



MEMORANDUM

DATE: February 25, 2025

TO: Pedro Allende, Secretary

FROM: Steven Meredith, Interim Inspector General

SUBJECT: OIG Audit Plan for Fiscal Year 2024-25 and Long-Term Audit Plans for Fiscal Years 2025-26 and 2026-27

In accordance with § 20.055, Florida Statutes, and *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors, Inc., I am submitting for your approval the annual audit plan for the Office of Inspector General. The *OIG Audit Plan* documents our goals and objectives for fiscal year 2024-25, including internal and cybersecurity engagements for the 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 Department operations, processes, programs, and systems. 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 the Department faces. With your concurrence and approval, we will implement the OIG audit plan for fiscal year 2024-25 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: 
Pedro Allende, Secretary

Date: 4/3/2025

Attachment

OFFICE OF INSPECTOR GENERAL



*Internal and Cybersecurity Audit Plans for Fiscal Year 2024-25
and
Long-Term Audit Plans for Fiscal Years 2025-26 and 2026-27*

Steven Meredith
Interim Inspector General

Date Issued
February 25, 2025

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 Department 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 DMS OIG are established in § 20.055, F.S.

The Inspector General functionally reports to the Chief Inspector General (CIG)¹ and administratively reports to the DMS Secretary. Pursuant to Florida Statutes, the OIG has full, free, and unrestricted access to all DMS activities, data, functions, personnel, properties, and records 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 coordinated 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 (IT) 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 2024-25, are listed in the following table.

¹ 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 2024-25 AVAILABLE STAFF RESOURCES AND ALLOCATION

The OIG Internal Audit Section has five authorized positions. It is comprised of four professional staff and the Director of Auditing. The Internal Audit Section reports to the Inspector General. Collectively, the Internal Audit Section will provide 10,400 hours of professional and administrative support for fiscal year 2024-25.

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.² Engagements are conducted in conformance with *International Standards for the Professional Practice of Internal Auditing (or Global Internal Audit Standards)* issued by the Institute of Internal Auditors, Inc. or, where appropriate, in accordance with generally accepted governmental auditing standards. These engagements were selected based on a risk assessment performed by the OIG which included input from DMS management and OIG staff members.

INTERNAL AUDIT PLAN

The projects summarized below represent the internal audit engagements planned for fiscal year 2024-25. Internal audit engagements are also included in the long-term audit plans on page 7.

TOPIC	DESCRIPTION
<i>Enterprise Triennial Contract Audit</i>	In coordination with the Office of the Chief Inspector General (CIG), the OIG will conduct a triennial contract audit with the following objectives: 1) Evaluate compliance with Chapter 287, F.S., and other procurement statutes. 2) Analyze trends in vendor preference. 3) Assess the status of corrective actions from prior contract audit report. Project scope includes contracts and purchase orders procured under Ch. 287, F.S., and executed during the fiscal year period July 1, 2021, through June 30, 2024.
<i>Performance Measures</i> - <i>Office of Supplier Development</i> - <i>People First</i>	In accordance with § 20.055(2)(a) and (b), F.S., it is the duty of each inspector general to advise in the development of performance measures, standards, and procedures for the evaluation of state agency programs, assess the reliability and validity of agency performance measures information and standards, and make recommendations for improvement, if necessary, before submission of such information pursuant to § 216.1827, F.S. Both the Office of Supplier Development and People First have indicated plans to revise performance measures.

² 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.

TOPIC	DESCRIPTION
<i>Corrective Action Status to Issued Reports</i>	This follow-up project will review the status of management implementation of corrective action to previously-reported findings from external and internal audit reports.

CYBERSECURITY AUDIT PLAN

The projects listed below represent the planned cybersecurity audit engagement for fiscal year 2024-25. Cybersecurity engagements are also included in the long-term audit plans on page 7.

TOPIC	DESCRIPTION
<i>Enterprise Audit of Asset Management</i>	In coordination with the CIG, the OIG will conduct a cybersecurity audit to evaluate controls and Department compliance with asset management requirements contained in <i>State of Florida Cybersecurity Standards</i> (SFCS). Project scope includes current Department policies, procedures, activities, and processes related to asset management of information technology resources.

CARRY-FORWARD ASSIGNMENTS

At the end of fiscal year 2023-24, the OIG had eight audits and one corrective action follow-up project in progress. (Four of the eight carryover audits and the corrective action follow-up project have been completed. We cancelled one of the eight carryover audits, *Supply Chain Risk Management*.)

AUDIT PROJECT	DESCRIPTION
<p><i>Status Report on Corrective Action Implementation</i></p> <p>Project No. FP 2024-28</p>	<p>Project scope included 169 corrective actions from 27 audit reports and 1 special project. Of the 169 corrective actions, based upon our review, we concluded the following:</p> <ul style="list-style-type: none"> • Management completed 34 corrective actions. • Legislative transfers resulted in 30 corrective actions transferring to other entities. • New audit findings superseded 3 corrective actions. • Management continues to work on implementing 102 remaining corrective actions. <p>Final report was issued on July 1, 2024.</p>

AUDIT PROJECT	DESCRIPTION
<p><i>Statewide Law Enforcement Radio System (SLERS)</i></p> <p>Project No. IA 2022-30</p>	<p>During audit fieldwork we determined there were discrepancies related to the inventory of deployed radios which resulted in a subsequent review of deployed radio inventory controls. As part of this subsequent review, we identified one finding and recommendation.</p> <p>Final report was issued on August 9, 2024.</p>
<p><i>Florida Digital Service Coordination of Incident Response, Reporting, and Recovery</i></p> <p>Project IA 2024-37</p>	<p>Confidential final report was issued on October 14, 2024.</p> <p><i>Note: This project was added to the Internal and Cybersecurity Audit Plans for Fiscal Year 2023-24.</i></p>
<p><i>Procurement Audit</i></p> <p>Project No. IA-2023-37</p>	<p>The audit disclosed, in general, the Department complied with applicable Florida Statutes (F.S.), Rules [Florida Administrative Code (F.A.C.)], and Department policies and procedures and had effective controls in place to support procurement activities. Our testing did not identify any trends in vendor preference. However, we identified two findings and three recommendations to strengthen procurement controls within the Department.</p> <p>Final report was issued on January 29, 2025.</p>
<p><i>American Rescue Plan Act of 2021 (ARPA)</i></p> <p>Project No. IA 2023-24</p>	<p>The audit resulted in one finding and recommendation to which Real Estate Development and Management agreed and provided details of planned corrective action. During audit fieldwork, the Executive Office of the Governor, Office of Policy and Budget contracted with a vendor to assess project compliance with applicable ARPA funds guidance. To prevent duplication of effort, we revised our scope to discontinue work on programmatic and fiscal areas. We discussed observations we noted prior to the scope revision with management of Real Estate Development and Management.</p> <p>Final report was issued on February 21, 2025.</p>

AUDIT PROJECT	DESCRIPTION
<p><i>Supply Chain Risk Management</i></p> <p>Project No. IA 2024-33</p>	<p>The objectives of this audit will be to evaluate IT resource supplier and third-party provider compliance with cybersecurity supply-chain contractual requirements and assess the effectiveness of contractual agreements in mitigating cybersecurity-related supply chain risks.</p> <p><i>This project was cancelled on August 30, 2024 after we determined a significant portion of the planned review included areas covered by the Enterprise Asset Management project or would be impacted by planned changes to Rule 60GG-2, State of Florida Cybersecurity Standards (SFCS), Florida Administrative Code.</i></p>
<p><i>Vendor Transaction Fees</i></p> <p>Project No. IA 2024-39</p>	<p>The Division of State Purchasing administers the State of Florida web-based purchasing system, <i>MyFloridaMarketPlace</i> (MFMP). Based on sales through MFMP, vendors are required to remit an e-procurement fee to the Department. The objective of this audit will be to determine the accuracy and completeness of vendor transaction fee calculations and collections and to assess the effectiveness of controls in place to prevent errors and fraud related to vendor transaction fees.</p>
<p><i>Employee Training</i></p> <p>Project No. IA 2024-31</p>	<p>The objective of this audit will be to evaluate Department compliance with mandatory training requirements for Department non-supervisory and supervisory employees.</p>
<p><i>Purchasing Card Transactions</i></p> <p>Project No. IA 2024-32</p>	<p>Pursuant to § 20.055(6)(i), F.S., audit plans should include post-audit samplings of payments and accounts. The objectives of this audit will be to evaluate the effectiveness and efficiency of the purchasing card program in terms of compliance with policies and procedures and risk management and to identify potentially fraudulent transactions, unauthorized purchases, or misuse of purchasing cards.</p>

FOLLOW-UP ACTIVITIES

OIG staff members 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.

OVERSIGHT ACTIVITIES

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.

EXTERNAL AUDIT COORDINATION

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.

OUTREACH AND EDUCATION

The OIG provides consultation to management regarding fraud, efficiency of operations, internal controls, program management, and risk management. The OIG accomplishes these tasks through fraud awareness briefings, internal audit awareness briefings, and the OIG SharePoint and website pages.

MANAGEMENT SUPPORT

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 Audit Director oversight of internal audits and other OIG projects.

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.

INDIRECT ACTIVITIES

Indirect activities include administrative tasks and leave. OIG Audit staff members routinely perform activities unrelated to specific assignments. Examples of these tasks include timekeeping, personnel administration, and staff leave.

LONG-TERM AUDIT PLANS

The OIG Long-Term Audit Plans ensure that OIG 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 clear, concise, constructive, objective, and timely concerning matters that are important to the DMS Secretary. Planned projects for fiscal years 2025-26 and 2026-27 are identified below. However, long-term audit plans are subject to change, based on the results of the OIG annual risk assessment and responsiveness to issues identified by the DMS Secretary and the CIG.

Fiscal Year 2025-26
Division of State Group Insurance Program Integrity
Oversight of State Technology Projects
Contract Management for Security Guards
Enterprise Cybersecurity

Fiscal Year 2026-27
Retirement Contact Center
Enterprise Cybersecurity