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Ron DeSantis, Governor
Jonathan R. Satter, Secretary

MEMORANDUM

DATE: July 2, 2020
TO: Jonathan R. Satter, Secretary
FROM: Sarah Beth Hall, Inspector General 
SUBJECT: OIG Audit Plan for Fiscal Year 2020-21 and Long-Term Audit Plans for Fiscal Years 2021-22 and 2022-23

I am submitting for your approval, in accordance with Section 20.055, Florida Statutes, and *The International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, the annual audit plan for the Office of Inspector General (OIG). The OIG audit plan documents our goals and objectives for fiscal year 2020-21, including engagements for the upcoming fiscal year and projected engagements for the following two fiscal years. The OIG audit plan is risk-based to provide the most effective coverage of the Department's programs, processes, systems, and operations. Our analysis is based on a risk assessment performed by the OIG which includes input from Department executive management, directors, managers, and OIG staff. We have also allocated a portion of our auditable hours for management requests and enterprise projects as requested by the Office of the Chief Inspector General.

We look forward to working with you in meeting the challenges and opportunities that face the Department. With your concurrence and approval, we will implement the OIG audit plan for fiscal year 2020-21, and will submit copies of the audit plan to the Office of the Chief Inspector General and the Florida Auditor General.

Thank you for your continued support.

Approved by: 

Jonathan R. Satter, Secretary

Date: 7-9-2020

Attachment

OFFICE OF INSPECTOR GENERAL



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

Sarah Bell Hall, Inspector General

Date: July 2, 2020

PURPOSE AND MISSION

The purpose of the Department of Management Services (DMS), internal audit section, within the Office of Inspector General (OIG) is to provide independent, objective assurance and consulting services designed to add value and improve the department's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit section helps DMS accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

AUTHORITY, RESPONSIBILITY, AND INDEPENDENCE

Section 20.055, Florida Statutes, creates an OIG in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government. The authority and responsibilities of the OIG are established in Section 20.055, Florida Statutes.

The Inspector General reports functionally to the Chief Inspector General (CIG) and administratively to the DMS Secretary. Pursuant to Florida Statutes, the OIG has full, free, and unrestricted access to all DMS activities, records, data, properties, functions, and personnel necessary to effectively discharge its responsibilities.

RISK ASSESSMENT AND AUDIT PLAN

To fulfill its mission and goals, the OIG conducts a risk assessment of DMS operations. Both Florida Statutes and professional audit standards require the OIG to develop risk-based annual and long-term audit plans which consider resource requirements and input from senior management.

The audit plan includes participation in enterprise audit projects as requested by the CIG. The approved audit plan will guide our activities throughout the year and can be adjusted to meet management needs as priorities change and new risks are identified. The Inspector General plans and regularly monitors work to ensure an appropriate balance is maintained between audit, investigative, and other accountability services.

The following sections provide information on available staff resources, allocation of resources, as well as detailed planned engagements for fiscal year 2020-21.

FISCAL YEAR 2020-21 AVAILABLE STAFF RESOURCES AND RESOURCE ALLOCATION

The OIG internal audit section has been authorized five positions. It is comprised of four professional staff and the Audit Director. The internal audit section reports to the Inspector General. The internal audit section professional staff provide 10,400 OIG staff hours of professional and administrative support for this upcoming fiscal year. For fiscal year 2020-21, allocation of staff hours is as follows:

Category	Planned Hours	Percent of Time
Planned Engagements ¹	5,905 hours	57%
Carry Forward Assignments	1,080 hours	10%
Follow-Up Activities	400 hours	4%
Oversight Activities	650 hours	6%
External Audit Coordination	210 hours	2%
Outreach and Education	100 hours	1%
Management Support ²	475 hours	5%
Indirect Activities ³	1,580 hours	15%
	10,400 hours	100%

PLANNED ENGAGEMENTS

Section 20.055, Florida Statutes requires the OIG to conduct financial, compliance, electronic data processing, and performance audits of the agency and prepare audit reports of the findings. Engagements are conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors or, where appropriate, in accordance with generally accepted governmental auditing standards. A total of 5,905 OIG staff hours are allocated to new engagements for fiscal year 2020-21. These engagements were selected based on a risk assessment performed by the OIG which included input from DMS management and OIG staff.

TOPIC	DESCRIPTION
MyFloridaNet-2 Contract Management	The Division of Telecommunications (DivTel) in partnership with its vendor provides network services for state government and other eligible users. This engagement will review and evaluate DivTel's contract compliance and monitoring of the MyFloridaNet-2 Contract.
State Data Center (SDC) Access Management Policies and Controls	DMS provides operational management and oversight of the SDC. This engagement will include a review and evaluation of the SDC's access management policies and controls to determine if access rights are managed in accordance with the Florida Cybersecurity Standards ⁴ .

¹ Planned Engagements include audits, consulting services, management reviews, management requests, and enterprise projects.

² Management support includes activities related to project management, OIG project staff meetings, DMS meetings, billable training, and public records requests.

³ Indirect activities include leave, state holidays, and administrative activities.

⁴ Rules 60GG-2.001 through 60GG-2.006, F.A.C., will be known as the Florida Cybersecurity Standards (FCS).

TOPIC	DESCRIPTION
<p>Division of State Group Insurance (DSGI) Accounts Receivable</p>	<p>The Division of State Group Insurance (DSGI) offers and manages a comprehensive package of health and welfare insurance benefits for active and retired state employees and their families. The Bureau of Financial and Fiscal Management within DSGI establishes and manages fiscal policy and control of the insurance benefit programs, provides financial and budget oversight, manages vendor payments, administers premiums, monitors contractors' financial compliance, and conducts audits. This engagement will review and evaluate DSGI's process for recording accounts receivable.</p>
<p>People First Service Organization Controls (SOC) Report</p>	<p>People First is the State of Florida's online, self-service, human resource information system. This engagement will review and assess the user consideration controls included in the People First vendor's SOC report to determine if the Department has implemented the controls.</p>
<p>Office of Supplier Diversity (OSD)</p>	<p>Within the Division of State Purchasing, the Office of Supplier Diversity (OSD) helps to improve business opportunities for Florida-based woman-, veteran-, and minority-owned small businesses. This engagement will review and evaluate the OSD applications, including the online recertification process, used by OSD to certify Florida-based woman-, veteran-, and minority-owned small businesses.</p>
<p>Communications Service Authorization and Billing (CSAB) System</p>	<p>DivTel handles invoicing and billing for a diverse inventory of telecommunications services. This engagement will review and evaluate selected CASB system information technology and general controls related to invoicing and billing.</p>
<p>State Data Center (SDC) Vulnerability Management Program</p>	<p>DMS provides operational management and oversight of the SDC. A vulnerability management program includes a comprehensive, documented, and accountable process for identifying and addressing vulnerabilities, patches, and threats within an organization. This engagement will review and evaluate the SDC's vulnerability management program.</p>

TOPIC	DESCRIPTION
TRIRIGA	TRIRIGA is an integrated workplace management solution. This engagement will review and evaluate the TRIRIGA system including select information technology and general controls.
Management Requests	A portion of our planned engagements is reserved for management requests that may occur during the fiscal year. These requests may be for assurance or consulting services.
Enterprise Projects	At the request of the CIG, a portion of our resources is allocated to enterprise projects for fiscal year 2020-21. The CIG in consultation with agency inspectors general identifies Enterprise projects.
Long Range Program Plan (LRPP) Performance Measures	In accordance with Section 20.055, Florida Statutes, each agency's OIG is required to assess the reliability and validity of the information provided by the agency on performance measures and standards to be submitted to the Executive Office of the Governor within the agency's LRPP.

CARRY FORWARD ASSIGNMENTS

At the end of fiscal year 2019-20, the OIG had six engagements in progress. Each carry forward project is expected to be closed out within the first quarter of fiscal year 2020-21. A total of 1,080 OIG Staff hours are allocated for these activities.

AUDIT PROJECT	DESCRIPTION
Federal Property Assistance (FPA) Program - State Agency for Surplus Property (SASP) Program, OIG No. IA-2020-54	The FPA Program acquires and distributes U.S. Department of Defense, and federally owned tangible personal property declared excess/surplus by the military and federal government. The objective of this audit is to determine the effectiveness and efficiency of the SASP program. At the end of the fiscal year, this audit was in the reporting phase.

AUDIT PROJECT	DESCRIPTION
<p>Assessment of the Florida Retirement System Investment Plan Processes and Controls, OIG No. IA-2018-53</p>	<p>The object of this audit is to evaluate the processes and procedural controls used by Retirement Operations in processing investment plan contributions and other transactions. As part of the audit, the OIG will provide the Division of Retirement with process maps and control matrices. At the end of the fiscal year, this audit was in the reporting phase.</p>
<p>Revenue and Accounts Receivable, OIG No. IA-2020-57</p>	<p>Within the Division of Finance and Administration, the Bureau of Financial Management Services provides central support services in the areas of revenue, disbursements, payroll, inventory and financial reporting. The objective of this audit is to determine if DMS maintained an effective system of internal controls over revenues and accounts receivable. At the end of the fiscal year, this audit was in the fieldwork phase.</p>
<p>Audit of the SDC's Disaster Recovery (DR) Service, OIG No. IA-2020-56</p>	<p>DMS provides operational management and oversight of the SDC. The SDC offers DR services. The DR service is a tool used by customers to support their business continuity or Continuity of Operations Plan (COOP). The objectives of the audit were to: document the current state of the DR service; determine if the current DR service meets the best practice standards; and determine if there is enough capacity to restore all DR subscribers to the DR site. At the end of this fiscal year, this audit was in the reporting phase.</p>
<p>Division of State Technology (DST) SDC Contract Management, OIG No. IA-2020-65</p>	<p>DMS provides operational management and oversight of the SDC. The objective of this audit is to determine if the SDC followed the purchasing procedures and implemented oversight and monitoring procedures from the State Term Contract for Information Technology Staff Augmentation. At the end of the fiscal year, this audit was in the fieldwork phase.</p>
<p>Audit of Remote Access Technology, OIG No. IA-2020-69</p>	<p>Telework can be an effective and useful tool for supporting an agency's COOP. Remote access technology provides the ability for telework. The objective of this audit is to review and evaluate the security controls associated with the remote access technology utilized by DMS. At the end of the fiscal year, this audit was in the planning phase.</p>

FOLLOW-UP ACTIVITIES

OIG staff conducts follow-up assessments on internal audits, external audits, and management reviews. The follow-up assessments determine if DMS has taken appropriate corrective action to address findings. The IG provides written responses to the DMS Secretary on the status of corrective actions taken. Ten engagements are scheduled for follow-up activities in fiscal year 2020-21, with 400 OIG staff hours allocated.

OVERSIGHT ACTIVITIES

The OIG participates in numerous activities that are classified as oversight. This includes coordination of the annual OIG risk assessment, OIG audit plan, OIG annual report, Computer Security Incident Response Team (CSIRT) member responsibilities, procedure reviews, single audit activities, and other internal/external assistance. A total of 650 OIG staff hours are allocated to oversight activities for fiscal year 2020-21.

EXTERNAL AUDIT COORDINATION

The OIG is the primary liaison with external audit entities and is responsible for coordinating and facilitating responses to audits or reviews by those entities with a view toward avoiding duplication. The OIG serves as the primary point of contact for external auditors.

At fiscal year-end, seven known external entity audits and/or reviews will require coordination during fiscal year 2020-21. A total of 210 OIG staff hours are allocated to external audit coordination activities.

OUTREACH AND EDUCATION

The OIG currently provides consultation to management regarding fraud, risk, internal controls, program management, and efficiency of operations. The OIG accomplishes these tasks through fraud awareness briefings, Internal Audit awareness briefings, and the OIG website. A total of 100 OIG staff hours are allocated for these related activities.

MANAGEMENT SUPPORT

Management Support includes activities associated with training, participation in DMS meetings, internal OIG meetings that involve discussions on project progress, responding to and tracking public records requests, and general project management. Project management represents the oversight of internal audits, and other OIG projects by the Inspector General.

In accordance with the *International Standards for the Professional Practice of Internal Auditing*, internal auditors should possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. OIG staff are required to obtain a minimum of 40 hours of continuing professional education every two years.

A total of 475 OIG staff hours are allocated to management support for fiscal year 2020-21.

INDIRECT ACTIVITIES

Indirect activities include administrative tasks and leave. OIG staff routinely perform activities that do not relate to specific assignments. Examples of these types of tasks include timekeeping, personnel administration, and training not directly related to a project. Additionally, estimated hours have been reserved to account for OIG staff leave and state holidays. A total of 1,580 OIG staff hours are allocated to indirect activities for fiscal year 2020-21.

LONG-TERM AUDIT PLANS

The OIG Long-Term Audit Plan ensures that the OIG's services provide the most benefit to DMS. Specifically, the OIG intends to be a leader in developing competent, innovative staff, and providing reports that are objective, clear, concise, constructive and timely, concerning matters that are important to the DMS Secretary. Specifically, planned projects are identified below. However, the long-term plans are subject to change, based on the results of the periodic risk assessment and to be responsive to both the DMS Secretary and the CIG.

Fiscal Year 2021-22
Co-located Service and Managed Service Infrastructure
Public Safety Telecom System
Leasing Process
Fleet Management Information System
Information Security Management
IT Governance
Public Records Process
Private Prisons
Cloud Governance
LRPP Performance Measures

Fiscal Year 2022-23
Federal Property Assistance Program – Law Enforcement Support Office (LESO)
Background Screening
Retirement Data Analytics – Unauthorized Benefits
DSGI Program Integrity
Compliance with Requirements for Competitive Procurement
Information Security Management
Cybersecurity
Retirement Call Center Operations
LRPP Performance Measures