

TO: Melanie S. Griffin, Secretary
RRM
FROM: Rodney J. MacKinnon, Inspector General
DATE: August 11, 2025
SUBJECT: *Annual Audit Plan for Fiscal Year 2025-26 and Long-Term Audit Plans For Fiscal Years 2026-27 through 2027-28*

Please see the attached OIG Audit Plan for Fiscal Year 2025-26 and Long-Term Audit Plans for Fiscal Years 2026-27 through 2027-28. Our audit plans are risk-based to provide the most effective coverage of department programs, activities, and functions. Beginning in April of this year, our office conducted a comprehensive risk assessment of department risk factors, which included dissemination of a Risk Assessment Survey to Division directors. We then met with the directors of the department's divisions and offices to discuss risks within their respective areas. Subsequently, we held similar discussions with the members of your executive management team. These proposed audit plans address department management's priorities and areas of higher risk exposure identified during our risk assessment process.

Our audit plans are intended to respond to changing conditions and emerging risks. We will modify these plans, as needed, in accordance with management concerns and our ongoing assessment of circumstances and events impacting department operations.

At the request of the Chief Inspector General (CIG), we have reserved twenty percent of direct audit time to participate in enterprise-wide audits selected by the CIG. These audits are intended to address risk exposures that exist across all executive agencies. Please note that for Fiscal Year 2025-26, the CIG has chosen "*Data Protection and Security*" as one of the enterprise audit topics. We have also reserved staff time to respond to requests for assistance from you or your managers during the year. This time is available for formal consulting engagements, management advisory services, or other assistance to management.

I am respectfully requesting your review and approval of our proposed annual and long-term audit plans. Please indicate your concurrence with your signature below. Should you have any questions, concerns, or wish to discuss, please do not hesitate to contact me.

Attachment

Approved:

Melanie S. Griffin
Melanie S. Griffin, Secretary

8/11/2025
Date



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 2025-26 AND
LONG-TERM AUDIT PLANS FOR
FISCAL YEARS 2026-27 THROUGH 2027-28**
June 30, 2025

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 advance accountability, integrity, and operational efficiency within the department, the Office of Inspector General (OIG) undertakes independent and impartial audits and assessments of departmental programs, activities, and functions. These efforts are intended to provide management with comprehensive insights regarding the sufficiency and effectiveness of internal controls, ensure compliance with relevant laws, regulations, and policies, and evaluate both the effectiveness and efficiency of departmental operations.

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

ANNUAL 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 2025 that included a review and analysis of department strategic plans, operational reports, budgets, and other documents.

During the period of May 2025, 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 79% survey response rate, with 11 out of 14 Divisions responding to the surveys.

Additionally, our office conducted risk assessment interviews with Division directors and relevant division staff. Our interviews focused on the Divisions' response to the surveys as well as any potential risks and/or risk exposure encountered by each Division during the fiscal year. Our discussion also centered around factors relevant to operational risks, internal controls risks, fraud risks and reputational risks.

CYBERSECURITY RISK ASSESSMENT PROCESS

Section 20.055(6)(i), F.S., requires that Offices of Inspector General include a specific cybersecurity audit in their annual audit plan. As such, our office conducted a risk assessment with the Division of Technology that was separate and apart from the department's Divisions.

Moreover, OIG submitted a Technology Risk Assessment survey to the 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.

Furthermore, our office conducted a risk assessment interview with Technology's Chief Information Officer and Deputy CIO. Our interview focused on the Division's response to the survey as well as any potential risks and/or risk exposure encountered during the fiscal year. Our discussion also centered around factors relevant to internal controls risks, data security risks, security incidents and disaster recovery, vulnerabilities and threats, and third-party vendor risks.

INTERNAL AUDIT STAFFING

The Bureau of Internal Audit is staffed by the Director of Auditing and three internal auditors. We determined that 4,747 hours of auditor staff time are available for direct audit activities for the upcoming and subsequent fiscal years. 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	
Total Staff Hours (2,080 Hours x 4 Staff)	8,320
Less Estimated Hours:	
Holiday and Leave Time	(1,160)
Professional Training (40 hours annually required per audit standards <i>[IIA Standards 1230]</i> x 4 staff)	(160)
Administrative Activities [General administrative activities of the Bureau of Internal Audit Staff, including the Quality Assurance and Improvement Program (QAIP) activities required by internal audit standards]	(200)
[General administrative activities of the Audit Director, including Bureau of Internal Audit activities and projects]	(888)

Statutory and Other Required Activities	
• Coordination of external reviews: (200)	
• Florida Single Audit Act coordination, review and technical assistance: (300)	
• Annual and on-going risk assessment: (200)	(865)
• Annual and long-term audit plan preparation: (50)	
• Annual Report preparation: (75)	
• LBR Schedule IX preparation: (40)	
• Update of Current Standards to Global Internal Audit Standards	(300)
Direct Audit Hours	4,747

ANNUAL AND LONG-TERM AUDIT PLANS

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; and
- Cybersecurity Controls 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 at least 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 "*Data Protection and Security*" relative to cybersecurity as one of the enterprise audit topics for Fiscal Year 2025-26

The following table lists the internal audits planned for Fiscal Year 2025-26 as well as one carry-forward project from the prior fiscal year. 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 2025-26		
Division/Office	Audit/Assurance Engagement Topic	Estimated Hours
To Be Determined	Chief Inspector General Enterprise Audits [Selected Topic(s)]	397
Division of Technology	Carry-Forward Project: Chief Inspector General Enterprise Audit: [Asset Management]	100
Division of Technology	Chief Inspector General Enterprise Audit: [Data Protection and Security]	850
Department	Department Wex Card Program	800
Division of Alcoholic Beverages and Tobacco	Cash Management Audit	800
Division of Service Operations	Performance Measure Validity and Reliability Review	600
Division/Office	Internal Audit Engagement	Estimated Hours
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – Standard 8.3 <i>(In accordance with the IIA's International Standards for the Professional Practice of Internal</i>	300
Division/Office	Follow-up Engagements (Internal)	Estimated Hours
Division of Technology	Enterprise Audit: Asset Management	75
Division of Alcoholic Beverages and Tobacco, Bureau of Enforcement	DAVID Audit	50
Division of Technology	DAVID Audit	50
Division/Office	Follow-up Engagements (External)	Estimated Hours
Division of Drugs, Devices, and Cosmetics and Selected Administrative Activities	Auditor General's Operational Audit	100
Division/Office	Management Reviews and Advisory/Technical Assistance Services	Estimated Hours
Office of the General Counsel	Case Management Process Review	300

To Be Determined	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	325
Total Hours		4,747

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 2025-26

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 "*Data Protection and Security*." The audit will assess the Department's implementation of data protection and security controls across data-at-rest, data-in-transit, and data-in-use

Wex Card Program: The purpose of this audit is to ensure proper oversight and control of fuel card usage, minimizing the risk of fraud and misuse, and ensuring compliance with established policies and procedures. Special attention will be paid to verifying that fuel cards are used for authorized purposes, that proper internal controls are in place to prevent misuse, and that the program complies with relevant laws, regulations, and internal policies.

Cash Management Audit: The purpose of this review is to ensure the Division's cash handling procedures are effective, accurate, and secure, helping to identify areas for improvement and prevent fraud or errors. Special attention will be paid to the appropriate segregation of duties for cash intake and licensing functions.

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.

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 2025-26 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 2026-27		
Division/Office	Audit/Assurance Engagement Topic	Estimated Hours
<i>To Be Determined</i>	Chief Inspector General Enterprise Audit(s) <i>[Selected Topic(s)]</i>	400
Division of Technology	Audit of Department Cybersecurity	850
Division of Administration/Bureau of Finance and Accounting	Disbursement Audit	850
Division of Regulation	Farm Labor	750
Division of Certified Public Accounting	CPA Licensing Application Process	750
Division/Office	Follow-up Engagements	Estimated Hours
Multiple Divisions	Follow-up Engagements: To Be Determined	300
Division/Office	Internal Audit Engagement	Estimated Hours
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – Standard 8.3 <i>(In accordance with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards))</i>	300
Division/Office	Management Reviews and Advisory/Technical Assistance Services	Estimated Hours
Division (TBD)	TBD	300
<i>To Be Determined</i>	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	247
Total Hours		4,747

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

LONG-TERM AUDIT PLAN Fiscal Year 2027-28		
Division/Office	Audit/Assurance Engagement Topic	Estimated Hours
To Be Determined	Chief Inspector General Enterprise Audits [Selected Topic(s)]	447
Division of Technology	Audit of Department Cybersecurity	850
Division of Alcoholic Beverages and Tobacco	DAVID Audit	750
Division of Technology/Multi-Divisions	DAVID Audit	750
Division of Administration/Bureau of Agency Services	1079 Audit	750
Division/Office	Internal Follow-up Engagements	Estimated Hours
Multiple Divisions	Follow-up Engagements: To Be Determined	300
Division/Office	Internal Audit Engagement	Estimated Hours
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – Standard 8.3 <i>(In accordance with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards))</i>	300
Division/Office	Management Reviews and Advisory/Technical Assistance Services	Estimated Hours
To Be Determined	Ad Hoc Services and Reviews Per Management Request or as deemed necessary	600
Total Hours		4,747

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 Global Internal Audit Standards 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>.