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**MEMORANDUM**

**DATE:** June 29, 2022

**TO:** J. Todd Inman, Secretary

**FROM:** Sarah Beth Hall, Inspector General *SBH*

**SUBJECT:** OIG Audit Plans for Fiscal Year 2022-23 and Long-Term Audit Plans for Fiscal Years 2023-24 and 2024-25


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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, Inc., the annual audit plans for the Office of Inspector General (OIG). The OIG audit plans document our goals and objectives for fiscal year 2022-23, including internal and cybersecurity engagements for the upcoming fiscal year and projected engagements for the following two fiscal years.

The OIG audit plans are risk-based to provide the most effective coverage of the Department's programs, processes, systems, and operations. Our analysis was based on a risk assessment which included input from Department executive management, directors, and OIG staff. We have allocated a portion of our available hours for management requests and enterprise projects as requested by the Office of the Chief Inspector General.

We look forward to working with management in meeting the challenges and opportunities that face the Department. With your concurrence and approval, we will implement the OIG audit plans for fiscal year 2022-23, and will submit copies of the audit plans to the Office of the Chief Inspector General and the Florida Auditor General.

Thank you for your continued support.

Approved by:   
J. Todd Inman, Secretary

Date: 6/30/22

Attachment

# OFFICE OF INSPECTOR GENERAL



*Internal and Cybersecurity Audit Plans for Fiscal Year 2022-23  
and  
Long-Term Audit Plans for Fiscal Years 2023-24 and 2024-25*

Sarah Beth Hall, Inspector General

Date: June 29, 2022

## **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 (F.S.), 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, F.S.

The Inspector General reports functionally to the Chief Inspector General (CIG)<sup>1</sup> 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 PLANS**

To fulfill its mission and goals, the OIG conducts an annual risk assessment of DMS operations, including cybersecurity and fraud. 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 audit plan also incorporates audit projects to address cybersecurity risks that may impact the confidentiality, integrity, and availability of data, information, and information technology resources. The approved audit plan guides OIG 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.

Information on available staff resources, allocation of those resources, and a detailed plan of engagements for fiscal year 2022-23, are provided below.

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<sup>1</sup> The Office of the Chief Inspector General is established within the Executive Office of the Governor pursuant to section 14.32, F.S. The CIG is responsible for promoting accountability, integrity, and efficiency in the agencies under the jurisdiction of the Governor.

**FISCAL YEAR 2022-23 AVAILABLE STAFF RESOURCES AND 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. Internal audit section staff will provide 10,400 hours of professional and administrative support for fiscal year 2022-23. The allocation of staff hours is as follows:

<b>Category</b>	<b>Planned Hours</b>	<b>Percent of Time</b>
Planned Engagements <sup>2</sup>	2,885 hours	28%
Carry Forward Assignments	1,672 hours	16%
Follow-Up Activities	517 hours	5%
Oversight Activities	1,937 hours	19%
External Audit Coordination	232 hours	2%
Outreach and Education	100 hours	1%
Management Support <sup>3</sup>	426 hours	4%
Indirect Activities <sup>4</sup>	2,631 hours	25%
	<b>10,400 hours</b>	<b>100%</b>

**PLANNED ENGAGEMENTS**

Section 20.055, F.S., requires the OIG to conduct financial, compliance, electronic data processing, and performance audits of the agency and prepare audit reports of the findings. Section 20.055, F.S, also requires the OIG to include a specific cybersecurity audit plan.<sup>5</sup> 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 2,885 OIG staff hours are allocated to new engagements for fiscal year 2022-23. These engagements were selected based on a risk assessment performed by the OIG which included input from DMS management and OIG staff.

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<sup>2</sup> Planned engagements include audits, consulting/advisory services, management reviews, management requests, performance measure review, and enterprise projects.

<sup>3</sup> Management support includes activities related to project management, OIG project staff meetings, DMS meetings, job related training, and public records requests.

<sup>4</sup> Indirect activities include leave, state holidays, and administrative activities.

<sup>5</sup> House Bill 1297, Cybersecurity, passed during the 2021 legislative session, modified section 20.055, F.S., to include the requirement for a specific cybersecurity audit plan.

**INTERNAL AUDIT PLAN**

The projects summarized below represent the internal audit engagements planned for fiscal year 2022-23. Internal audit engagements are also included in the long-term audit plans on page 6.

TOPIC	DESCRIPTION
<b>American Rescue Plan Act (ARPA)</b>	The ARPA provides support to State, local, and Tribal governments in responding to the impact of COVID-19. As a recipient of ARPA funds, the Department must abide by the restrictions on applicable use, other federal laws, and program guidance. This audit will examine the Department's compliance with applicable laws, rules, and guidance for use of ARPA funds.
<b>DMS Procurement Audit</b>	Section 287.136, F.S., requires each agency's OIG to complete a risk-based compliance audit of all contracts executed by the Agency for the preceding three fiscal years, which must include an evaluation of, and identify any trend in, vendor preference. This audit will be a risk-based compliance audit of all department contracts executed for fiscal year 2021-22.
<b>Management Requests</b>	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.
<b>Enterprise Projects</b>	At the request of the CIG, a portion of our resources is allocated to enterprise projects for fiscal year 2022-23. The CIG, in consultation with agency inspectors general, identifies enterprise projects.
<b>Long Range Program Plan (LRPP) Performance Measures</b>	In accordance with Section 20.055, F.S, 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.

## CYBERSECURITY AUDIT PLAN

The projects listed below represent the planned cybersecurity audit engagements for fiscal year 2022-23. Cybersecurity engagements are also included in the long-term audit plans on page 6.

TOPIC	DESCRIPTION
<b>Building Automation Systems</b>	The Bureau of Building Systems within the Division of Real Estate Development and Management is responsible for the service, repair, replacement, and operation of industrial control systems maintained by DMS in the Florida Facilities Pool. This includes building automation, fire alarm, access control, intrusion detection, video surveillance, and energy management systems.
<b>Enterprise Cybersecurity Audit</b>	An enterprise audit to evaluate compliance with a section of the Florida Cybersecurity Standards outlined under Chapter 60GG-2, F.A.C.

## CARRY FORWARD ASSIGNMENTS

At the end of fiscal year 2021-22, the OIG had three audits in progress. Each carry forward project is expected to be closed out during fiscal year 2022-23. A total of 1,672 OIG staff hours are allocated for these activities.

AUDIT PROJECT	DESCRIPTION
<b>Statewide Law Enforcement Radio System (SLERS) OIG Project No. IA 2022-30</b>	Florida's SLERS is a single, unified digital radio network that meets the radio voice communications needs of state law enforcement officers and other participating agencies throughout the state. Under section 282.709, F.S., DMS was tasked to implement a statewide communications system. This audit will examine the SLERS contract for compliance with statutory requirements and contracting best practices.
<b>Active Directory OIG Project No. IA 2022-35</b>	Active Directory is the underlying technology within the operating system that provides for an integrated and single sign-on system that authenticates and authorizes all users and computers. The Active Directory audit will evaluate the effectiveness of the agency's Active Directory architecture and selected security controls.

AUDIT PROJECT	DESCRIPTION
<b>Privileged Account Management OIG Project No. IA 2022-41</b>	Rule 60GG-2.003(1)(d), Florida Administrative Code, requires agencies to ensure access permissions and authorizations are managed and incorporate the principles of least privilege and separation of duties. This audit will evaluate the effectiveness of selected internal controls to ensure that privileged user access is limited to IT resources that are necessary for the user to perform their assigned duties, and limit access to prevent assignment of incompatible duties.

### **FOLLOW-UP ACTIVITIES**

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OIG staff conduct follow-up assessments on internal and external audits. The follow-up assessments determine if DMS management has taken appropriate corrective action to address audit findings. The Inspector General provides written responses to the DMS Secretary on the status of corrective actions taken. A total of 517 OIG staff hours are allocated to follow-up activities for fiscal year 2022-23.

### **OVERSIGHT ACTIVITIES**

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The OIG participates in numerous activities that are classified as oversight. These include coordination of the OIG annual risk assessment, OIG audit plan, OIG annual report, OIG Internal Quality Assurance and Improvement Program, Cybersecurity Security Incident Response Team (CSIRT) member responsibilities, procedure reviews, and other internal/external assistance. A total of 1,937 OIG staff hours are allocated to oversight activities for fiscal year 2022-23.

### **EXTERNAL AUDIT COORDINATION**

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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 within DMS for external auditors. A total of 232 OIG staff hours are allocated to external audit coordination activities for fiscal year 2022-23.

### **OUTREACH AND EDUCATION**

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The OIG 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 SharePoint and website pages. A total of 100 OIG staff hours are allocated for these related activities.



## MANAGEMENT SUPPORT

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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 Audit Director.

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 expected to obtain a minimum of 80 hours of continuing professional education every two years. A total of 426 OIG staff hours are allocated to management support for fiscal year 2022-23.

## INDIRECT ACTIVITIES

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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 other activities not directly related to a project. Additionally, estimated hours have been reserved to account for OIG staff leave and state holidays. A total of 2,631 OIG staff hours are allocated to indirect activities for fiscal year 2022-23.

## LONG-TERM AUDIT PLANS

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The OIG Long-Term Audit Plans ensure 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. Planned projects for fiscal years 2023-24 and 2024-25 are identified below. However, the long-term plans are subject to change, based on the results of the OIG's annual risk assessment and to be responsive to both the DMS Secretary and the CIG.

<b>Fiscal Year 2023-24</b>
Contract Management for Security Guards
Oversight on State Technology Projects
Trust Fund Management
Cybersecurity
LRPP Performance Measures

<b>Fiscal Year 2024-25</b>
Hiring Practices
Vendor Preference
Private Prison Monitoring
Cybersecurity
LRPP Performance Measures