Dave Kerner
Executive Director

FLHSMV
FLORIDA HIGHWAY SAFETY AND MOTOR VEHICLES

2900 Apalachee Parkway
Tallahassee, Florida 32399-0500
www.flhsmv.gov

June 30, 2026

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 2026-27 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 2026-27 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

Mike Stacy
Inspector General

Signed by:
Dave Kerner
8FEDE51913DE400...

Approved: ______________________________
Dave Kerner, Executive Director

Risk Assessment and Annual Audit Plan
for the 2026-27 Fiscal Year

June 30, 2026

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 conducts 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 26 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 2025-26 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 audit 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.

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 is 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.

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. 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 is to review the efficency and effectiveness of Financial Responsbilitiy 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 is to review controls relating to issuing commercial driver licenses, specifically focusing on identity verification, fraud detection, and compliance with aplicable 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 is to determine if the distribution of specialty license plate revenues is in compliance with applicable laws, policies, and procedures.

Data 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 audit 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.

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 is to review and evaluate the Department's processes relating to patching third-party software 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 is to review and evaluate the Department's design, implementation, and effectiveness of ethics-related programs and activities.

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 is to evaluate the Department's compliance with the requirements of Executive Order 20-44.

Specialty License Plate Audits (3)

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 is to determine compliance with applicable laws and policies related to the annual affidavits or single audit reports.

Planned Audits for the 2026-27 Fiscal Year

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.

FHP People First Timesheets

Timekeeping is a foundational element of payroll integrity and operational accountability. Section 110.219, Florida Statutes, requires each agency to keep an accurate record of all hours of work performed by each employee. FHP Policy 5.04, requires members to record their work hours in accordance with state personnel regulations and assigns supervisors the responsibility to review, verify, and approve timesheets to ensure compliance with state requirements. Supervisors are further required to review all overtime entries and corresponding daily activity logs to confirm that reported hours are accurate, legitimate, and compliant with Department policy and applicable statutory requirements.

The objective of this audit will be to review and evaluate the efficiency and effectiveness of controls related to monitoring and verifying time reported in People First and to assess compliance with applicable laws, policies, and procedures.

Motorist Services Contract Management

Contract Management within the Division of Motorist Services encompasses the oversight, administration, and monitoring of agreements that support the division's operational and customer-service functions. The Division is responsible for ensuring contracts are properly executed, monitored for compliance, evaluated for performance, and managed in a way that safeguards public resources and supports mission delivery.

The objective of this audit will be to assess the efficiency and effectiveness of contract management practices within the Division of Motorist Services and to determine compliance with applicable laws, policies, and procedures.

Motorist Services Procedures

The Division of Motorist Services' Bureau of Issuance Oversight is responsible for developing and maintaining the policies and procedures that govern the statewide issuance of motor vehicle and driver license credentials. Its mission is to ensure the accuracy and consistency of these policies and to apply critical analysis and research to support process improvements that enhance service to the public. This unit plays a vital role in operational integrity by establishing departmentwide guidance for motor vehicle and driver license processing and issuance, grounded in statutory and federal requirements.

The objective of this audit is to review and evaluate the efficiency and effectiveness of the Division of Motorist Services' procedure review and change management processes and to determine compliance with applicable laws, policies, and procedures.

Information Technology (IT) Project Governance and Resource Allocation

IT Project Governance and Resource Allocation refers to the framework, oversight mechanisms, and decision-making processes that guide how the Department plans, prioritizes, funds, and manages information technology initiatives. These responsibilities are shaped by Florida's statutory and administrative requirements, and Department policy. In addition, agencies are expected to incorporate principles from National Institute of Standards and Technology Cybersecurity Framework 2.0, particularly in areas of governance, risk management, and resource planning to ensure secure and resilient IT operations.

The objective of this audit will be to assess the efficiency and effectiveness of IT project governance and resource-allocation practices and to determine compliance with applicable laws, policies, procedures, and industry standards.

Information Technology Resource Sanitization and Disposal

IT resource sanitization and disposal is the secure, documented process of removing data from state-owned information technology equipment and ensuring its proper disposal. Florida's records management statutes, together with the requirments of Florida Administrative Code Rule 60-GG, establish standards for safeguarding confidential and sensative information by requiring state agencies to sanitize, purge, or destroy data stored on electronic media prior to reuse, surplus, or disposal. State agencies are responsible for implementing formal procedures, maintaining documentation of sanitization activities, ensuring compliance with approved data-destruction methods, and protecting IT assets throughout their lifecycle.

The objective of this audit will be to evaluate the efficiency and effectiveness of IT resource sanitization and disposal processes and to determine compliance with applicable laws, policies, and procedures.

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 Projects for the 2026-27 Fiscal Year

Off-Duty Police Employment

FHP allows sworn members to engage in off-duty police employment that does not conflict with primary job assignments or obligations to the patrol, and that does not discredit the agency, or diminish public confidence in law enforcement or in the patrol's commitment to integrity.

The objective of this advisory engagement will be to evaluate and provide recommendations to enhance the governance, risk management, and internal control processes related to the FHP's off-duty police employment program.

Artificial Intelligence Governance

According to the National Institute of Standards and Technology, a robust artificial intelligence governance structure requires leadership accountability, policy and strategy alignment, workforce training, and predefined mechanisms to address incident response and recourse.

The objective of this advisory engagement is to provide insight and recommendations for the Department's current and potential uses of artificial intelligence and identify opportunities to establish baseline governance structures and strengthen risk-management practices in anticipation of forthcoming statewide AI standards.

Planned Cybersecurity Audit for the 2026-27 Fiscal Year

Supply Chain Risk Management

Florida Administrative Code Rule 60GG-2, specifies each agency shall establish priorities, constraints, risk tolerances, and assumptions to support risk decisions associated with managing supply chain risk. Effective supply chain risk management is essential to ensuring the continuity, reliability, and integrity of the agency's operations. As the Department increasingly relies on a diverse network of vendors, contractors, and service providers, vulnerabilities within the supply chain, such as disruptions, cybersecurity threats, financial instability, or noncompliance with state requirements, can significantly impact service delivery and mission performance.

The objective of this audit will be to assess the Department's supply chain risk management framework, including governance structures, risk-assessment practices, vendor-management controls, and continuity planning, to determine whether these processes effectively safeguard the agency against operational, financial, cybersecurity, and compliance risks, and to assess compliance with applicable laws, policies and procedures.

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 2025-2026 Fiscal Year.

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.

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 (2027-28 and 2028-29)

Other Long-Term Audit Projects

- Immigration Enforcement
- Headquarters Physical Security
- Traffice Homicide Investigations Reporting and Case Management
- FHP Aviation Program
- Revenue Distribution
- Vulnerability Management and Remediation

FLHSMV - Office of Inspector General
Fiscal Year 2026-27 Audit Plan

Assurance Engagements	Budgeted Hours	Division	Source	Objectives to Address
Vehicle Impound Facility (VIF) Security	550	FHP	Risk Assessment	Operational
FHP People First Timesheets	500	FHP	Risk Assessment	Compliance
Motorist Services Contract Management	500	MS	Risk Assessment	Compliance
Motorist Services Procedures	450	MS	Risk Assessment	Governance
IT Resource Sanitization and Disposal	450	ISA	Risk Assessment	Information Technology
IT Project Governance and Resource Allocation	450	ISA	Risk Assessment	Information Technology
Cybersecurity- Supply Chain Risk Management (Enterprise)	800	ISA	Required by Section 20.055, F.S.	Cybersecurity
Specialty License Plate Audits (12)	1436	MS	Management Request	Financial
Unplanned Projects	300		Management Request	
Advisory Engagements				
Off-Duty Police Employment Oversight	450	FHP	Risk Assessment	Operational
Artificial Intelligence: Use, Controls, Training, Governance	270	OED	Risk Assessment	Governance
Carry-Forward Projects				
Unmanned Aircraft Systems (Aerial Vehicles/Drones)	75	FHP	Risk Assessment	Compliance
Financial Responsibility Security Deposits	75	MS	Risk Assessment	Financial
Identity Verification Controls for Commercial Driver Licenses	167	MS	Risk Assessment	Compliance
Specialty License Plate Revenue Distribution	125	DAS	Risk Assessment	Financial
Third Party Vendor Patch Management	150	ISA	Risk Assessment	Information Technology
Data Security (Enterprise Audit)	150	ISA	Required by Section 20.055, F.S.	Cybersecurity
SLP Support our Troops	60	MS	Management Request	Financial
SLP America the Beautiful	60	MS	Management Request	Financial
SLP Lauren's Kids	40	MS	Management Request	Financial
SLP Audit Unit	80	MS	Risk Assessment	Compliance
Agency Compliance with EO 20-44	8	MS	Required by EO 20-44	Compliance
Department Ethics Program	20	OED	Global Internal Audit Standard 1.2	Governance
Other Accountability Projects				
Audit Follow-Up	200	All	Global Internal Audit Standard 15.2	Compliance
Performance Measure Assessment	170	OED/OPM	Required by Section 20.055, F.S.	Governance
External Quality Assessment	100	OED/OIG	Global Internal Audit Standards 8.3, 8.4	Compliance
FHP I&E Audit	300	FHP	FHP Policy 9.01	Financial
DUI Compliance Reviews	40	MS	Management Request	Compliance
Single Audit Compliance Reviews	40	MS	Management Request	Compliance
Agency Compliance with EO 20-44	80	DAS/MS	Required by EO 20-44	Compliance
Total Hours	8,096			
Available Staff Hours	8,096			
Remaining hours	-			