

June 26, 2025

Dave Kerner
Executive Director
Florida Department of Highway Safety and Motor Vehicles
2900 Apalachee Parkway
Tallahassee, Florida 32399-0500

Director Kerner:

I am submitting for your review and approval the Annual Audit Plan for the Office of Inspector General, pursuant to Section 20.055, Florida Statutes, Department of Highway Safety and Motor Vehicles Policy Number 11.07, and *The Global Internal Audit Standards*. The Audit Plan for the 2025-26 Fiscal Year was developed based on a risk assessment conducted by the Office of Inspector General and input from management. Audit projects included address the major risks and operations of the Department and optimizes the use of our audit resources.

With your approval, we will implement the Annual Audit Plan for the 2025-26 Fiscal Year. Upon approval, copies of this plan will be submitted to the Governor's Chief Inspector General and the Florida Auditor General. Thank you for your continued support.

Sincerely,



Mike Stacy
Inspector General

Approved: 
Dave Kerner, Executive Director



Risk Assessment and Annual Audit Plan for the 2025-26 Fiscal Year

June 26, 2025

Introduction

The authority and responsibilities of the Office of Inspector General are established in Section 20.055, Florida Statutes (F.S.). The Inspector General reports functionally and administratively to the Department of Highway Safety and Motor Vehicles (Department) Executive Director. The Office of Inspector General has a responsibility to inform and advise management of significant deficiencies or other substantive issues noted during its activities.

The Office of Inspector General, Internal Audit Section, is an independent, objective assurance, and advisory service designed to add value and improve the Department's operations. It helps to accomplish Department objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

All operations of the Department may be subject to audit. The Office of Inspector General has the following reporting responsibilities:

- Provide individual audit results to appropriate management on a timely basis relative to significance;
- Apprise the Department's Executive Director and executive management on progress made in addressing previously reported matters;
- Develop annual and long-term audit plans based on risk assessment results;
- Monitor management's process for ensuring compliance with the Department's *Code of Ethics*; and
- Assist management in fulfilling their responsibilities regarding financial reporting and internal control assertions and certifications.

Mission Statement

The mission of the Office of Inspector General is to build public confidence through integrity, accountability, and efficiency within the Department through audits and investigations, both criminal and administrative, that detect fraud, waste, abuse, and administrative violations.



Risk Assessment and Annual Audit Plan

Each year, the Office of Inspector General performs a risk assessment of the Department to identify areas with the highest level of risk. Risk is any threat to achieving the Department's mission or the likelihood that an event or action may negatively affect the Department. Our risk assessment included interviewing 21 of the Department's senior managers and executive leaders to gather their perspectives on the Department's current risks and exposures.

Interview questions covered:

- Business operations;
- Cybersecurity;
- Finance and accounting;
- Information technology;
- Fraud, waste, abuse, ethics violations, and noncompliance; and
- Improvement of Office of Inspector General services.

Other matters considered during the risk assessment and development of the annual audit plan included:

- Personnel hours and resources available;
- The dates and results of prior engagements;
- Updated assessments of risks and effectiveness of risk management and control processes;
- Requests by the Executive Director and executive management;
- Current changes in Department business, organizational structure, performance, operations, program systems, and controls;
- Opportunities to achieve more efficient and effective operating benefits;
- Opportunities to improve risk management, control, and governance processes, and reduce opportunities for fraud-related incidents;
- Statutorily required follow-up to external audits and reviews;
- Opportunities to improve Department governance of information technology resources; and
- Cybersecurity risk management and controls.



Carry Forward Projects from the 2024-25 Fiscal Year

Specialty License Plate Audit Unit

The Specialty License Plate Audit Unit in the Division of Motorist Services, Bureau of Motorist Services Support, is responsible for administering activities, functions, and processes for the specialty license plate program, including auditing and monitoring specialty license plate organizations to determine compliance with applicable laws and policies.

The objective of this engagement is to review and evaluate the efficiency and effectiveness of the Specialty License Plate Audit Unit and determine compliance with applicable laws and Department policy and procedure.

National Technology and Information Service (NTIS) Controls Review

The Death Master File (DMF) is an official government dataset of deceased citizens maintained by the Social Security Administration. The DMF contains key identifying information for deceased individuals and is used by the Department as a fraud prevention tool. Access to the DMF requires certification through a program operated by the NTIS and requires a legitimate fraud prevention interest or a legitimate business purpose in order to access DMF information, as well as systems, facilities, and procedures in place to safeguard the information.

The objective of this engagement is to assess and attest to the Department's controls in compliance with the NTIS information security controls requirements and applicable laws, policies, and procedures.

Enterprise Cybersecurity Asset Management

Rule 60GG-2.002(1), Florida Administrative Code (F.A.C.), specifies that each state agency shall ensure IT resources are identified and managed. Identification and management shall be consistent with the IT resource's relative importance to agency objectives and the organization's risk strategy.

The objective of this engagement is to review and evaluate the Department's controls and compliance with asset management requirements contained in the Florida Cybersecurity Standards (Rules 60GG-2.001 through 60GG-2.006, F.A.C.), specifically, 60GG-2.002(1), F.A.C.



Specialty License Plate Audit – Freemasonry

Sections 320.023 and 320.08062, F.S., grant the Department authority to examine all records relating to the use of specialty license plates and voluntary contribution funds.

The objective of this audit is to determine compliance with applicable laws and policies related to the annual reporting for the Freemasonry specialty license plate.

Planned Audits for the 2025-26 Fiscal Year

Small Unmanned Aircraft Systems (sUAS/Drones)

The Florida Freedom from Unwanted Surveillance Act, also known as the Florida Drone Privacy Act, is found in Section 934.50, F.S., and regulates drone use for law enforcement agencies. The Act requires law enforcement reporting, restricts unauthorized image capture, and specifies penalties for violations. The Florida Highway Patrol has established procedures for small unmanned aircraft systems to be used for law enforcement and public safety purposes in accordance with federal regulations and state laws.

The objective of this audit will be to review and evaluate the Department's management, oversight, and operational use of small unmanned aircraft systems, including compliance with applicable laws, policies, and procedures.

Vehicle Impound Facility Security

The Florida Highway Patrol operates vehicle impound facilities to secure and manage seized vehicles. These facilities must maintain strict security protocols to protect evidence and ensure integrity.

The objective of this audit will be to review and evaluate the Department's security controls and oversight of vehicle impound facility operations, including compliance with applicable laws, policies, and procedures.

Voided Electronic Citations Process and Controls

The Florida Highway Patrol is responsible for providing uniform procedures for processing and maintaining records related to electronic citations (e-citations) and warnings, including voided citations. Citations may be voided for several reasons, primarily related to errors or invalid information on the citation, or if a driver can provide proof of insurance or registration that was valid at the time of the violation. Voiding an



e-citation requires completion of the Voided Uniform Traffic Citation Affidavit of Justification.

The objective of this audit is to review and evaluate the efficiency and effectiveness of the Department's process for voided e-citations and to determine compliance with applicable laws, policies, and procedures.

Financial Responsibility Security Deposits

The Financial Responsibility law and the Florida Motor Vehicle No-Fault Law require drivers to maintain certain levels of insurance. The Department monitors driver compliance with these laws. Section 324.061, F.S., gives the Department the authority to collect security deposits when a person does not have insurance and has been found at fault in a crash where property damage or bodily injury occurred. If the at fault party cannot obtain a release of financial responsibility from the other parties involved in the crash for damages resulting from the crash, the at fault party can place a security deposit with the Department in order to avoid having their license and/or vehicle registration suspended. These deposits are held until certain conditions are met, such as settlement of all claims, a court finding of no liability, or a court order to pay a judgment. If unclaimed after five years, the deposit is transferred to the Department of Education State School Fund.

The objective of this audit will be to review the efficiency and effectiveness of Financial Responsibility security deposit processes and to determine compliance with applicable laws, policies, and procedures.

Identity Verification Controls for Commercial Driver Licenses

Florida law requires drivers operating certain types of vehicles to obtain a commercial driver license. To obtain a Florida commercial driver license, applicants must meet several requirements, including having a valid operator's license, being a Florida resident, passing knowledge and skills tests, and meeting medical and vision standards. Section 322.03, F.S., states the Department may not issue a commercial driver license to a person who is not a resident of this state. Applicants must also show proof of legal presence.

The objective of this audit will be to review controls relating to issuing commercial driver licenses, specifically focusing on identity verification, fraud detection, and compliance with applicable laws, regulations, policies, and procedures.



Specialty License Plate Revenue Distribution

The Department collects and distributes revenue from specialty license plate fees to agencies, organizations, and foundations in accordance with Section 320.08058, F.S. The Department must maintain accurate account information with the Florida Department of Financial Services to distribute the correct payment amounts within the Florida Accounting Information Resource (FLAIR) system.

The objective of this audit will be to determine if the distribution of specialty license plate revenues is in compliance with applicable laws, policies, and procedures.

Third Party Vendor Patch Management

The Department's Division of Information Systems Administration, Bureau of Service Operations, monitors vendor releases of critical updates to network infrastructure, and applies patches, hotfixes, and updates using the Department's change management process. Emergency and out-of-band patches may be executed outside the change management process. Ensuring third-party applications remain secure and up to date minimizes the Department's risk of vulnerabilities and breaches.

The objective of this audit will be to review and evaluate the Department's processes relating to patching third-party software and to determine compliance with applicable laws, policies, and procedures.

Management Policy Review Process

Management Policy 1.01 pertains to Policy Formation for all policies affecting more than one division. Management policies must be consistent with the Department's mission, vision, goals, objectives, and existing policies, and must be written in plain language and follow a standard format. Management policies are required to be reviewed biennially to ensure they are relevant, accurate, and necessary to operations.

The objective of this audit will be to review and evaluate the efficiency and effectiveness of the Department's management policy review process and to determine compliance with applicable laws, policies, and procedures.

Department Ethics Program

Public trust exists when citizens believe elected officials and other public servants are acting in the best interest of the people they represent. Every ethics-related decision made by a government official has the potential to further build or break down the public trust. Commitment to high ethical standards by employees at all levels and



incorporation of ethical considerations into operational decisions is critical for maintaining public trust.

The objective of this audit will be to review and evaluate the Department's design, implementation, and effectiveness of ethics-related programs and activities.

Specialty License Plate Audits (12)

Sections 320.023 and 320.08062, F.S., grant the Department authority to examine all records relating to the use of specialty license plates and voluntary contribution funds.

The objective of these audits will be to determine compliance with applicable laws and policies related to the annual affidavits or single audit reports.

Planned Advisory Project for the 2025-26 Fiscal Year

Exit Interviews

The Department makes a good faith effort to obtain feedback from members who separate from the Department. Information obtained can be reviewed and used to both recognize a positive work environment and to encourage improvements.

The objective of this advisory is to review the exit interview process and to recommend improvements.

Planned Cybersecurity Audit for the 2025-26 Fiscal Year

Data Protection and Security

Rule 60GG-2.003(4), F.A.C., specifies that each state agency shall manage and protect records and data, including data-at-rest, consistent with the organization's risk strategy to protect the confidentiality, integrity, and availability of information. Agencies shall establish procedures and develop and maintain cryptographic implementations.

The objective of this engagement is to review and evaluate the Department's controls and compliance with data security requirements contained in the Florida Cybersecurity Standards (Rules 60GG-2.001 through 60GG-2.006, F.A.C.), specifically, 60GG-2.002 and 2.003(4), F.A.C.



Recurring Projects

Performance Measure Assessment

Section 20.055(2), F.S., requires each state agency's Office of Inspector General to perform a validity and reliability assessment of their agency's performance measures.

Florida Highway Patrol Information and Evidence Fund

The Office of Inspector General conducts reviews to evaluate the internal controls over the Florida Highway Patrol Bureau of Criminal Investigations and Intelligence Information and Evidence Fund and compliance with Florida Statutes, Department policies and procedures. The objective of this audit will be to determine compliance with applicable laws, policies, and procedures for the accounting of the fund during the 2024-2025 Fiscal Year.

Internal Quality Assessment

The Office of Inspector General conducts an annual internal quality assessment review in the years when an external quality assessment review is not completed by the State of Florida Auditor General. This ensures consistent quality, as well as ongoing commitment to growth and improvement and provides management with reasonable assurance that the internal audit activity operates in conformity with applicable auditing standards.

Audit Follow-Up

Section 20.055, F.S., requires the identification of each significant recommendation described in previous audit reports for which corrective action has not been completed. The Office of Inspector General conducts follow-up assessments of outstanding items periodically until all corrective actions have been completed.

Compliance Reviews

The Office of Inspector General reviews reports submitted by DUI programs and assists Division of Motorist Services staff with reviews of single audit reports submitted by organizations that receive specialty license plate annual use fee proceeds and voluntary contributions.



Florida Highway Patrol Intelligence Procedures Review

The Office of Inspector General conducts an annual review to assess and report on the Florida Highway Patrol's internal audit of intelligence procedures. The assessment focuses on information collection, storage, purging, and the utilization of intelligence personnel and techniques.

Agency Compliance with Executive Order 20-44

In accordance with the Governor's Executive Order 20-44, each executive agency shall require, from entities that meet specified criteria, an annual report detailing the total compensation for the entities' executive leadership teams. Each agency must identify entities named in statute with which a state agency must form a sole-source, public-private agreement or an entity that, through contract or other agreement with the state, annually receives 50 percent or more of their budget from the state or from a combination of state and federal funds. Each agency must submit evidence of compliance to their Office of Inspector General annually.

The objective of this review will be to evaluate the Department's compliance with the requirements of Executive Order 20-44.

Long-Term Work Plan (2026-27 and 2027-28)

Other Long-Term Audit Projects

- License Plate Reader System Controls
- Traffic Homicide Investigations Report Review Process
- Artificial Intelligence Use and Controls
- Employee Hiring and Onboarding Processes
- Data Sharing Agreements Audit Process
- Information Technology Supply Chain Risk Management

FLHSMV - Office of Inspector General

Fiscal Year 2025-26 Audit Plan

Audits	Budgeted Hours	Division	Source	Objectives to Address
Unmanned Aircraft Systems (Aerial Vehicles/Drones)	550	FHP	Risk Assessment	Compliance
Vehicle Impound Facility (VIF) Security	550	FHP	Risk Assessment	Operational
Voided E-Citations Process and Controls	400	FHP	Risk Assessment	Compliance
Financial Responsibility Security Deposits	550	MS	Risk Assessment	Financial
Identity Verification Controls for CDL	550	MS	Risk Assessment	Compliance
Specialty License Plate Revenue Distribution	500	DAS	Risk Assessment	Financial
Third Party Vendor Patch Management	450	ISA	Risk Assessment	Information Technology
Cybersecurity: Data Security (Enterprise Audit)	550	ISA	Required by Section 20.055, F.S.	Cybersecurity
Management Policy Review Process	350	OED	Risk Assessment	Governance
Department Ethics Program	300	OED	Global Internal Audit Standard 1.2	Governance
Specialty License Plate Audits (12)	1316	MS	Management Request	Financial
Unplanned Projects	300		Management Request	
Advisory Projects				
Exit Interviews	200	OED/BPS	Risk Assessment	Operational
Carry-Forward Projects				
SLP Audit Unit	150	MS	Risk Assessment	Compliance
NTIS Controls Review	40	MS/ISA	Required by NTIS	Information Technology
Asset Management	40	ISA	Required by Section 20.055, F.S.	Cybersecurity
SLP Freemasonry	20	MS	Management Request	Financial
Other Accountability Projects				
Audit Follow-Up	200	All	Global Internal Audit Standard 15.2	Compliance
Performance Measure Assessment	200	OED/OPM	Required by Section 20.055, F.S.	Governance
Internal Quality Assessment	300	OED/OIG	Global Internal Audit Standards 12.1, 8.3	Compliance
FHP I&E Audit	300	FHP	FHP Policy 9.01	Financial
BCII Intelligence Procedures	80	FHP	FHP Policy 22.03	Compliance
DUI Compliance Reviews	60	MS	Management Request	Compliance
Single Audit Compliance Reviews	40	MS	Management Request	Compliance
Agency Compliance with EO 20-44	100	DAS/MS	Required by EO 20-44	Compliance
Total Hours		8,096		
Available Staff Hours		8,096		
remaining hours		-		