

# DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION



**RON DeSANTIS**  
Governor

**MELANIE S. GRIFFIN**  
Secretary

**MELINDA MIGUEL**  
Chief Inspector General

**RODNEY J. MACKINNON**  
Inspector General

## Office of Inspector General

Annual Audit Plan for Fiscal Year 2022-23  
and Long-Term Audit Plans for  
Fiscal Years 2023-24 and 2024-25

June 2022



**DEPARTMENT OF BUSINESS & PROFESSIONAL REGULATION  
Office of Inspector General**

**Melanie S. Griffin  
Secretary**

**Rodney J. MacKinnon  
Inspector General**

**OIG ANNUAL AUDIT PLAN FOR  
FISCAL YEAR 2022-23 AND  
LONG-TERM AUDIT PLANS FOR  
FISCAL YEARS 2023-24 THROUGH 2024-25  
June 30, 2022**

**INTRODUCTION**

The Office of Inspector General (OIG) was established within the Department of Business and Professional Regulation to provide a central point for coordination and responsibility for activities that promote accountability, integrity, and efficiency in government. Section 20.055, Florida Statutes, designates the responsibilities of the Inspector General. These responsibilities include:

- Advising in the development of performance measures.
- Reviewing actions taken by the department to improve program performance.
- Providing direction for supervising, and coordinating audits, investigations, and management reviews relating to department programs and operations.
- Evaluating internal controls to ensure fiscal accountability, efficiency, and integrity of the Department's programs and operation

To help promote accountability, integrity, and efficiency in department operations, the OIG conducts independent and objective audits and reviews of department programs, activities, and functions. The purpose of these engagements is to provide management with information on the adequacy and effectiveness of internal controls, to evaluate compliance with applicable laws, rules, and regulations, and to assess the effectiveness and efficiency of department operations.

The OIG conducts audits, reviews, and other projects in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* published by the Institute of Internal Auditors, Inc., or, where appropriate, in accordance with generally accepted government auditing standards.

**RISK ASSESSMENT PROCESS**

Section 20.055, Florida Statutes, requires the Inspector General to develop annual and long-term audit plans based on the findings of periodic risk assessments. The *Standards* require that we base our engagement plan on a documented risk assessment that is undertaken at least annually. As such, our office conducted a risk assessment for 2022 that included a review and analysis of department strategic plans, operational reports, budgets, and other documents.

During the period of April 2022, the OIG submitted an online Risk Assessment survey to the department's division directors. Division directors then appropriately allocated surveys to bureau chiefs and key staff. The purpose of this process was to gain an understanding of potential risk exposures that may affect the department, as well as assist with the planning of the OIG annual audit plan and related activities. Our office noted a 100% survey response rate, with all divisions responding to the surveys.

Moreover, OIG submitted a Technology Risk Assessment survey to the department's Division of Technology. The survey assisted our office in assessing the vulnerability, confidentiality, and integrity of the department's technology system/infrastructure, as well as controls in place for the protection of the department's technology resources and assets.

Additionally, our office conducted risk assessment interviews with division directors and relevant division staff. We then met with executive management to discuss the divisions' responses, along with enterprise risk exposures and internal controls. This process represents our qualitative analysis of each auditable entity.

### INTERNAL AUDIT STAFFING

The Bureau of Internal Audit is staffed by the Director of Auditing and three internal auditors. We determined that 5,215 hours of auditor staff time are available annually for direct audit activities. In calculating available staff hours, we deducted reasonable leave time, holiday hours, required training hours, administrative time, and time dedicated to statutorily required activities and responsibilities. These staff resources are available to conduct internal audits of department programs, activities, and functions, perform consulting engagements and management reviews, provide advisory services to management, and participate in enterprise-related activities as requested by the Chief Inspector General.

HOURS AVAILABLE FOR DIRECT AUDIT ACTIVITY	
<b>Total Staff Hours (2,080 Hours x 4 Staff)</b>	<b>8,320</b>
Less Estimated Hours:	
<b>Holiday and Leave Time</b>	(1,280)
<b>Professional Training</b> (40 hours annually required per audit standards [IIA Standards 1230] x 4 staff)	(160)
<b>Administrative Activities</b> [General administrative activities of the Bureau of Internal Audit, including the Quality Assurance and Improvement Program (QAIP) activities required by internal audit standards]	(600)
<b>Statutory and Other Required Activities</b>	
<ul style="list-style-type: none"> <li>• Coordination of external reviews: (250)</li> <li>• Florida Single Audit Act coordination and technical assistance: (300)</li> <li>• Annual and on-going risk assessment: (350)</li> <li>• Annual and long-term audit plan preparation: (50)</li> <li>• Annual Report preparation: (75)</li> <li>• LBR Schedule IX preparation: (40)</li> </ul>	(1,065)
<b>Direct Audit Hours</b>	<b>5,215</b>

## ANNUAL AUDIT PLAN

The following annual and long-term audit plans reflect areas of higher risks identified through the risk assessment process, along with management's priorities, for audit coverage. We note that the risk assessment process establishes risk priorities at a specific point in time. The plan evaluates risk exposure and the effectiveness and efficiency of controls to include:

- Operational changes
- Safeguarding of assets
- Exposure to potential fraud risks
- Reliability and integrity of information provided
- Cybersecurity risks

We will continue to monitor the department's risk environment to identify emergent issues that may require more immediate review. We also strive to accommodate management requests for audit services that may arise during the year as these typically represent current department concerns. The plan may be adjusted by the OIG to meet management's needs, emerging risks, and other priorities.

The Chief Inspector General has directed Executive Branch agency Offices of Inspectors General to reserve twenty percent of available direct audit hours for participation in enterprise audits. Enterprise audits address issues and risks that are common to most state agencies. These audits seek to identify best practices within the enterprise and practical solutions for agency implementation. The Chief Inspector General has selected "*Identity Management, Authentication, and Access Control*" relative to cybersecurity as one of the enterprise audit topics for Fiscal Year 2022-23

The following table lists the internal audits planned for Fiscal Year 2022-23. The table includes an estimate of the staff resources required to complete each engagement. A brief description of the focus of each engagement is provided on the subsequent page. Long-term audit plans for the next two fiscal years are also included.

ANNUAL AUDIT PLAN - Fiscal Year 2022-23		
Division/Office	Audit/Assurance Engagement Topic	Estimated Hours
<i>To Be Determined</i>	Chief Inspector General Enterprise Audits <i>[Selected Topic(s)]</i>	520
Division of Technology	Chief Inspector General Enterprise Audit: <b>[Protect: Identity Management, Authentication, and Access Control (PR.AC)]</b>	523
Division of Technology/ Multi-divisions	Audit of Internal Controls over Driver and Vehicle Information Database (DAVID) – <i>This is a carry-forward engagement from Fiscal Year 2021-22</i>	400

Division of Financial Management/Bureau of Finance and Accounting	Disbursement Section Processes - <i>This is a carry-forward engagement from Fiscal Year 2021-22</i>	600
Division of Regulation	Performance Measure Validity and Reliability (Requirement per s. 20.055, F.S.)	500
Department	Property Management Audit	750
Division of Administration/Bureau of Agency Services	Contract Procurement and Management Audit	700
<b>Division/Office</b>	<b>Follow-up Engagements (Internal)</b>	<b>Estimated Hours</b>
Office of the General Counsel	Public Records Audit	75
Division of Alcoholic Beverages and Tobacco	DAVID Audit	75
Division of Technology	Enterprise Audit of Cybersecurity Continuous Monitoring	75
Division of Technology/Multi-Divisions	DAVID Audit	75
<b>Division/Office</b>	<b>Follow-up Engagements (External)</b>	<b>Estimated Hours</b>
Division of Hotels and Restaurants	Auditor General's Operational Audit	75
<b>Division/Office</b>	<b>Internal Audit Engagement</b>	<b>Estimated Hours</b>
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – <b>Standard 1300</b> <i>(In accordance with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards))</i>	247
<b>Division/Office</b>	<b>Management Reviews and Advisory/Technical Assistance Services</b>	<b>Estimated Hours</b>
Office of the General Counsel	Case Management Process Review	300
<i>To Be Determined</i>	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	300
<b>Total Hours</b>		<b>5,215</b>

NOTE: This plan is subject to revision based on changes in the department's risk environment and extenuating circumstances.

## Overview of Engagements Planned for Fiscal Year 2022-23

**Cybersecurity Audit Plan** – in accordance with s. 20.055(6)(i), long-term and annual audit plans shall include a specific cybersecurity audit plan. As such, the Chief Inspector General has selected “*Identity Management, Authentication, and Access Control*”. This audit is in response to the provisions set forth in s. 20.055 and will be conducted under Rule 60GG-2.003, F.A.C. *Protect*, which stipulates that each agency shall ensure that access to IT resources is limited to authorized users, processes, or devices, and to authorized activities and transactions.

**Internal Controls over Driver and Vehicle Information Database (DAVID):** *(Carry-forward engagement from Fiscal Year 2021-22)*: The purpose of this review is to evaluate whether the department’s internal controls over the personal data accessed through DAVID are adequate to protect data from unauthorized access, distribution, use, modification, or disclosure per the department’s MOU with the Department of Highway Safety and Motor Vehicles.

**Audit of Disbursement Section Processes** *(Carry-forward engagement from Fiscal Year 2021-22)*: The purpose of this review is to determine whether internal controls over disbursements are reasonably adequate to ensure compliance with the applicable laws, rules and regulations and the prevention of duplicate payments.

**Performance Measure Validity and Reliability Review:** Section 20.055, Florida Statutes, requires the Inspector General to assess the validity and reliability of the department’s performance measures and standards and make recommendations for improvement, if necessary. The OIG will evaluate the validity and reliability of selected performance measures and standards, as well as the methodology used to calculate results. The audit will also review the sufficiency and effectiveness of internal controls established to ensure the accuracy of source data. The specific division to be reviewed will be identified later in the fiscal year.

**Property Management Audit:** The purpose of this audit is to evaluate whether adequate internal controls are in place for the accounting of the department’s property and determine if appropriate security measures exist to safeguard the department’s assets.

**Contract and Procurement Management Audit:** The purpose of this review is to evaluate the efficiency and effectiveness of internal controls over the department’s contract management and procurement processes

## LONG-TERM AUDIT PLANS

The following tables present the OIG's audit plans for the remaining two fiscal years of the audit cycle. As part of the Fiscal Year 2022-23 annual risk assessment, the OIG will evaluate whether changes in the department's risk environment require that we realign our long-term audit plans to address issues of higher risk or matters of more immediate concern to management.

LONG-TERM AUDIT PLAN Fiscal Year 2023-24		
Division/Office	Audit/Assurance Engagement Topic	Estimated Hours
<i>To Be Determined</i>	Chief Inspector General Enterprise Audit(s) <i>[Selected Topic(s)]</i>	1043
Department	Audit of Department Cybersecurity	700
Department	Trust Fund Review	600
Division of Real Estate	Appraisal Process	600
Division of Regulation	Unlicensed Activity Complaint Process	675
Division of Condominiums, Timeshares, and Mobile Homes/Compliance	Complaint Intake and Investigation Process	675
Division/Office	Follow-up Engagements	Estimated Hours
Multiple Divisions	Follow-up Engagements: To Be Determined	200
Division/Office	Internal Audit Engagement	Estimated Hours
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – <b>Standard 1300</b> <i>(In accordance with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards))</i>	250
Division/Office	Management Reviews and Advisory/Technical Assistance Services	Estimated Hours
Division of Administration	Department Administrative Policies and Procedures	300
<i>To Be Determined</i>	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	172
<b>Total Hours</b>		<b>5,215</b>

**NOTE:** This plan is subject to revision based on changes in the department's risk environment and extenuating circumstances.

<b>LONG-TERM AUDIT PLAN Fiscal Year 2024-25</b>		
<b>Division/Office</b>	<b>Audit/Assurance Engagement Topic</b>	<b>Estimated Hours</b>
<i>To Be Determined</i>	Chief Inspector General Enterprise Audits <i>[Selected Topic(s)]</i>	1043
Department	Audit of Department Cybersecurity	700
Department	Audit of Executed Contracts	658
Division of Technology/Multi Divisions	Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	760
Division of Alcoholic Beverages and Tobacco	Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	625
To Be Determined	Performance Measure Validity and Reliability (Requirement per s. 20.055, F.S.)	675
<b>Division/Office</b>	<b>Internal Follow-up Engagements</b>	<b>Estimated Hours</b>
Multiple Divisions	Follow-up Engagements: To Be Determined	200
<b>Division/Office</b>	<b>Internal Audit Engagement</b>	<b>Estimated Hours</b>
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – <b>Standard 1300</b> <i>(In accordance with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards))</i>	250
<b>Division/Office</b>	<b>Management Reviews and Advisory/Technical Assistance Services</b>	<b>Estimated Hours</b>
<i>To Be Determined</i>	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	304
<b>Total Hours</b>		<b>5,215</b>

**NOTE: This plan is subject to revision based on changes in the department's risk environment and extenuating circumstances.**

To promote accountability, integrity, and efficiency in government, the Office of Inspector General conducts audits and reviews of Department of Business and Professional Regulation programs, activities, and functions. This project was conducted pursuant to Section 20.055, Florida Statutes, and in conformance with applicable *Principles and Standards for Offices of Inspectors General* as published by the Association of Inspectors General and applicable standards of the *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors, Inc.

Other reports prepared by the Office of Inspector General of the Department of Business and Professional Regulation can be obtained by telephone (850-414-6700) or by mail (2601 Blair Stone Road, Tallahassee, FL 32399-1018). OIG reports are also available online at <http://www.myfloridalicense.com/dbpr/oig/auditreports.html>.