



Office of Inspector General

2023-24 Audit Work Plan

MEMORANDUM

DATE: July 24, 2023
TO: J. Alex Kelly, Secretary
FROM: Jim Landsberg, Inspector General
SUBJECT: Office of Inspector General Audit Work Plan

We are pleased to present the results of our annual risk assessment and our proposed Audit Work Plan. The Plan is risk-based and includes input from FloridaCommerce management. Activities outlined in the Plan address the major operations of the Department with the purpose of promoting efficiency in programs, systems, and agreements with external entities.

At the direction of the Governor's Chief Inspector General, we have set aside some of our audit resources for enterprise activities.

The approved Audit Work Plan will guide our activities but can be adjusted to meet management's needs as other priorities are identified.

The annual and long-term work plans are approved as presented.



J. Alex Kelly

7/24/23
Date

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Introduction

Section 20.055, Florida Statutes, establishes the Office of Inspector General (OIG) within FloridaCommerce to provide a central point of coordination and responsibility for activities that promote accountability, integrity, and efficiency.

Both Florida Statutes and professional audit standards¹ require the OIG to develop risk-based annual and long-term audit plans that consider resource requirements and input from senior management. Florida law requires this plan to be approved by the Department head and submitted to the Auditor General and the Governor's Chief Inspector General.

The goal for our Audit Work Plan is to provide broad audit coverage while focusing our resources on areas with the greatest known risks. In addition, our work plan for fiscal years 2023-24 and 2024-25 is based on results of our risk assessment survey, interviews with selected senior management, prior OIG audits and reviews, discussions with the OIG's Investigation Manager, monitoring information, external audits, independent audit reports of subrecipients and public private partnerships,² and management requests.

The activities outlined in our Audit Work Plan also add value by addressing cybersecurity issues. Planned projects involving cybersecurity are identified in the table of projects provided at the end of this document.

The Governor's Chief Inspector General asked that we set aside some of our audit resources for enterprise activities, and we have allocated 400 hours each year toward these efforts. These initiatives align well with our identified priorities.

¹ The Institute of Internal Auditor's International Professional Practices Framework Standard 2010.A1.

² Section 14.32(3), Florida Statutes, requires the Chief Inspector General to engage in certain activities related to public-private partnerships. Those activities include the development of internal controls, monitoring for compliance with contractual requirements, and the development of performance measures. The Chief Inspector General consults with FloridaCommerce OIG for this function.

Risk Assessment Process

The risk assessment process has two purposes: (1) to help ensure that FloridaCommerce risk exposures are understood and managed, and (2) to assist in identifying OIG work plan assignments. Both Florida Statutes and professional audit standards require OIG to develop risk-based annual and long-term audit plans which consider resource requirements and input from senior management. We developed our Audit Plan by following the Institute of Internal Auditors' eight-step risk assessment process.

First, we defined our audit universe and auditable units by using the organizational chart and various online resources that describe five divisions consisting of twenty-five bureaus and five public-private partnerships. Following the identification of the audit universe, we identified the objectives of the Department and mapped each objective to the applicable division/divisions primarily responsible for meeting the objective.

We categorized our objectives into four risk factor categories and determined the risks associated with each category. We next identified fourteen areas of risk within the four risk factor categories.

Lastly, we developed questions related to the fourteen areas of risk and distributed a survey of the questions to 200 managers and supervisors within each auditable unit to include the public-private partnerships. Additionally, we performed 13 interviews in-person. The survey response rate was approximately 22.5% (45 of 200) from various auditable units.

In addition to the analysis of survey results, we also performed an assessment of the audit or review history for each bureau including the public-private partnerships that have a relationship with FloridaCommerce. We considered the results of this assessment in forming our annual and long-range work plans.

Audit Work Plan

The intent of our Audit Work Plan is to provide broad audit coverage while focusing our resources on areas with the greatest known risks. We have dedicated resources to provide audit coverage of FloridaCommerce programs, systems, and expenditures.

The Internal Audit Section currently has five positions. Based on our estimated resources when fully staffed, which combines hours for both the annual and long-range plans, staff members can expend 10,420 hours on audit plan engagements. A total of 800 of these hours will be set aside for Enterprise Projects. Another 1,300 hours are needed to complete ongoing projects initiated during the prior fiscal year.

The remaining 8,320 hours will be allocated to projects and functions as outlined below:

- Some projects are performed every year (e.g., performance measure assessments).
- Some projects are scheduled due to recurring management requests.
- Time is reserved to accommodate project requests that may arise during the year.
- OIG will serve as the liaison for audit and audit-related activities with state and federal agencies.
- The balance of audit resources will be used to address projects identified through our Risk Assessment Survey.

The table below outlines the planned projects for fiscal years 2023-24 and 2024-25. Our Plan is subject to change as management priorities evolve and new risks are identified.

		Estimated Resources (Number of Hours)	
Audit Work Plan Projects	Selection Criteria	FY 2023-24	FY 2024-25
Management Requested Projects - TBD	Executive Management Request	200	600
*Cybersecurity Incident Response Audit	Enterprise Project	450	500
Audit of a Local Workforce Board	Risk Assessment	450	900
Rebuild Florida Audit	Grantor Requirements	450	500
*Information Technology Disaster Recovery Audit	Risk Assessment	450	500
Performance Measure Assessment and Public/Private Partnership Review	Statutory Requirement - sections 20.055 and 14.32(3), F.S.	300	500
Florida Housing Finance Corporation's Limited Quarterly Review	Contractual Requirement	80	80
*Florida Department of Highway Safety and Motor Vehicle's Audit and Attestation of the Data Exchange	Management Request as Part of Contractual Agreement	200	400
*Florida Department of Highway Safety and Motor Vehicle's Audit and Attestation of DAVID	Management Request as Part of Contractual Agreement	450	200
External Audit Coordination and Follow-up	Statutory Requirement - section 20.055, F.S.	300	450
Request for New Catalog of State Financial Assistance Numbers and Annual Florida Single Audit Act Updates	Department of Financial Services Requirement	65	65
Technical Assistance and Investigative Support	Annual OIG Project	115	115

*** THESE PROJECTS INVOLVE CYBERSECURITY ISSUES AND ARE INTENDED TO ASSIST IN PRESERVING THE CONFIDENTIALITY, INTEGRITY, AND AVAILABILITY OF DATA, INFORMATION, AND INFORMATION TECHNOLOGY RESOURCES.**

Distribution, Audit Team, and Statement of Accordance

Action Official Distribution:

J. Alex Kelly, Secretary

Information Distribution:

Melinda Miguel, Chief Inspector General

Sherrill F. Norman, CPA, Auditor General

Audit Team

Stephanie Daugherty, Auditor

Marie Craig, Auditor

Akiera Harrison, Auditor

Deborah Frost, Lead Auditor

Sean Shrader, CIA, Audit Director

James E. Landsberg, JD, CIG, Inspector General

Copies of the report may be requested by telephone (850-245-7135), FAX (850-245-7144), in person, or mail at the Florida Department of Commerce, Caldwell Building, MSC 68, 107 E. Madison Street, Tallahassee, FL 32399-4126.

Statement of Accordance

The mission of the FloridaCommerce is to promote economic prosperity for all Floridians and businesses through successful workforce, community, and economic development strategies.

The mission of the OIG is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

This engagement was conducted pursuant to Section 20.055, Florida Statutes, and in accordance with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors.

Please address inquiries regarding this report to the FloridaCommerce OIG at (850) 245-7135.