



FLORIDA
DEPARTMENT of
CORRECTIONS

Governor

RON DESANTIS

Secretary

MARK S. INCH

501 South Calhoun Street, Tallahassee, FL 32399-2500

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July 29, 2020

The Honorable Mark S. Inch
Secretary
Florida Department of Corrections
501 South Calhoun Street
Tallahassee, Florida 32399-2500

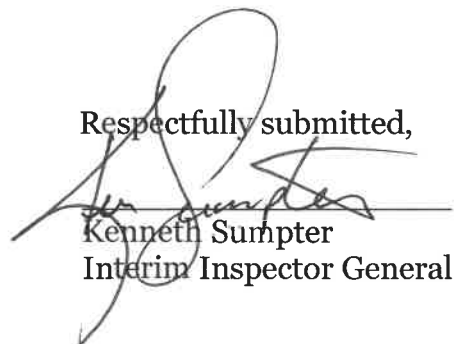
Dear Secretary Inch:

We have prepared for your review and acknowledgement our Audit Plan for Fiscal Year 2020-2021. Our Audit Plan is risk driven and considers the most effective coverage of the Department's systems, functions, programs, operations, processes, and contracts. A risk assessment is the basis for the plan, and it was accomplished with analysis and surveys of potential audit entities and input from Central Office management.

We feel the topics identified in the plan address some of the major vulnerable areas of the Department and optimize the use of our audit resources. We value your input and if there are areas you would like for us to specifically address, please let us know. We look forward to continuing our work with management to improve the delivery of programs and services by the Florida Department of Corrections.

With your approval, we will implement the Audit Plan for Fiscal Year 2020-2021. Your continued support is appreciated.

Respectfully submitted,



Kenneth Sumpter
Interim Inspector General

Approved: _____



Mark S. Inch
Secretary

KS/ps

THE ANNUAL WORK PLAN FISCAL YEAR 2020 - 2021

Work Plan Coordinators:

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Introduction

Statutory Duties and Responsibilities

Pursuant to Section 20.055, Florida Statutes, the Inspector General is responsible for keeping the Secretary of the Department of Corrections (Department) and the Chief Inspector General informed concerning fraud, abuse, and deficiencies relating to programs and operations administered or financed by the agency. In addition, the Inspector General is responsible for recommending corrective action concerning fraud, abuses, and deficiencies and reporting on the progress made in implementing corrective action. The Inspector General is also responsible for developing long-term and annual audit plans based on findings of annual risk assessments. The plan shows the individual audits that will be conducted each year and the related resources that will be devoted to the respective audits.

The Office of Inspector General, Bureau of Internal Audit, conducts compliance, contract and performance audits as well as contract management reviews of selected contracts for the agency. The audits are conducted in accordance with the current *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors.

Mission Statement

The mission of the Office of the Inspector General, Bureau of Internal Audit, is to assist the Secretary and the Department in ensuring that: (1) agency goals are met; (2) all resources are used consistent with laws, regulations, and policies; (3) all resources are safeguarded against waste, loss, and misuse; and (4) reliable data is obtained, maintained, and fully disclosed.

Goals

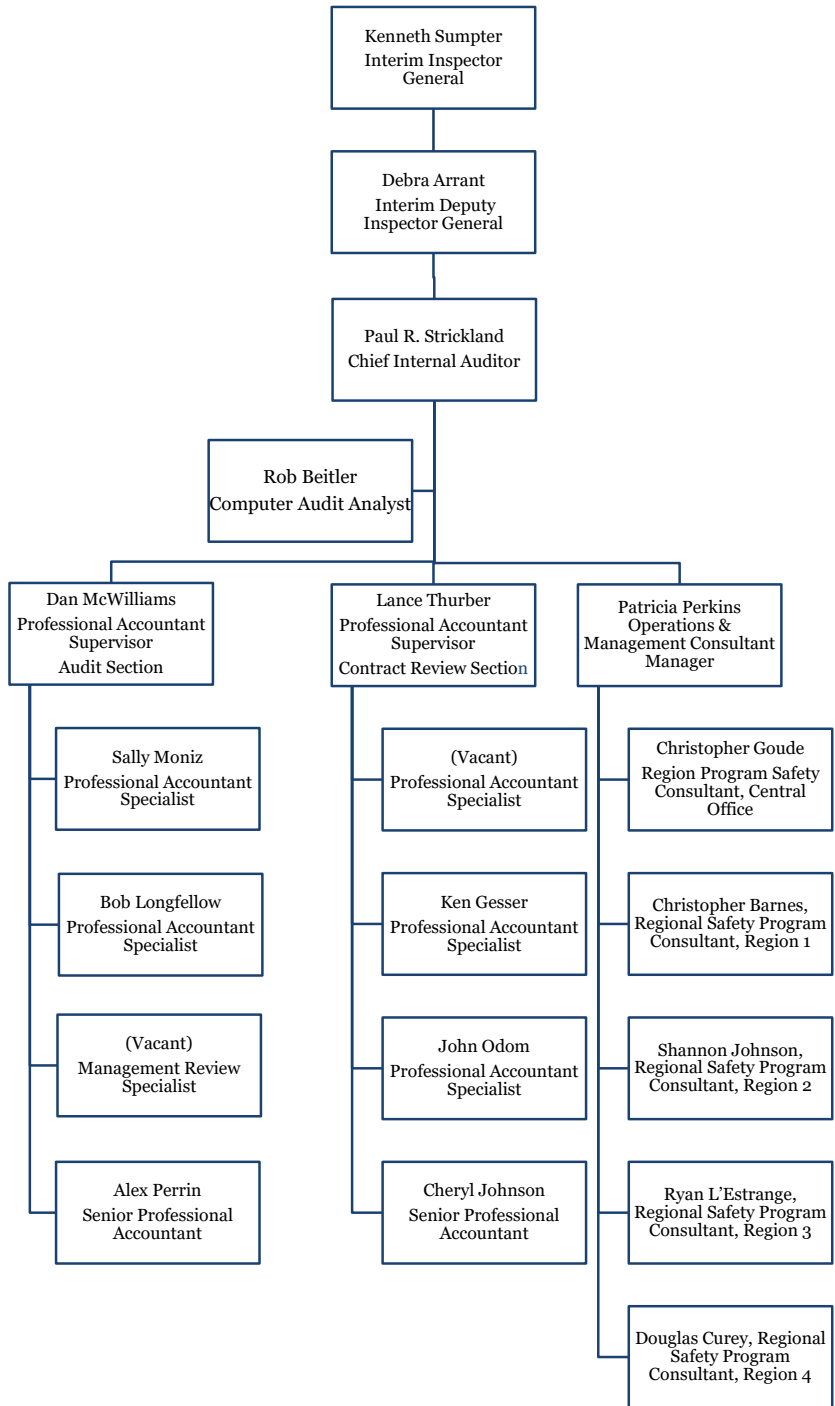
Our primary purpose is to take a proactive approach in meeting our agency's needs. Toward that end, we have established four key goals to accomplish our mission:

- Provide for quality audits, reviews, and investigations;
- Perform audits, reviews, and investigations in a timely manner;
- Use our resources efficiently; and
- Provide adequate audit/review coverage to mitigate the agency's risks.

We believe the Office of Inspector General, Bureau of Internal Audit, can best achieve its goals by: (1) supporting the Department's efforts to achieve their objectives; (2) maintaining a dynamic, team-oriented environment which encourages personal and professional growth, and challenges and rewards our employees for excelling and reaching their full potential; and (3) emphasizing continuous improvement in our delivery of services.

With this document, we set in motion the direction the Office of Inspector General, Bureau of Internal Audit, will take during the next fiscal year to accomplish its mission and goals.

Florida Department of Corrections
Office of Inspector General
Bureau of Internal Audit



Risk Assessment

PURPOSE

The purpose of developing an annual audit plan is to identify, select, and plan for the review of the vulnerable areas of the Department using available audit resources. The primary consideration during the development of an audit plan is to provide the greatest possible benefit to the Department. The Risk Assessment process provides an objective basis for identifying the areas to be reviewed.

According to statutory requirements, the Inspector General is responsible for developing long-term and annual audit plans based on *findings of periodic risk assessments*. Standards for the Professional Practice of Internal Auditing, Standard 2010.A1 states, *“The internal audit activity’s plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.”*

After reviewing prior year risk assessments for performance/compliance entities, we prepared a staffing allocation based on 1398 available hours for each auditor (net of estimated hours for leave, training, and administrative tasks) in order to establish available resources of 6650 hours. A reserve for special projects, assistance on investigations, and enterprise audits was also included in the allocation of total available resources. Once available resources were established, the results of our risk assessment, concerns of key Department managers and auditor judgment were used to determine coverage, timing, and extent of audit efforts.

METHODOLOGY

Our systematic risk assessment included several steps that provided a basis for prioritizing our audit efforts. The steps taken in our risk assessment are described as follows:

- **Establishment of the Audit Universe**

The first step in the Risk Assessment process was to identify the population of audit entities. In 1995, the Bureau of Internal Audit began surveying management at the Department of Corrections to determine the areas that could be audited utilizing the Department’s major responsibilities, programs, and processes. This process was completed in 1996 with the results identifying the Audit Universe. Every year, this Audit Universe has been updated and refined for major changes.

Based on the update of the original audit entities we feel we have developed a comprehensive listing of auditable functions within the Department of Corrections.

- **Risk Assessment**

We felt a complete risk assessment as conducted for Fiscal Year 2019-2020 was not necessary. On June 1, 2020, we forwarded the listing of auditable entities to management. We requested that they review the audit areas that had been identified for their area, and if the audit areas designated are not under their area of responsibility or they wish to add or delete areas, please provide an explanation and make appropriate changes. We also requested that management indicate any area(s) for which they have concerns and would like for us to take into consideration in planning the audits for Fiscal Year 2020-2021.

- **Selection of Audit Areas for Fiscal Year 2020-2021**

The final step in the risk assessment was the actual selection of specific audit areas for inclusion in the proposed Audit Plan.

Other factors included the in-process audits to be completed during the new fiscal year, audits required by Florida Statutes and Commission for Florida Law Enforcement Accreditation, management's concerns, available staff resources, prior audits by external auditors, and a reserve for future special requests of the Secretary, Inspector General, and Chief Inspector General.

The potential audit areas selected were presented to the Interim Inspector General and Secretary for review and approval prior to issuing the Annual Audit Plan.

Audit Plan Schedule

Annual Plan

We selected those audit/review areas that presented the greatest continued risks to the Department and posed the greatest concerns of key managers in Fiscal Year 2020-2021. A table is included on page 6 summarizing the individual audit/review areas.

Professional auditing standards require auditors to determine whether appropriate action is taken on reported audit findings and whether management is assured that corrective action taken is achieving desired results. We have scheduled follow-up audits that will require 275 audit hours to complete.

Long-term Plan

Our long-term work plans include potential areas to be audited in the future. However, modifications to this long-term plan will be made based on management's concerns and the actual risk assessment performed. The risk assessment and management's concerns are a dynamic exercise that can be affected by media attention and focus, legislative action, judicial decisions, and management directives. A table is included on page 7 summarizing the long-term plan.

FY 2020-2021 ANNUAL AUDIT PLAN

Description of Project	Project Type	Estimated Hours
I. State Investigations Process/Evidence Rooms	Audit	400
II. Employee Benefit Trust Fund	Audit	950
III. Employee Discipline	Audit	500
IV. Records	Audit	500
V. Arsenal and Ready Room Controls	Audit	500
VI. Farm and Edible Crop	Audit	500
VII. Staff Housing	Audit	250
VIII. Community Release Centers -Inmate Assignment	Audit	500
IX. IG Annual Report	Review	200
X. FDC David Audit (In Progress)	Audit	100
XI. Prison Rape Elimination Act (In Progress)	Audit	200
XII. Florida Single Audit Act (Review of Audit Report Packages)	Audit	500
XIII. Reserved for Audit Projects to be determined by the Inspector General	Audit	300
XIV. Assistance on Investigations	Audit	300
XV. Reserved for Follow-up Audits	Audit	275
XVI. Reserved for Enterprise Audits (COVID 19)	Audit	665
Total Project Hours		<u>6,640</u>

FY 2020-2021 LONG-TERM AUDIT PLAN

Description of Project		Estimated Hours
I.	State Investigations Process/Evidence Rooms	400
II.	Employee Benefit Trust Fund	950
III.	Random Drug Testing	500
IV.	Entering and Exiting Institutions	550
V.	Security of Mobile Devices	540
VI.	Offender Intake, Classification and Orientation	550
VII.	Victims Assistance Program	550
VIII.	Inmate Visitation	500
IX.	Florida Single Audit Act (Review of Audit Report Packages)	500
X.	Reserved for Audit Projects to be determined by the Inspector General	500
XI.	Assistance on Investigations	600
XII.	Reserved for Follow-up Audits	500
Total Project Resources		<u>6,640</u>

VI. Farm and Edible Crop

Estimated Hours: 500

Number of Projects Planned: 1

Objective: Determine if the program procedures and processes are in compliance with applicable laws, rules, and procedures and if the Department uses efficient operating procedures regarding the management of the program.

VII. Staff Housing

Estimated Hours: 950

Number of Projects Planned: 1

Objective: Determine whether the revenues received from staff housing are accurate.

VIII. Inmate Assignment Community Release Center

Estimated Hours: 250

Number of Projects Planned: 1

Objective: Determine whether inmates assigned to Community Release Centers are in compliance with applicable laws, rules, and procedures.

Contract Management Review (CMR)

Purpose

The purpose of developing an annual review plan is to identify, select, and plan for the review of the vulnerable contracts of the Department using available resources. The primary consideration during the development of the review plan was to provide the greatest possible benefit to the Department. The risk assessment process provides an objective basis for identifying the areas to be reviewed.

The risk assessment process is a major part of the planning process. The development of the annual review plans requires the identification of risks relating to the Department's various contracts for goods and services. Our process incorporated knowledge and concerns of CMR staff and other key and senior management which provided for a Department-wide perspective. The risk assessment included contracts with an estimated annual value of \$100,000 or greater.

After performing the risk assessment and selecting contracts for review, we prepared a staffing allocation based on 1398 available hours for each auditor (net of estimated hours for leave, training, and administrative tasks) in order to establish available resources of 5240 hours. A reserve for special projects and inquiries was also included in the allocation of total available resources.

Once available resources were established, the results of our risk assessment and auditor judgment were used to determine coverage, timing, and extent of review efforts.

Methodology

Our systematic risk assessment included several steps that provided a basis for prioritizing our review efforts. The steps taken in our risk assessment are described as follows:

- **Establishment of the Review Universe**

The first step in the risk assessment process was to identify the population of contracts for goods and services. The contract universe identified for the risk assessment for Fiscal Year 2020-2021 included only contracts with an estimated annual value of \$100,000 or greater.

- **Risk Assessment**

We felt a complete risk assessment as conducted for Fiscal Year 2019-2020 was not necessary. On June 2 and 3, 2020, we forwarded to management a listing of contracts with an estimated annual total value of \$100,000 or greater that are assigned to contract manager(s) designated under their area of responsibility. We requested that if the contracts listed are not under their area of responsibility or they wish to add or delete contracts, please provide an explanation and make appropriate changes. We also requested that management indicate any contract(s) for which they have concerns and would like for us to take into consideration in planning the contract management reviews to be performed for Fiscal Year 2020-2021.

- **Selection of Contracts for Fiscal Year 2020-2021**

The final step in the risk assessment was the actual selection of specific contracts for inclusion in the proposed review plan. We considered other factors such as, the Secretary's immediate concerns, contract expiration date, management concerns, complaints, and available staff resources. The potential contracts selected for inclusion in the Annual Review Plan were presented to the Interim Inspector General and the Secretary for review and approval prior to issuing the final annual review plan.

Contract Management Review Schedule

Annual Plan

We selected those contracts that presented the greatest continued risks to the Department and posed the greatest concerns of key managers in Fiscal Year 2020-2021. A table is included on page 13 summarizing the individual contracts to be reviewed.

Review Plan Objectives

Reviews of the identified contracts may include some or all of the objectives listed below:

Objectives will determine the effectiveness of monitoring of contracts by Department staff, the delivery of services by the contractors, and the accuracy of financial payments.

FY 2020-2021 CONTRACT MANAGEMENT REVIEW PLAN

Description of Contract	Contract Number	Estimated Hours
I. The Transition House of Dinsmore	C2798	700
II. The ReEntry Center of Brevard	PO B781DE	400
III. First Step of Sarasota, Inc.	C2894	400
IV. Non-Secure Programs, Inc.	C2903	400
V. Ace Technologies, LLC	ATC18-004	400
VI. Kronos Inc.	C2836	400
VII. JPay, Inc. (In Progress)	C2885	475
VIII. Phoenix House of Florida, Inc. (In Progress)	C2658	50
IX. Bridges of America - The Bradenton Bridge, Inc. (In Progress)	C2876	50
X. Johnson Controls Fire Protection, LP (In Progress)	C2916	50
XI. The Salvation Army (In Progress)	C2909	50
XII. The Transition House of Bartow Follow-up/Review (In Progress)	C2804	50
XIII. The Transition House of Kissimmee Follow-up/Review (In Progress)	C2830	500
XIV. Reserved for Projects to be determined by the Inspector General		300
XV. Assistance on Investigations		300
XVI. Reserved for Follow-up Reviews		200
XVII. Reserved for Enterprise Audits (COVID 19)		525
Total Project Hours		<u>5,250</u>