2018-19 and provides an estimate of staff resources required to complete each project.

Audit Plan for FY 2018-19

Audits/Program Evaluations/Management Assistance Services	Hours
FY 2017-18 Projects Carried Forward:	
<ul style="list-style-type: none"> • Audit of the Bureau of Community and Support Services' Contract Management Activities 	40
<ul style="list-style-type: none"> • Audit of Long-Range Program Plan (LRPP) Performance Measure – Percent of new service recipients whose Activities of Daily Living (ADL) assessment score has been maintained or improved 	200
FY 2018-19 Planned Engagements:	
<ul style="list-style-type: none"> • Audit of the Department's Purchasing Card Program 	500
<ul style="list-style-type: none"> • Audit of Information Systems Access Controls 	1,000*
<ul style="list-style-type: none"> • Office of Inspector General's Internal Audit Quality Assurance Review (QAR) 	360
<ul style="list-style-type: none"> • Audit of LRPP Performance Measure(s) 	400*
Reserved for CIG Enterprise Projects	200
Subtotal	2,700

*Engagement may include multiple audits.

Investigation Activities	Hours
Complaint Intake, Preliminary Inquiries, and Investigations	1,560
General Administration, Statutory, and Other Required Activity	Hours
Administrative Duties (Staff meetings, Public Records Requests, Personnel Issues)	300
Internal Audit Follow-ups	20
External Audit Coordinations and Follow-ups	100
Annual and On-going Risk Assessment/Audit Plan	80
Annual and Long-Term Audit Plan Preparation	40
Annual Report Preparation	40
Legislative Budget Request Schedule IX Preparation	40
Management Requests and Special Projects	100
Subtotal	720

Department of Elder Affairs
Office of Inspector General

Training	Hours
Continuing Professional Education /Professional Development/Other Training	180
Subtotal	180

Holiday and Leave	Hours
Annual Leave	528
Sick Leave	312
Holidays (9 paid, 1 Personal Holiday)	240
Subtotal	1,080

Total Hours Available	6,240
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Note: The plan is subject to change based on changes in the Department's risk environment.

Projects Carried Forward

The following projects were in progress at the end of FY 2017-18:

- ***Audit of the Bureau of Community and Support Services' Contract Management Activities***
- ***Audit of LRPP Performance Measure:*** Percent of new service recipients whose Activities of Daily Living (ADL) assessment score has been maintained or improve.

Planned Engagements²

The following projects are planned for FY 2018-19:

- ***Audit of the Department's Purchasing Card Program:*** The preliminary objective is to determine whether internal controls exist to govern purchasing card purchases (transactions) and related activities.
- ***Audit of Information Systems Access Controls:*** The preliminary objective is to determine whether access controls relating to granting, monitoring, and terminating access to select information systems are effective and efficient.
- ***Office of Inspector General's Internal Audit Quality Assurance Review:*** The preliminary objective is to evaluate the OIG's Internal Audit Section's conformance with the *International Standards for the Professional Practice of Internal Auditing*, the Code of Ethics, and the audit charter.
- ***Audit of LRPP Performance Measure(s):*** Section 20.055(2)(b), Florida Statute, requires the OIG to 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.

² Specific objectives and scopes for current year planned engagements will be determined during the preliminary survey phase of the projects.

Department of Elder Affairs
Office of Inspector General

Enterprise Projects: To leverage audit resources for the enterprise, each Governor's agency was requested to allocate 200 hours of the direct audit hours for participation in these projects.


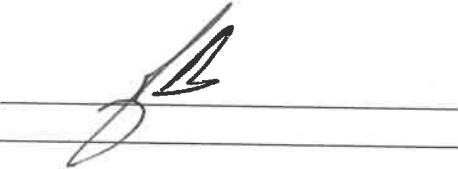
Long-Term Audit Plans for FYs 2019-20 and 2020-21

For FYs 2019-20 and 2020-21, 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 FY 2018-19 annual plan, approximately 6,240 hours will be available to OIG staff. The OIG expects to expend the number of hours outlined below for each activity and potential project during FY 2019-20.

Activity/Potential Audit Projects	Hours
Division of Financial and Support Services' Invoice Intake & Payment Processes	
Human Resources' On/Off Boarding Process	
Audit of LRPP Performance Measures	2,500
Investigation Activities	1,560
Enterprise Audits	200
General Administration, Statutory, and Other Required Activities	720
Training	180
Holiday and Leave	1,080
Total Available Hours	6,240

However, the long-term activities and potential audit projects are subject to change based on the results of the periodic risk assessment and responsiveness to the Secretary and Chief Inspector General.

Respectfully Submitted by:		Date:	<u>6/13/18</u>
Audit Plan Approved by:		Date:	<u>6/14</u>