

July 1, 2020

Terry L. Rhodes
Executive Director
Florida Department of Highway Safety and Motor Vehicles
2900 Apalachee Parkway
Tallahassee, Florida 32399-0500

Director Rhodes:

I am submitting for your review and approval the Annual Audit Plan for the Office of Inspector General, pursuant to Section 20.055, Florida Statutes, Department of Highway Safety and Motor Vehicles Policy Number 11.07, and *The International Standards for the Professional Practice of Internal Auditing*. The Audit Plan for the 2020-21 Fiscal Year was developed based on a risk assessment conducted by the Office of Inspector General and input from management. Audit projects included address the major risk and operations of the Department, and optimizes the use of our audit resources.

With your approval, we will implement the Annual Audit Plan for the 2020-21 Fiscal Year. Upon approval, copies of this plan will be submitted to the Governor's Chief Inspector General and the Auditor General. Thank you for your continued support.

Sincerely,



Mike Stacy
Acting Inspector General

Approved: _____



Terry L. Rhodes, Executive Director



Risk Assessment and Annual Audit Plan for the 2020-21 Fiscal Year

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Introduction

The authority and responsibilities of the Office of Inspector General are established in Section 20.055, Florida Statutes (F.S.). The Inspector General reports functionally and administratively to the Department of Highway Safety and Motor Vehicles (Department) Executive Director. The Office of Inspector General has a responsibility to inform and advise management of significant deficiencies or other substantive issues noted during its activities.

All operations of the Department may be subject to audit and the Office of Inspector General has the following reporting responsibilities:

- Provide individual audit results to appropriate management on a timely basis relative to significance;
- Apprise the Department's Executive Director and executive management on progress made in addressing previously reported matters;
- Develop annual and long-term audit plans based on risk assessment results;
- Monitor management's process for ensuring compliance with the Department's *Code of Ethics*; and
- Assist management in fulfilling their responsibilities regarding financial reporting and internal control assertions and certifications.

Mission Statement

The mission of the Office of Inspector General is to build public confidence through integrity, accountability, and efficiency within the Department through audits and investigations, both criminal and administrative, that detect fraud, waste and abuse and administrative violations.



Risk Assessment and Annual Audit Plan

Each year, the Office of Inspector General performs a risk assessment of the Department to identify areas with the highest level of risk. Risk is any threat to achieving the Department's mission or the likelihood that an event or action may negatively affect the Department. Our risk assessment included interviewing 20 of the Department's senior managers to gather their perspectives on the Department's current risks and exposures.

Other matters considered during the risk assessment and development of the annual audit plan included:

- Personnel hours and resources available;
- The dates and results of prior engagements;
- Updated assessments of risks and effectiveness of risk management and control processes;
- Requests by the Executive Director and executive management;
- Current changes in Department business, organizational structure, performance, operations, program systems, and controls;
- Opportunities to achieve more efficient and effective operating benefits;
- Opportunities to improve risk management, control and governance processes, and reduce opportunities for fraud related incidents;
- Statutorily required follow-up to external audits and reviews; and
- Opportunities to improve Department governance of information technology resources.

Carry Forward Projects from the 2019-20 Fiscal Year

Department Software License Management

Software license management is vital to ensuring proper user support. Inadequate tracking may hinder adequate user support due to lack of necessary updates and or appropriate patches being installed. Additionally, without appropriate tracking and management of software licenses, the Department may not be paying for all applicable licenses or may be overpaying for licenses no longer in use.

The objective of this engagement is to evaluate the efficiency and effectiveness of software license management and compliance with best practices, applicable laws, Department policy, and procedure.



Evidence

The Florida Highway Patrol (FHP) is granted authority under the provisions of Chapter 321, F.S., to seize contraband and stolen property, and to make arrests for violations of federal, state, and county laws, or municipal ordinances. Along with this authority comes the responsibility to protect and safeguard any property taken as evidence. All FHP members are required by policy to properly collect, process, control, and manage evidence and property that comes into their possession.

The objective of this engagement is to review and evaluate the process for storing and disposing of evidence and compliance with applicable laws, Department policy, and procedure.

Scanning Unit Quality Assurance Process

The Bureau of Records Scanning Unit is charged with ensuring vehicle titles and title transaction related documentation is reviewed, sorted, and scanned into Department systems and appropriate information is updated within the Florida Real-time Vehicle Information System (FRVIS). An important component to the scanning unit is conducting quality assurance on scanned documentation to ensure the quality of the scanned image.

The objective of this engagement is to evaluate the efficiency and effectiveness of the scanning unit quality assurance process and compliance with applicable laws, Department policy, and procedure.

Recruitment and Selection Process

One of the most important responsibilities given to supervisors is the ability to select new employees for agency positions. The goal of the recruitment and selection process is to hire the best suited candidate for each position in an efficient and legally defensible manner. Department selection procedures must meet the requirements of Section 110.213, F.S. and Chapter 60L-33, Florida Administrative Code (F.A.C.), and will include a selection module and employment reference check.

The objective of this engagement is to evaluate the efficiency and effectiveness of the recruitment and selection process and compliance with applicable laws, Department policy, and procedure.

Workers' Compensation

Workers' compensation provides medical expenses, lost wages, and rehabilitation costs to employees who are injured or become ill while conducting job related functions. In



the event a work-related injury occurs, the Department will support the prompt delivery of appropriate medical treatment and compensation to the injured member. The Department will also provide modified and alternate duty assignments to accommodate restrictions and limitations determined by the member's treating physician.

The objective of this engagement is to review the workers' compensation program for compliance with applicable laws, Department policy, and procedure.

Sexual Offender/Predator Designation

The Florida driver license and ID card allows for the identification of sexual predators and sexual offenders with a blue identifier on the bottom right of the front of the card. Sexual predators will have "Sexual Predator" spelled out on the card, while sexual offenders have "943.0435, F.S." listed.

The objective of this engagement is to evaluate the efficiency and effectiveness of the designation process and compliance with applicable laws, Department policy, and procedure.

Mail-in Renewal Process

Driver license renewals can be completed by mail every other renewal period. The Processing and Issuance Section is responsible for processing driver license renewals and military extension cards received by mail.

The objective of this engagement is to evaluate the efficiency and effectiveness of the mail-in renewal process and compliance with applicable laws, Department policy, and procedure.

Specialty License Plate and Voluntary Contribution Organization Audits (2)

Sections 320.023 and 320.08062, F.S., grant the Department authority to examine all records relating to the use of specialty license plate and voluntary contribution funds.

The objective of these audits is to determine compliance with applicable laws and policies related to the annual affidavits or single audit reports submitted by the Fish and Wildlife Foundation of Florida, Inc., for the Conserve Wildlife and the Wildlife Foundation of Florida specialty license plates.



Planned Audits for the 2020-21 Fiscal Year

Promotional Process for the Florida Highway Patrol

The FHP seeks to maintain an efficient and effective work force by selecting capable, qualified applicants through a fair and nondiscriminatory promotional process. Vacant positions should be filled on a merit basis from among the most qualified available members. The FHP promotional process consists of a written exam and an assessment designed to use job-related exercises to identify candidates whose performance indicates the potential to handle future management challenges.

The objective of this engagement will be to review and evaluate the efficiency and effectiveness of the Department's promotional process for FHP sworn employees, and compliance with applicable laws, Department policy, and procedure.

Off-Duty Police Employment

FHP policies allow members to engage in secondary employment which does not conflict with primary job assignments or obligations to FHP and does not discredit or embarrass the agency or diminish public confidence in law enforcement or in the FHP's commitment to integrity.

The objective of this engagement will be review and evaluate the efficiency and effectiveness of FHP's oversight of the Off-Duty Police Employment program and compliance with applicable laws, Department policy, and procedure

Data Protection Controls for Partner Agencies

According to Department Policy 8.07, *Security Breach of Personal Information*, personal information contained in the Department's information systems, including the motor vehicle and licensing records, should be protected. Each governmental entity or third-party agent with access to Department data must take reasonable measures to protect and secure electronic data containing personal information.

The objective of this engagement will be to review and evaluate the efficiency and effectiveness of data protection controls for partner agencies who access Department data and compliance with applicable laws, Department policy, and procedure.

Oversight of Private Tag Agencies

The Department, through oversight from the county tax collectors, authorizes third party agencies to perform transactions related to motor vehicle title and registration issuance. Section 320.03 (4)(a), F.S., allows license tag agents to have access to the



Department's data for the purpose of processing vehicle title and registration transactions for the Department.

The objective of this engagement will be to review and evaluate the efficiency and effectiveness of the Department's oversight of the private tag agencies and compliance with applicable laws, Department policy, and procedure.

Field Bank Accounts

The Department has established standard business practices for the control of revenues collected at Department field offices. Members working in field offices are required to secure all money issued or received and accurately balance and account for all transactions processed each day. Funds received are deposited in local bank accounts and daily deposits are reported to the Department's Bureau of Revenue.

The objective of this audit will be to review and evaluate the efficiency and effectiveness regarding management of field bank accounts and compliance with applicable laws, Department policy, and procedures.

Mobile Home Windstorm Mitigation Inspection Program

The Mobile Home Tie-Down Program goal is to increase the wind resistance of mobile homes by enhancing the tie-down and anchoring systems. Windstorm Mitigation and Storm Ready Services are under an agreement with Tallahassee Community College to retrofit the tie-down and anchoring systems of manufactured homes in the state. The Department coordinates with Tallahassee Community College for a quality assurance inspection on ten percent of all retrofitted homes.

The objective of this engagement will be to review and evaluate the efficiency and effectiveness of the Department's windstorm mitigation inspection program and compliance with applicable laws, Department policy, and procedure.

FHP Ammunition and Firearms Inventory Controls

The FHP has policies concerning the authorization and issuance of standard individual equipment to ensure that all members, while in the performance of their FHP duties, have the necessary individual equipment to fulfill their oaths as law enforcement officers.

The objective of this engagement will be to review and evaluate the efficiency and effectiveness of FHP's controls over its inventory of ammunition and firearms and compliance with applicable laws, Department policy, and procedure.

Specialty License Plate and Voluntary Contribution Organization Audits

Sections 320.023 and 320.08062, F.S., grant the Department authority to examine all records relating to the use of specialty license plate and voluntary contribution funds.

The Office of Inspector General plans to conduct 12 separate audits of specialty license plate and voluntary contribution organization audits. The objective of these audits will be to determine the compliance with applicable laws and policies related to the annual affidavit or single audit prepared by the organizations for specialty license plates and voluntary contributions.

Planned Consulting Engagements for the 2020-21 Fiscal Year

WRAP Process

The Work Request and Prioritization (WRAP) System is a single point of entry for software enhancement, bug resolution, and maintenance requests. WRAP includes tracking of authorization, prioritization, user acceptance testing, and final production acceptance from the appropriate business area.

The objective of this engagement will be to evaluate the efficiency of the WRAP process and compliance with applicable laws, Department policy, and procedure.

Use of Control Review

Chapter 776, F.S., grants the FHP authority to employ control techniques in the performance of its official duties. It is FHP's policy to comply with the provisions of law concerning sworn members' use of control in the lawful performance of duties. In addition, FHP has established policies, guidelines, and limitations concerning the justified and unjustified response to resistance and the use of control by FHP members.

The objective of this engagement will be to review data captured on uses of control, analyze patterns and trends, and evaluate compliance with applicable laws, Department policy, and procedure.

Contract Renewal Process

The Department facilitates the procurement of contractual services and commodities responsive to the needs of the programs it supports with the purpose of achieving the best value for the State of Florida. The Department has established a central purchasing office, the Bureau of Purchasing and Contracts, to provide guidance and oversight regarding contract administration. Department divisions are responsible for



providing specifications for the goods and/or services needed, monitoring requirements, and contract expiration or renewal dates.

The objective of this engagement will be to evaluate the efficiency and effectiveness of the Department's contract renewal process and compliance with applicable laws, Department policy, and procedure.

Recurring Projects

Performance Measure Assessment

Section 20.055(2), F.S., requires each state agency's Office of Inspector General to perform a validity and reliability assessment of their agency's performance measures.

FHP Information and Evidence Fund

The Office of Inspector General staff conducts quarterly reviews to evaluate the internal controls over the FHP Bureau of Criminal Investigations and Intelligence Information and Evidence Fund and compliance with Florida Statute, Department policies, and procedures.

Compliance Reviews

The Office of Inspector General staff review reports submitted by DUI programs and assist Division of Motorist Services staff with reviews of single audit reports submitted by organizations that receive specialty license plate annual use fee proceeds and voluntary contributions.

FHP Intelligence Procedures Review

The Office of Inspector General staff conducts an annual review to assess and report on the FHP's internal audit of intelligence procedures. The assessment focuses on information collection, storage, purging, and the utilization of intelligence personnel and techniques.

Audit Follow-Up

Section 20.055, F.S., requires the identification of each significant recommendation described in previous audit reports which corrective action has not been completed. The Office of Inspector General staff conducts follow-up assessments of outstanding items periodically until all corrective actions have been completed.



Long-Term Work Plan (2021-22 and 2022-23)

Other Long-Term Audit Projects

- RadNuke Program
- Insurance Verification Process
- CVE Compliance Investigations
- Social Media Policy
- Blanket Purchase Orders
- Ethics Review