



FLORIDA DEPARTMENT OF JUVENILE JUSTICE

INTEROFFICE MEMORANDUM

DATE: June 29, 2020
TO: Simone Marstiller, Secretary
FROM: Robert A. Munson, Inspector General *RM*
SUBJECT: Annual Audit Plan for Fiscal Year 2020-2021

The Office of Inspector General, Bureau of Internal Audit, is pleased to present our proposed Annual Audit Plan for Fiscal Year 2020-2021. Our audit plan is risk-based and considers the most effective coverage of the Department's systems, functions, programs, and operations. We developed our audit plan based on the Department's management input and a risk assessment involving input from each of the Department's program and administrative areas, to provide a systematic approach for selecting audit projects.

Prior to fieldwork of each audit project, preliminary surveys will be conducted to gain an understanding of the audit area and assess existing risks. From the preliminary survey and auditor's assessment of risks particular to the subject area, specific audit objectives will be developed. All our audits will include a review and evaluation of the system of internal controls. The internal control review and evaluation includes identifying policies, procedures, practices, and systems used to ensure Department objectives are achieved.

The activities outlined in this plan address management priorities and the most vulnerable areas of the Department. We look forward to working with management to improve the effectiveness and efficiency of our agency's programs and services while achieving our statutory responsibilities.

With your approval, we will implement the Annual Audit Plan for Fiscal Year 2020-2021.

We appreciate your support.

Approved: *Simone Marstiller*
Simone Marstiller, Secretary

RM/my

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Ron DeSantis, Governor

Simone Marstiller, Secretary

The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.

Attachment

**CC: Timothy Niermann, Deputy Secretary
Heather DiGiacomo, Deputy Secretary
Josie Tamayo, Chief of Staff**

**Florida Department of Juvenile Justice
Office of the Inspector General**

**ANNUAL AUDIT PLAN
FISCAL YEAR
2020 – 2021**

**Robert A. Munson, CIG
Inspector General**

**Michael Yu, CIA, CIG
Director of Auditing**

Simone Marsteller, SECRETARY

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Introduction

Statutory Duties and Responsibilities

Section 20.055(6)(i), Florida Statutes (F.S.) requires the Inspector General to develop long-term and annual audit plans based on findings of periodic risk assessments. The Office of the Inspector General's Annual Audit Plan for Fiscal Year 2020-2021 shows individual audits to be conducted during the fiscal year and related resources to be devoted to each audit. We completed our annual risk assessment in June 2020.

The Office of the Inspector General (OIG), Bureau of Internal Audit (BIA), conducts compliance, financial, information technology, operational, and performance audits of the Department. Such audits are conducted in accordance with "*International Standards for the Professional Practice of Internal Auditing*," published by the Institute of Internal Auditors, Inc.

Mission Statement

The OIG's mission is to ensure that the Florida Department of Juvenile Justice, its employees and partners, maintain the highest level of integrity, accountability and efficiency as we work together to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services.

The OIG is committed to assist the Department of Juvenile Justice in accomplishing its vision, mission, and strategic plans; provide independent and reliable audit, investigation, and consulting services; and ensure:

- compliance with statutory mandates pursuant to section 20.055, F.S.;
- integrity, accountability, and efficiency are promoted within the Department;
- quality programs and services are provided to youth;
- resources are used efficiently and consistent with laws, regulations, and policies;
- resources are safeguarded against waste, loss, and misuse; and
- reliable data are obtained, maintained, and fully disclosed.

Goals

The OIG has established essential goals to accomplish its mission. We will strive to provide quality audits, reviews, studies, consultations, and investigations in a timely manner; use our resources in an efficient manner; and provide adequate audit coverage to mitigate the Department's risks.

We believe the OIG can best achieve its goals by addressing our Department's needs, developing our staff, and emphasizing continuous improvement in the delivery of services.

Risk Assessment and Annual Audit Planning

Purpose

The purpose of developing an annual audit plan is to identify, select, and plan for the review of vulnerable areas of the Department using a risk-based approach. Selection of appropriate projects provides an opportunity to enhance control and operational efficiency. During the development of the audit plan, primary consideration was to provide the greatest possible benefit to the Department using available audit resources.

Methodology

For fiscal year 2020-2021, we prepared a staffing allocation based on 1,596 available hours (estimated hours excluding leave, holidays, training, and administrative tasks) for each auditor. Available audit resources for fiscal year 2020-2021 total 3,830 hours (1,596 hours x 2 audit staff + 40% X 1,596 supervisor review hours).¹

Once available resources were established, results of our risk assessment and concerns of management were used to determine coverage, timing, and intensity of the audit efforts. As part of our planning for future audit coverage, we also considered recent and planned external audits of the Department to prevent audit duplications, to the extent possible.

Systematic risk assessment tools provide an objective basis for identifying areas to be audited. To perform our risk assessment, we used risk exposure analysis to identify audit projects with the greatest risk exposure. Risk exposure analysis provides a systematic approach for selecting audit projects. Steps taken in our risk assessment are described below.

Identification of Major Activities

The first step in the risk exposure analysis was to identify an audit universe consisting of the Department's major activities by program and office areas. The program areas and offices included: Detention Services, Prevention and Victim Services, Probation and Community Correction, Residential and Correctional Facilities, Education, Research and Data Integrity, Staff Development and Training, Office of Administration, Office of Health Services, Office of Program Accountability, and Office of the General Counsel.

Utilizing interviews with senior managers, departmental organizational charts, legislative appropriation, and organizational knowledge, we listed major activities by program and office function. Based on executive management input, we further refined the list and identified 90 activities.²

¹ See Appendix I

² See Appendix II.

Evaluation Framework

In order to capture quantitative and qualitative factors affecting Department activities, we utilized the following list of variables to evaluate each activity in terms of relative significance within a program area or office. Ten key variables were used:

- | | |
|-----------------------------------|--|
| 1. Safety of Youth or Staff; | 6. Budgeted Expenditures; |
| 2. Publicity Risk; | 7. Complexity of Operations; |
| 3. Mission Critical; | 8. Character of the Activity; |
| 4. Deviation from Strategic Plan; | 9. Changes in Personnel or Procedures; |
| 5. Executive Leadership Interest; | 10. Internal Control Environment. |

To assign values to each variable, a simple numerical scale was used. Based on input from program offices, audit staff assigned values of 1 to 5 for each variable. The higher the assigned value, the greater the relative risk, and consequently, audit concern.

While key variables considered in this step were assumed to be general indicators of risk exposure, we did not assume them to be of equal significance in evaluating every prospective audit project. To consider these differences in significance, we numerically rank each variable in descending order of significance, based on our experiences and auditing professional practices. In this manner, higher values were consistent with increased significance, such that, with ten variables, values were assigned ranks from 100% (most significant) to 50% (least significant). Final risk element scores were calculated by multiplying the assigned significance weights and the assigned value for each variable.

In the risk assessment process, we solicited input from the Department's Executive Leadership Team members. In addition, we evaluated data related to FY 2019-2020 investigations, Quality Improvement reviews, external audits, and last year's proposed annual audit plan. Requests from management are given special consideration as they usually address immediate risks and concerns.

Fiscal Year 2020-2021 Audit Plan

We have selected the audit areas, based on our risk assessment, that we believe present the greatest risks to the Department in fiscal year 2020-2021 and that are the greatest concern of management. An unallocated reserve of approximately 500 audit hours is set aside for possible enterprise audit projects initiated by the Office of the Chief Inspector General; coordinating Department responses to the Auditor General, Office of Program Policy Analysis and Government Accountability (OPPAGA), the Department of Financial Services, and Federal audits and reviews; providing consulting services to program offices upon request; performing special projects requested by the Secretary and executive management; and assisting investigations.

Planned Audit Projects

Prior to audit fieldwork, preliminary surveys will be conducted to gain an understanding of the audit area and assess existing risks. From the preliminary survey and auditor’s assessment of risks particular to the subject area, specific audit objectives will be developed. Government auditing standards require all audits include a review and evaluation of the system of internal controls. The internal control review and evaluation includes identifying policies, procedures, practices, and systems used to ensure Department objectives are achieved. For this reason, an internal control objective is not listed in the individual audit description. A table³ listing proposed audit coverage is included after the brief descriptions of planned audits. Our proposed Annual Audit Plan for fiscal year 2020-2021 includes the following audit areas.

I. Probation Supervision

Estimated Hours: 700.....Report Completion Date: May '21

Every youth under the age of 18 charged with a crime in Florida is referred to the Department of Juvenile Justice (DJJ). Each youth is assigned a Juvenile Probation Officer (JPO) who monitors compliance and helps the youth connect with service providers. For youth placed on probation, conditional release (CR) or post-commitment probation (PCP), the Department uses the Community Assessment Tool (CAT) to assess the youth’s risk to public safety, their needs, and to ensure these areas are addressed in the Youth Empowered Success (YES) Plan. The YES Plan is the document developed between the youth, family, and JPO to plan for the successful completion of court-ordered sanctions, address criminogenic needs, and guide the supervision of youth in the community. JPOs are responsible for conducting the initial CAT assessment and YES Plan, timely updating both documents, and monitoring youth appropriately to ensure completion of YES Plan sanctions and goals. All documentation should be appropriately maintained and updated in the Juvenile Justice Information System (JJIS), in accordance with rules and policies.

II. Detention Mental Health Services

Estimated Hours: 700.....Report Completion: May '21

Detention is the custody status for youth who are held as a result of a court order or after being taken into custody for a violation of the law. Youth under age 18 taken into custody by law enforcement are screened by the Department to determine if they should be detained in a secure detention facility. The Department operates 21 secure detention facilities in 21 counties. Usually, there is a 21-day limit to secure detention, but those charged with serious offenses can be held up to 30 days. Over 65% of the youth in the Department’s care have a mental illness or substance abuse issue. There is also a subsection of DJJ youth

³ See Page 6.

who are developmentally disabled, and the Department is responsible for ensuring that youth with a developmental disability receive appropriate care and treatment services. Additionally, a significant number of youths have experienced severe childhood trauma (physical, sexual, emotional abuse) which impacts their behavior and treatment needs. Mental health services provided in Detention are offered through contracted providers through contractual arrangements. All issues must be addressed through assessments, evaluations, crisis intervention and treatment services. Detention has processes in place to begin to approach these areas, and the Office of Health Services is actively engaged in the process of improvement, oversight, and further development.

III. Contract Management

Estimated Hours: 600 Report Completion: May '21

The Department provides its major portion of services to youth through contracted service providers. The Bureau of Contract Management under the Office of Program Accountability is responsible for conducting ongoing contract management, coordinating program transitions, and processing the Department's invoices for contracted services. Currently, DJJ's contracting activities are approximately \$320 million per annum.

IV. Carry-Forward: Audit of Juvenile Justice Information System (JJIS)

Estimated Hours: 300 Report Completion: Aug. '20

V. Carry-Forward: Audit of Probation Transition Services

Estimated Hours: 300 Report Completion: Sep. '20

VI. Carry-Forward: Audit of Procurement and Contract Administration

Estimated Hours: 200..... Report Completion: July '20

VII. 2021-2022 Department Risk Assessment & Audit Planning

Estimated Hours: 250 Report Completion: June '21

Internal Audit will identify the Department's auditable units and solicit management input in assessing and prioritizing risks facing the Department. This risk assessment will be used to develop the annual audit plan for fiscal year 2021-2022.

VIII. External Audit Follow-up

Estimated Hours: 250 Report Completion: Various

Pursuant to the amended Section 20.055(6)(h), Florida Statutes, the Inspector General is required to submit to the Chief Inspector General a written statement of the implementation status of corrective actions to reports issued by the Auditor General and the Office of Program Policy Analysis and Government Accountability (OPPAGA). These reports are required to be issued no later than six months after the Auditor General or OPPAGA publishes a report on a state Department. Audit staff also act as liaison between external auditors and the Department.

FY 2020-2021 Planned Audit Coverage

Plan Section	Project Title	Coverage	Draft Finish Dates	Est. Hours
I.	Probation Supervision	Office of Probation	05/21	700
II.	Detention Mental Health Services	Office of Detention	05/21	700
III.	Contract Management	Office of Program Accountability	05/21	600
IV.	Carry-Forward: Audit of JJIS	Office of Administration	08/20	300
V.	Carry-Forward: Audit Probation Transition Services	Office of Probation	09/20	300
VI.	Carry-Forward: Audit of Procurement and Contract Administration	Office of Program Accountability	07/20	200
VII.	2021-2022 Department Risk Assessment & Audit Planning	Agency-wide	06/21	250
VIII.	External Audit Follow-up	Agency-wide	Various	250
Total Hours				<u>3,300</u>
Total Available Hours				3,830
Unallocated Hours - Reserve				530

Long Range Audit Planning

Section 20.055(6)(i), F.S., requires the Inspector General to develop long-term and annual audit plans based on the results of periodic risk assessments. Utilizing risk scores from our risk exposure analysis, we considered internal and external audits and reviews in developing the annual and long-term audit plan. Appendix II lists planned audit coverage areas for future periods.

APPENDIX

*Fiscal Year 2020-2021
Available Audit Hours Calculation*

	HOURS	
ACTIVITY		2,080
Training (40h class time + 20h travel and administration)	60	
Annual Leave	176	
Holidays (11 days @ 8 hours)	88	
Sick Leave (Estimate)	56	
General Administration (5% of 2,080 hours)	104	
Less Subtotal		484
Available Hours per Staff		<u>1,596</u>
Number of Audit Staff		2.4
Total Available Audit Hours		<u>3,830</u>

**Office of the Inspector General
Bureau of Internal Audit
2020-2021 Annual Audit Plan Risk Assessment
Annual and Long-Term Projects Plan**

Index	Program	Activity	Four Risk Strata Top 10% = High Risk Next 30% = Sensitive Risk Next 40% = Moderate Risk Lowest 20% = Low Risk	Weighted Total Risk Score	Current Audit Plan 2020-21	Planned for 2021-22	Planned for 2022-23	Planned for 2023-24
1	Adm.	Facility Services	HIGH	35.8			X	
2	Residential	Health Services		33.8				X
3	Detention	Secure Supervision		32.8		X		
4	Probation	Day Treatment		31.4			X	
5	Residential	Maximum Risk Programs		31			X	
6	Probation	Supervision		30.6	X			
7	Probation	Transition Services		30.6				
8	Residential	Living and Treatment Environment		30.6		X		
9	Detention	Health Services		30.3				
10	Detention	Mental Health Services	Sensitive	30.3	X			
11	Prevention	CINS/FINS		30.2			X	
12	Detention	Security		30.2				X
13	Residential	Capital Outlay		29.8				
14	Residential	Sex Offender Treatment		29.5				
15	Residential	Dual Diagnosis/ Developmental Disabilities		29.1				
16	Prevention	Grant Monitoring/Management		28.9		X		
17	Probation	Intake and Screening		28.9				X
18	Residential	Substance Abuse Services		28.7				
19	Program Acc.	Monitoring and Quality Improvement		28.5				X
20	Adm.	JJIS		28.1				
21	Probation	Conditional Release		28		X		
22	Probation	Case Management		27.9				
23	Program Acc.	Contract Management		27.7	X			
24	Residential	Vocational Training		27.5				
25	Residential	Mental Health Services		26.7				
26	Prevention	School Attendance Programs		26.6				
27	Residential	Program Development/ Start-up		26.5				
28	Adm.	Security		26.1				

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29	Prevention	Gender Specific Programming	Moderate	25.8				
30	Detention	Alternative to Secure Detention		25.7				
31	Residential	Behavior Management and Discipline		25.6				
32	Program Acc.	Procurement & Contract Administration		25.2				
33	Detention	Environmental Health/ Sanitation		25.2				
34	Detention	Transportation		25				
35	Adm.	Server Operations		24.9				
36	Detention	Repairs and Maintenance		24.9				
37	Adm.	Application Development and Support Administration		24.3				
38	Program Acc.	Programming and Technical Assistance		24.1				
39	Adm.	Network Operations		23.9				
40	Probation	Sex Offender Treatment		23.6				
41	Residential	Commitment Management		23.3				
42	Prevention	Boards & Councils		23.3				
43	Detention	Behavioral Management		23.2				
44	Prevention	Faith-Based Network		23.2				
45	OHS	for Mental Health, Substance Abuse and Developmental Disability		22.8				
46	SD&T	Basic Recruit Training - Direct care staff		22.8				
47	Probation	Diversion/Civil Citation		22.7				
48	Detention	Operations		22.5				
49	Adm.	Desktop Support		22.1				
50	SD&T	Testing and Evaluation		22				
51	Detention	Capital Outlay		22				
52	Probation	Evaluations/Assessments		22				
53	Prevention	Community Partnership Coordinators		21.9				
54	Residential	Gender- Specific Programs		21.9				
55	Detention	Intake and Release		21.8				
56	OHS	Oversight and Technical Assistance for Medical Services particularly in		21.5				
57	OHS	Psychotherapeutic Medication Oversight		21.5				
58	Probation	Counseling		21.1				
59	Adm.	Support Services		20.9				
60	Research & Data Integrity	Online Data Reporting		20.9				
61	OHS	Residential Placement Process for Medically Complex youth		20.9				
62	Adm.	Human Resources		20.8				
63	SD&T	Advanced & Specialized Training		20.8				
64	Adm.	Purchasing		20.4				
65	OHS	and Mental Health Technical Assistance		20.2				
66	Adm.	Budget		20.1				
67	G. Counsel	Personnel	19					

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2020-2021 Annual Audit Plan Risk Assessment
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68	G. Counsel	Public Records	18.4	18.4				
69	SD&T	Curriculum Design		18.3				
70	Detention	Food Services		18.2				
71	SD&T	Employee Training - Non Direct Care Staff		18.2				
72	SD&T	On-line Training and Training Tracking System		18.1				
73	Adm.	Contracts/Grants		18				
74	Adm.	Accounts Payable		17.8				
75	Adm.	Internet		17.7				
76	Education	Education to Youth		17.1				
77	G. Counsel	Contracts		17.1				
78	Research & Data Integrity	Comprehensive Accountability Report (CAR)	LOW	17				
79	G. Counsel	Litigation		16.7				
80	OHS	Trauma Informed Practices		16.6				
81	Probation	Independent Living Programs		16.3				
82	Probation	Respite Care		16.3				
83	Probation	Vocational Training		16.3				
84	Adm.	Cost of Care		16.2				
85		Long Range Program Plan (Data Analysis)		15.4				
86	Adm.	Reconciliation and Reporting		15.2				
87	Program Acc.	Risk Management		14.7				
88	Research & Data Integrity	Federal Performance Measures Reports	14.5					
89	Adm.	Receipts	13.5					
90	Prevention	PSA	11.3					