



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

Fiscal Years 2022-23 and 2023-24

Annual and Long Term Audit Work Plan

Department of Financial Services

David T. Harper, Inspector General
Office of Inspector General
Department of Financial Services

June 30, 2022





CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

June 30, 2022

The Honorable Jimmy Patronis
Chief Financial Officer
Florida Department of Financial Services
The Capitol, PL 11
Tallahassee, FL 32399-0001

Dear CFO Patronis:

We are pleased to submit for your review and approval the Department of Financial Services (DFS), Office of Inspector General (OIG), *Annual and Long-Term Audit Work Plan for Fiscal Years 2022-2023 and 2023-24* (the Plan).

As required by Section 20.055, Florida Statutes, the Plan is risk-based and provides the most effective coverage of DFS programs, activities, and functions. The Plan allows time to perform special projects as requested by DFS executive or senior leadership. Special projects may include an audit, consulting activity, or management review of programs, functions, or organizational units. Additionally, the DFS OIG may revise the Plan, based on changes in the risk environment.

The DFS OIG is requesting your review and approval of the Plan. At your convenience, we are available to discuss any suggestions or questions you may have.

Sincerely,

David T. Harper
Inspector General

DH: dkc

Approved 7/12/2022 by:

A handwritten signature in blue ink that reads "Jimmy Patronis".

Jimmy Patronis
Chief Financial Officer

Office of Inspector General
Fiscal Years 2022-23 and 2023-24 Annual and Long-Term Audit Work Plan

Table of Contents

Risk Assessment Process	4
Fiscal Years 2022-23 and 2023-24 Annual and Long-Term Audit Work Plan	5
Background	6
Organizational Chart	7
Project Team	8
Distribution	8

Risk Assessment Process

Section 20.055, Florida Statutes, and professional audit standards require the Office of Inspector General (OIG) to develop a risk-based annual and long-term audit work plan (the Plan), that includes input from the Department of Financial Services (DFS) executive and senior management. The DFS OIG conducted the 2022 annual risk assessment and developed the Audit Plan by following the Institute of Internal Auditors' eight-step risk assessment process.

1. Defined the audit universe and auditable units by using the organizational chart and various online resources that describe fourteen operating divisions consisting of forty-four bureaus or sections.
2. Identified the objectives of the Department and mapped each objective to the division(s) primarily responsible for meeting the objective.
3. Categorized objectives into four risk factor categories and determined the risks associated with each category.
4. Identified fourteen significant risks within the four risk factor categories.
5. Developed questions related to the fourteen areas of risk and distributed a survey of the questions to ninety-four bureau chiefs and supervisors within each auditable unit.
6. Performed in person interviews of division directors and senior leadership.
7. Analyzed the results of the survey and interview responses and performed an assessment of audit or review history for each auditable unit.
8. Developed an annual Audit Work Plan based on results of the analysis.

The survey provided to participants involved questions soliciting responses of “high, medium or low,” which were assigned corresponding values of 400, 300, or 200. Survey responses were calculated to produce the average response values by auditable unit. The survey response rate was 75% (74 out of 94) from various auditable units.

Audit Work Plan

The intent of this audit work plan is to provide broad audit coverage while focusing OIG resources on areas with the greatest known risks. The OIG has dedicated resources to provide audit coverage of Department programs, systems, and expenditures.

The Internal Audit Section currently has four positions. Based on our estimated resources when fully staffed, which combines hours for both the annual and long-range plans, staff members can expend 4,384 hours on audit plan engagements annually. A total of 600 hours annually is reserved for management requested projects and 400 hours annually is reserved for enterprise engagements with the Chief Inspector General’s office.

The remaining 3,384 hours will be allocated to projects and functions as outlined below:

***Fiscal Year 2022-23 Annual Audit Work Plan**

Division/Office	Audit Work Plan Projects	Project Type	Estimated Hours
Treasury, Bureau of Funds Management	Wire Transfer Process	New Assurance Audit	650
Accounting & Auditing, Bureau of Audit	Manual Disbursement of Funds	New Assurance Audit	650
Office of Information Technology	Security Planning	New Assurance Audit	1,000
TBD	Performance Measures	Management Review	350
TBD	Chief Inspector General- Special Project	New Assurance Audit	400
Department wide	FDHSMV DAVID System Internal Controls	Triennial Audit Attestation	500
TBD	Special Requests from Executive and Senior Management	New Assurance Audit	600

*The DFS OIG may revise the Plan, based on changes in the risk environment.

Fiscal Year 2022-23 Long Term Audit Work Plan

Division/Office	Engagement Description	Project Type	Estimated Hours
Office of Information Technology	Data Security	Assurance Audit	900
TBD	Contract Management	Assurance Audit	600
Consumer Services	Consumer Helpline	Consulting	650
Rehabilitation & Liquidation	TBD	Assurance Audit	500

Background

In accordance with Section 20.055, Florida Statutes, the OIG is established within each state agency to provide a central point for coordination and responsibility for activities that promote accountability, integrity, and efficiency in government. The OIG provides independent and objective information to the Chief Financial Officer and executive management of the Florida Department of Financial Services through audits, investigations, inspections, reviews, performance measure assessments, and other accountability activities.

The Inspector General (IG) is appointed by, and reports to, the Chief Financial Officer. The IG directs the activities of the OIG team members within two sections: Audit and Investigations.

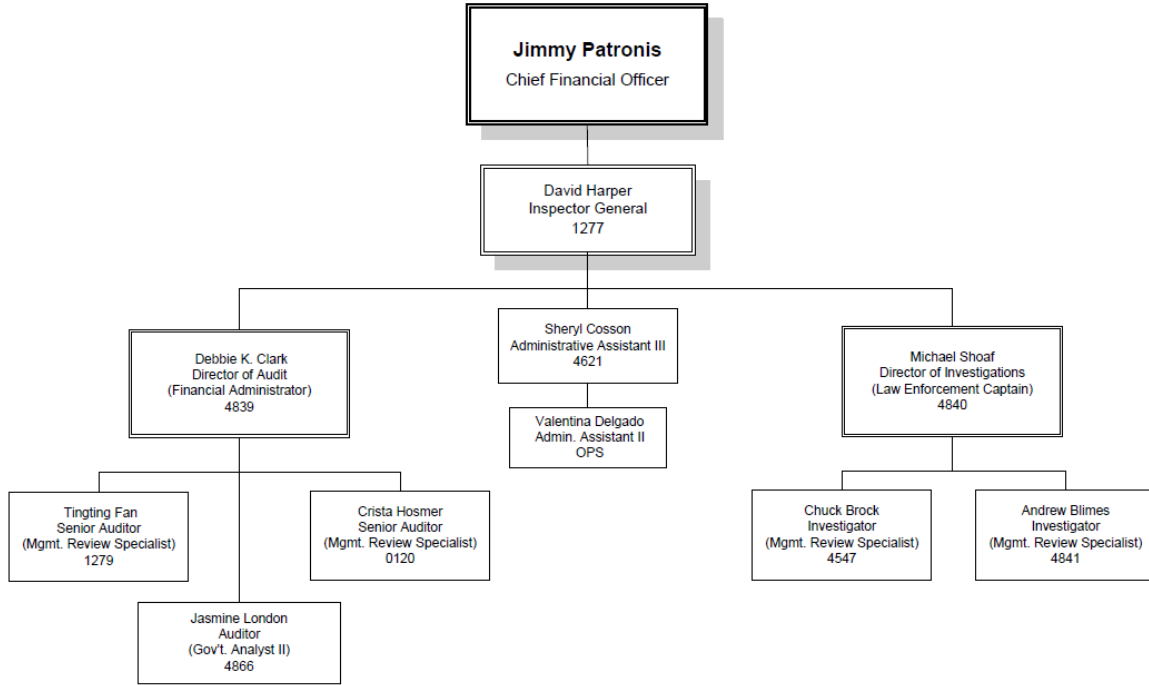
Audit performs independent and objective audit and consulting engagements that provide information on the adequacy and effectiveness of the Department's internal controls and on the economy, efficiency, and effectiveness of departmental programs, activities, and functions. Audit also provides management advisory services and performs audit and consulting engagements in accordance with the *International Standards for the Professional Practice of Internal Auditing* published by The Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General.

Office of Inspector General
Fiscal Years 2022-23 and 2023-24 Annual and Long-Term Audit Work Plan

Organizational Chart

Department of Financial Services

Office of the Chief Financial Officer
Office of Inspector General



Project Team

The following OIG employees contributed to the *Fiscal Years 2022-23 and 2023-23 Annual and Long-Term Audit Work Plan*:

David T. Harper, Inspector General
Debbie K. Clark, Director of Audit
Crista Hosmer, Senior Auditor
Tingting Fan, Senior IT Auditor
Jasmine London, Auditor

Distribution

Peter Penrod, Chief of Staff
Executive Leadership
Division Directors
Auditor General
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee
Chief Inspector General

Please address inquiries to the DFS OIG at 850-413-3112.