



STATE OF FLORIDA

DIVISION OF EMERGENCY MANAGEMENT

RICK SCOTT
Governor

BRYAN W. KOON
Director

Office of Inspector General 2014-2015 Annual Work Plan

In accordance with Section 20.055, Florida Statutes, I respectfully submit for your approval the Office of Inspector General annual work plan for fiscal year 2014-2015.

This work plan is based on the results of our annual risk assessment to provide the best use of available resources and the most effective coverage of the Division of Emergency Management's programs, systems, activities and contracts. In addition to the audits we have identified, time has been allocated for management requests and investigations. Also, at the direction of the Governor's Chief Inspector General, approximately twenty percent of our available time has been allocated to enterprise audit projects.

During the year, this plan may be modified to address changing conditions and risks.

Florida Statutes require copies of this work plan be provided to the Governor's Chief Inspector General and the Auditor General.

If you have any questions or would like to discuss the plan further, I am available at your convenience.

Respectfully Submitted by:

Ronnie Atkins, CPA
Deputy Inspector General

Date: 7-21-14

Work Plan Approved by:

Bryan Koon
Director

Date: 8/1/14

Office of Inspector General 2014-2015 Annual Work Plan

BACKGROUND

The Office of Inspector General (OIG) provides the Division of Emergency Management (Division) a central point for coordination of and responsibility for activities that promote accountability, integrity and efficiency in government. Section 20.055(2), Florida Statutes, outlines the following responsibilities of the Inspector General:

- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the Division.
- Review and evaluate internal controls to ensure fiscal accountability, efficiency and integrity of the Division's programs.
- Advise in the development of performance measures, standards, and procedures for the evaluation of Division programs.
- Assess the reliability and validity of the information provided by the state agency on performance measures and standards, and make recommendations for improvement.
- Review actions taken by the Division to improve program performance.
- Conduct, supervise, or coordinate other activities carried out or financed by the Division for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- Keep the Division Director informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the Division, recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action.
- Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication.
- Review, as appropriate, rules relating to the programs and operations of the Division and make recommendations concerning their impact.
- Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.
- Comply with the *General Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General.

These responsibilities are shared by three positions within the OIG: Deputy Inspector General and two Auditors (one full-time career service and one Other Personal Services employee). Total available staff time is reduced by the amount of indirect time allocated for training, administrative duties and leave resulting in 3,465 direct hours for OIG staff to allocate to audits, investigations and review projects. Approximately 500 of these direct hours will be used to complete projects initiated in the prior year.

2014-2015 Audit Plan

The goal for the audit plan is to effectively and efficiently focus OIG resources on the areas that present the greatest risks to the Division. This plan will be reviewed during the year and is subject to change as new risks are identified and Division priorities change. Audit

**Office of Inspector General
2014-2015 Annual Work Plan**

and review topics were identified based on the results of the risk assessment and available hours are allocated as shown below:

| Audit Projects | | Hours |
|-----------------------------------|--|--------------|
| Carryover Projects | | |
| Inventory | | 350 |
| Current Year Projects | | |
| Contract and Grant Management | | 350 |
| Procurement | | 250 |
| Enterprise Audit Projects | | 690 |
| Subtotal | | 1,640 |
| | | |
| Investigations | | Hours |
| Investigative Activities | | 235 |
| | | |
| Reviews and Management Advisories | | Hours |
| Carryover Projects | | |
| Governance - Policy and Procedure | | 150 |
| Current Year Projects | | |
| Staffing | | 250 |
| Special Projects | | 300 |
| Subtotal | | 700 |
| | | |
| Recurring Projects and Activities | | Hours |
| Single Audit Review | | 500 |
| Risk Assessment and Annual Report | | 150 |
| Performance Measure Review | | 100 |
| Audit Follow-up | | 100 |
| External Audit Liaison | | 40 |
| Subtotal | | 890 |
| | | |
| Total | | 3,465 |

METHODOLOGY USED TO SELECT ENGAGEMENT TOPICS

The OIG conducted a risk assessment that included all programs within the Division. Our risk assessment methodology included:

- Reviewing program objectives, financial information, applicable laws, various internal and external audit reports, and other available program data.
- Interviewing senior management regarding Division operations and associated risks.
- Surveying program management regarding risks in their areas of responsibility and the Division as a whole.
- Ranking the topics selected from interviews, surveys and other research based on risk factors such as: fraud potential, management interest, materiality, impact of changes to systems or programs, and recent audit coverage.

WORK PLAN PROJECT SUMMARIES

| Engagement Topics | |
|--|--|
| Topic | Description |
| Inventory | This is a carryover project. The purpose of the project is to determine whether Division property is controlled and accounted for as required by statute and rule. The objective of the project is to evaluate the processes used to inventory Division tangible property and to account for and manage inventory held at the State Logistics Resource Center. |
| Contract and Grant Management | This project would assess the Division's contract and grant management for compliance with state and federal requirements and guidance. |
| Procurement | This project would evaluate the Division's procurement process for effectiveness and efficiency and compliance with policies, procedures and the <i>Reference Guide for State Expenditures</i> . |
| Enterprise Audit Projects | The Governor's Chief Inspector General asked agency inspectors general to allocate twenty percent of their available time to enterprise projects. |
| Governance – Policy and Procedure | This is a carryover project. The International Professional Practices Framework sets standards for internal auditors. Standard 2110 - the internal audit |

**Office of Inspector General
2014-2015 Annual Work Plan**

| | |
|---|--|
| | function must assess and make appropriate recommendations for improving the governance process. The purpose of the engagement is to evaluate the Division's processes for developing, maintaining and approving policies and procedures. |
| Staffing | This engagement would evaluate the division's staffing to identify ways to reduce turnover, retain knowledge, and improve efficiency and effectiveness of operations. |
| Management Requests and Special Projects | The OIG is responsible for responding to unplanned management requests and special projects. Management priorities, as well as risks, are not always static. Audit staff must be available to ensure timely response. |

| Recurring Projects and Activities | |
|---|---|
| Topic | Description |
| Single Audit Reviews (Federal and State) | The Division is required by Florida Statute to review subgrantee financial reporting packages (Single Audits) including the management letters and corrective action plans, to the extent necessary to determine whether timely and appropriate corrective action has been taken with respect to audit findings and recommendations pertaining to state financial assistance that are specific to the Division. The Office of Inspector General is the Division's organizational unit responsible for receiving and reviewing the Single Audit reports submitted. During FY 2012-2013, the OIG conducted 258 reviews of submitted packages. |
| Performance Measure Review | By statute the OIG is to advise in the development of performance measures, standards and procedures for the evaluation of state agency programs. Also, the OIG is to assess the reliability and validity of the information provided by the Division on performance measures and standards, and make recommendations for improvement, if necessary, prior to submission of those measures and standards to the Executive Office of the Governor. |

**Office of Inspector General
2014-2015 Annual Work Plan**

| | |
|--|---|
| Risk Assessment and Annual Report | In accordance with Section 20.055, Florida Statutes, the inspector general shall develop long-term and annual audit plans based on the findings of periodic risk assessments. |
| Follow-up of Prior Audit Findings | In accordance with Section 20.055, Florida Statutes, the inspector general shall monitor the implementation of the state agency's response to any report on the state agency issued by the Auditor General or by the Office of Program Policy Analysis and Government Accountability. |

| External Audit Liaison | |
|--|--|
| Topic | Description |
| State of Florida Auditor General | During FY 2015, the State Auditor General will conduct an annual audit of the Division's compliance and internal controls over financial reporting and federal awards. |
| Department of Homeland Security Office of Inspector General | The Department of Homeland Security Office of Inspector General reviews the Division's subgrantees to identify questioned costs related prior hurricanes. |

| Other Value Added Services | |
|---|---|
| Topic | Description |
| Catalog of State Financial Assistance Agency Annual Update | The Department of Financial Services requires an annual recertification of the Division's Catalog of State Financial Assistance information. The OIG facilitates and reviews the annual submission. |
| Computer Security Incident Response Team | Florida Administrative Code Rule 71A identifies the OIG as a required member of the Division's Computer Security Incident Response Team. |

**Office of Inspector General
2014-2015 Annual Work Plan**

LONG-TERM WORK PLAN TOPICS

Based on available time, we will include the top ranked audit topics in our 2014-2015 work plan. Lower ranking projects were included in the long-term work plan.

| Long-Term Work Plan Topics | |
|-----------------------------------|---|
| Topic | Description |
| Single Source Contracts | <p>Section 287.057, Florida Statutes, lists requirements for single source procurements and requires agencies to follow specific procedures both during and after procuring a single source contract.</p> <p>The this audit would potentially determine if Division single source contracts are in compliance with rules, laws and procedures.</p> |
| Computer Usage | <p>The Division's Computer, Data Security, Software and Internet Policy states that: no computer, software, or connection owned or provided by the Division shall be used to retrieve, display, store, reproduce, transmit or manipulate any material with pornographic or obscene content, for any political activity or for personal profit or gain.</p> <p>This audit would potentially evaluate employee compliance with computer usage policies and assess employee computer usage for non-business purposes, such as conducting personally-owned business activities and accessing pornographic and gambling sites.</p> |
| Disaster Reservist Program | <p>This audit would potentially evaluate the operation of the Disaster Reservist Program, including: strategy, policies and procedures.</p> |
| COOP Plan | <p>The Division's continuity of operations plan was established in September 2002 to ensure the Division is able to continue essential functions during emergencies.</p> <p>This audit would potentially evaluate the Division's COOP plan strategy, policies and procedures.</p> |