

RON DESANTIS
Governor



250 MARRIOTT DRIVE
TALLAHASSEE, FLORIDA 32301

June 26, 2020

Samantha Ferrin, Chief of Staff
Department of the Lottery
250 Marriott Drive
Tallahassee, FL 32301

Subject: OIG Audit Plan for Fiscal Year 2020-21

Dear Ms. Ferrin:


Pursuant to Florida Administrative Code 53-1.007 and section 20.055, Florida Statutes, I am submitting for your approval the annual audit plan for the Office of Inspector General. The audit plan includes our projects for fiscal year 2020-21 and anticipated projects for the two subsequent fiscal years. The audit plan is based on a risk assessment to provide the most effective coverage of the Department's programs, systems, and processes.

The audit plan will guide our activities throughout the year but will be adjusted to meet management needs as other priorities are identified. We look forward to working with you in meeting the challenges and opportunities that face the Department. With your approval, we will implement the audit plan for fiscal year 2020-21 and will submit copies of the audit plan to the Governor's Chief Inspector General and the Florida Auditor General.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Mompeller".

Andy Mompeller, Inspector General

Approved by: 
Samantha Ferrin, Chief of Staff

6/29/2020

Date



Office of Inspector General

Annual Audit Plan for Fiscal Year 2020-21

State of Florida
Department of Lottery
Office of Inspector General



Andy Mompeller, Inspector General
Date Issued: June 29, 2020

Introduction

The Office of Inspector General (OIG) was established within the Department of Lottery (Department) to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government. Section 20.055 of Florida Statutes (F.S.) describes the responsibilities of the Inspector General, which include:

- Conduct financial, compliance, electronic data processing, and performance audits of the Department and prepare audit reports;
- Review and evaluate internal controls necessary to ensure fiscal accountability, efficiency, and integrity of the Department's programs;
- Advise in the development of performance measures, standards, and procedures for the evaluation of Department programs;
- Recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective actions;
- Ensure effective coordination and cooperation between the Auditor General, the Office of Program Policy Analysis and Government Accountability (OPPAGA), and other governmental bodies with a view toward avoiding duplication; and
- Conduct and coordinate investigations designed to detect, deter, and prevent fraud, waste, misconduct, and other abuses.

The OIG conducts compliance, financial, information technology, operational, and performance audits in accordance with the *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors, Inc., or where appropriate, in accordance with generally accepted government auditing standards.

Risk Assessment

Section 20.055, F.S., further requires the Inspector General to develop annual and long-term audit plans based on periodic risk assessments of the Department. The OIG performs a risk assessment of the Department each year to identify areas with the highest level of risk. The objective of the risk assessment is to optimize the assignment of internal audit resources through a comprehensive understanding of the audit universe and the risks associated with each item.

The risk assessment includes identifying programs and activities administered by the Department and evaluating each activity based on indicators of risk exposure, or risk factors. The risk factors used to rate the vulnerability of the programs and activities include the control environment, complexity of operations, degree of change in operations or systems, financial impact, public perception, audit coverage, and management concerns. The risk assessment included administration of a risk assessment survey to Department management and meetings with executive management to discuss enterprise risk exposures and internal controls.

Using the results from these efforts, we developed the audit plan for fiscal year 2020-21. We also developed the long-term audit plan, which consists of anticipated projects for two subsequent fiscal years. The audit plan is subject to change as Department priorities change and new risks are identified.

Resources

The Office of Inspector General currently has six positions. They are comprised of three professional audit personnel and a specialist who report to the Director of Internal Audit. These positions are also responsible for conducting investigations and providing investigative support to the Division of Security. Assignment of personnel is made based on availability, expertise, objectivity, and experience.

In addition to the planned projects and arising investigations, OIG staff resources will be allocated to follow-ups to deficiencies identified in previous audits and reviews, liaison activities with external auditors, and activities relating to maintenance of our accreditation by the Commission for Law Enforcement Accreditation, Inc. The OIG also participates in numerous oversight activities, provides outreach and education to assist the Department in meeting its mission, and seeks continuing professional education to ensure OIG personnel possess the knowledge, skills, and competencies needed to perform their individual responsibilities. Further, the Chief Inspector General has asked each agency OIG to allocate a specified number of audit hours to enterprise projects, which address administrative issues common to most agencies.

2020-2021 Planned Projects

The projects on the following page were selected based on the annual risk assessment performed by the OIG, and in concurrence with the Florida Lottery Chief of Staff.



| Division/Office | Project |
|----------------------------|--|
| Operations | Gaming System Implementation – Carryover |
| Finance | Agency Travel – Carryover |
| Support Services | Fleet Management - Carryover |
| Operations | Evaluation of Infrastructure – Carryover |
| Department-wide | Records Retention - Carryover |
| Claims Processing | Prize Payment Process |
| Operations/ISM | System Access and User Privileges |
| Department-wide | Performance Measures |
| Security | Internal Control and Data Security |
| Sales | District Offices |
| Finance | Internal Control Assessment |
| Security | Investigative Funds |
| Sales/Games Administration | Promotional Tickets |
| Security | Evidence Vault |
| Chief Inspector General | Enterprise Projects |

Long-Term Projects

Planned projects for fiscal years 2021-22 and 2022-23 include the following:

- Succession Planning
- Background Checks
- Merchandise Inventory Control System
- Retailer Contract Applications
- Software Quality Assurance
- Communications
- District Offices
- Human Resources
- Internal Control Assessment

Specific projects for future years may be altered due to changing risks and consultation with management. The OIG will evaluate whether changes in the Department’s risk environment require that we realign our long-term plans to address issues of higher risk or matters of more immediate concern to management.