



DEPARTMENT OF BUSINESS & PROFESSIONAL REGULATION
Office of Inspector General

HALSEY BESHEARS
Secretary

RON DESANTIS
Governor



MEMORANDUM

TO: Halsey Beshears, Secretary

FROM: Lynne T. Winston, Inspector General

DATE: June 29, 2020

SUBJECT: *Annual Audit Plan for Fiscal Year 2020-21 and Long-Term Audit Plans For Fiscal Years 2021-22 through 2022-23*

I am pleased to submit for your review and approval our annual *Audit Plan for Fiscal Year 2020-21 and Long-Term Audit Plans for Fiscal Years 2021-22 through 2022-23*. Our audit plans are risk-based to provide the most effective coverage of department programs, activities, and functions. With the impact of changes to our department incurred by COVID-19, and in light of the fact we have several carry-forward audit projects, our office conducted a modified-risk assessment of department risk factors, which included dissemination of a Risk Assessment Survey to division directors. We then met with the directors of seven of the department's divisions and offices to discuss risks within their respective areas. Subsequently, we held similar discussions with the members of your executive management team. These proposed audit plans address department management's priorities and areas of higher risk exposure identified during our risk assessment process.

Our audit plans are intended to respond to changing conditions and emerging risks. We will modify these plans, as needed, in accordance with management concerns and our ongoing assessment of circumstances and events impacting department operations.

At the request of the Chief Inspector General, we have reserved twenty percent of direct audit time to participate in enterprise-wide audits selected by the Chief Inspector General. These audits are intended to address risk exposures that exist across all executive agencies. We have also reserved staff time to respond to requests for assistance from you or your managers during the year. This time is available for formal consulting engagements, management advisory services, or other assistance to management.

I am respectfully requesting your review and approval of our proposed annual and long-term audit plans. Please indicate your concurrence with your signature below. Should you have any questions or concerns, please do not hesitate to contact me.

Attachment

Approved:
Halsey Beshears, Secretary

Date

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION



RICK SCOTT
Governor

JONATHAN ZACHEM
Secretary

ERIC W. MILLER
Chief Inspector General

LYNNE T. WINSTON, Esq., CIG
Inspector General

Office of Inspector General

Annual Audit Plan for Fiscal Year 2020-21
and Long-Term Audit Plans for
Fiscal Years 2021-22 and 2022-23

June 2020



**DEPARTMENT OF BUSINESS & PROFESSIONAL REGULATION
Office of Inspector General**

Halsey Beshears
Secretary

Lynne T. Winston
Inspector General



ANNUAL AUDIT PLAN Fiscal Year 2020-21		
Division/Office	Audit/Assurance Engagement Topic	Estimated Hours
Direct Audit Hours Available		<u>5,172</u>
<i>To Be Determined</i>	Chief Inspector General Enterprise Audits <i>[Selected Topic(s)]</i>	1,034
Division of Condominiums, Timeshares and Mobile Homes	Performance Measure Validity and Reliability Review (Requirement per s. 20.055, F.S.) <i>This is a carry-forward engagement from Fiscal Year 2019-20.</i>	372
Division of Administration/Agency Services	Department Purchasing Card Program <i>This is a carry-forward engagement from Fiscal Year 2018-19.</i>	100
Division of Administration/Human Resources	Payroll Processes and Procedures <i>This is a carry-forward engagement from Fiscal Year 2019-20.</i>	400
Office of General Counsel/Open Government/Multi-divisions	Public Records Process <i>This is a carry-forward engagement from Fiscal Year 2019-20.</i>	400
Division of Alcoholic Beverages and Tobacco	Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	600
Division of Technology	IT Disaster Recovery Plan	641
Division of Professions	Board Member Compensation and Travel Costs	400
Division/Office	Internal Follow-up Engagements	Estimated Hours
Division of Alcoholic Beverages and Tobacco/Licensing	Follow-up: Audit of Cash Management Procedures	75
Division of Administration/Agency Services	Follow-up: Audit of Department Purchasing Card Program	75
Division of Administration/Human Resources	Follow-up: Audit of Payroll Processes and Procedures	75
Office of General Counsel/Open Government/Multi-divisions	Follow-up: Audit of Public Records Process	75
Division of Condominiums, Timeshares and Mobile Homes	Follow-up: Performance Measure Validity and Reliability Review	75
Division of Technology; Multi-divisions	Follow-up: Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	50
Division/Office	Internal Engagements	Estimated Hours
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – Standard 1300	300

	<i>(In accordance with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards))</i>	
Division/Office	Management Reviews and Advisory/Technical Assistance Services	Estimated Hours
Certified Public Accounting	Enforcement Section Process	200
<i>To Be Determined</i>	Ad Hoc Services and Reviews Per Management's Request or as deemed necessary	300
Total Hours		5,172

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 2020-21

Performance Measure Validity and Reliability Review (*Carry-forward engagement from Fiscal Year 2019-20*): Section 20.055, Florida Statutes, requires the Office of Inspector General to assess the validity and reliability of the department's performance measures and standards and make recommendations for improvement, if necessary. The OIG will evaluate the validity and reliability of selected performance measures and standards, as well as the methodology used to calculate results. The audit will also review the sufficiency and effectiveness of internal controls established to ensure the accuracy of source data.

Department Purchasing Card Program - (*Carry-forward engagement from Fiscal Year 2018-19*): The purpose of this review is to evaluate the sufficiency and effectiveness of established internal controls within the department's Purchasing Card Program and to assess the efficiency and effectiveness of the administration and oversight of the program; completion of this engagement is scheduled for the 1st quarter of Fiscal Year 2020-21.

Payroll Processes and Procedures (*Carry-forward engagement from Fiscal Year 2019-20*): The purpose of this review is to evaluate the efficiency and effectiveness of internal controls established over payroll-related processes and procedures.

Public Records Process (*Carry-forward engagement from Fiscal Year 2019-20*): The purpose of this review is to evaluate the efficiency and effectiveness of internal controls established for the dissemination of information to the public, as well as examine the retention and disclosure practices for public records.

Internal Controls over Driver and Vehicle Information Database (DAVID): The purpose of this review is to evaluate whether the department's internal controls over the personal data accessed through DAVID are adequate to protect data from unauthorized access, distribution, use, modification, or disclosure per the department's MOU with the Department of Highway Safety and Motor Vehicles.

Information Technology Disaster Recovery Plan: The purpose of this review is to evaluate whether proper procedures, as well as internal controls, are in place to recover and protect the department's infrastructure, prevent the loss of data and other IT resources, and quickly restore data following a disaster.

Board Member Compensation and Travel Costs: The purpose of this review is to evaluate the management of board member travel within the division, as well as evaluate compliance with state laws, rules and department policies regarding compensation and travel.

LONG-TERM AUDIT PLANS

The following tables present the OIG's audit plans for the remaining two fiscal years of the audit cycle. As part of the Fiscal Year 2020-21 annual risk assessment, the OIG will evaluate whether changes in the department's risk environment require that we realign our long-term audit plans to address issues of higher risk or matters of more immediate concern to management.

LONG-TERM AUDIT PLAN Fiscal Year 2021-22		
Division/Office	Audit/Assurance Engagement Topic	Estimated Hours
<i>To Be Determined</i>	Chief Inspector General Enterprise Audits <i>[Selected Topic(s)]</i>	1,034
Division of Administration/Finance and Accounting	Disbursements	700
Florida State Boxing Commission	Process Review Audit	700
Division of Service Operations	Paperless Licensing Process	750
Division of Technology/ Multi-divisions	Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	600
Division of Regulation	Child Labor Program	600
Division/Office	Internal Follow-up Engagements	Estimated Hours
Division of Alcoholic Beverages and Tobacco	Follow-up: Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	75
Division of Technology	IT Disaster Recovery Plan	75
Management Reviews and Advisory/Technical Assistance Services		
Division/Office	Management Reviews and Advisory/Technical Assistance Services	Estimated Hours
Division of Professions/Bureau of Education and Testing	Process Review	325
<i>To Be Determined</i>	Ad Hoc Services and Reviews per Management's Request	313
Total Hours		5,172

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

LONG-TERM AUDIT PLAN Fiscal Year 2022-23		
Division/Office	Engagement Topic	Estimated Hours
<i>To Be Determined</i>	Chief Inspector General Enterprise Audits <i>[Selected Topic(s)]</i>	1,034
Division to Be Determined	Performance Measure Validity and Reliability (Requirement per s. 20.055, F.S.)	400
Division of Alcoholic Beverages and Tobacco/Enforcement	Secondary Employment Vehicle Usage	400
Division of Certified Public Accounting/Application Processing Section	Application Process	650
Division of Drugs, Devices, and Cosmetics	Inspection Program	425
Division of Real Estate	Appraisal Process	650
Division of Administration/Agency Services	Property Management Audit	400
Division of Regulation	Unlicensed Activities Program	450
Division/Office	Internal Follow-up Engagements	Estimated Hours
To Be Determined	Follow-up Engagements: Multiple Divisions	200
Division/Office	Management Reviews and Advisory/Technical Assistance Services	Estimated Hours
Division of Hotels and Restaurants/Bureau of Education and Testing	Process Review	325
<i>To Be Determined</i>	Ad Hoc Services and Reviews per Management's Request	238
Total Hours		5,172

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

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 *International Standards for the Professional Practice of Internal Auditing* 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). OIG reports are also available online at <http://www.myfloridalicense.com/dbpr/oig/auditreports.html>.