State of Florida
DEPARTMENT OF VETERANS' AFFAIRS
Office of the Inspector General
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Commissioner of Agriculture

June 21, 2026

James S. Hartsell
Executive Director
Florida Department of Veterans Affairs
11351 Ulmerton Road
Largo, FL 33778

Subject: Annual Audit Plan for Fiscal Year 2026-27

Dear Mr. Hartsell:

The attached Annual Audit Plan for Fiscal Year 2026-27 is provided to ensure the most effective coverage from the Office of Inspector General (OIG) to the needs of the Florida Department of Veterans' Affairs (FDVA). Input from Senior Managers, the 2026 SWOT Analysis, along with the risk assessment generated by the OIG, was used to identify areas within FDVA that may pose a risk or opportunity to the agency. The activities outlined in the Audit Plan address the major concerns of FDVA, satisfy mandated legislation, and identify the areas to review to maximize efficiency and compliance, while minimizing exposure and threats. We respectfully request your approval of the Audit Plan and upon your approval please return this signed cover letter to me. Thank you for your continued support and cooperation with the FDVA OIG.

Sincerely,

John Bucceri

John Bucceri,
FDVA Audit Director

Approved: James S. Hartsell

James S. Hartsell
Major General, U.S. Marine Corps (Ret)
FDVA Executive Director

cc: David Marzullo, FDVA Inspector General
FL Auditor General
FL Chief Inspector General

OFFICE OF INSPECTOR GENERAL

Department of Veterans' Affairs

FLORIDA DEPARTMENT OF VETERANS' AFFAIRS

Honoring those who served U.S.

Audit Plan

Fiscal Year 2026 - 2027

Introduction

The internal audit function of the Office of the Inspector General (OIG) assists the Florida Department of Veterans' Affairs (FDVA) by providing independent and objective analysis in order to improve operations. Internal auditing helps FDVA accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes.

Audit engagements are conducted in conformance with the International Standards for the Professional Practice of Internal Auditing (Red Book); Information Systems Auditing Standards published by Information Systems Audit and Control Association (ISACA); and Principles and Standards for Offices of Inspector General published by Association of Inspectors General. These engagements result in written reports and recommendations, including responses by management. The reports are distributed to the Executive Director, Deputy Executive Director, Chief of Staff, affected program managers, the Florida Chief Inspector General, and the Florida Office of the Auditor General.

The work of the audit section is the focus of the Annual Work Plan. The audit section also performs audit follow-up and tracking, annual work plan development and publication of the annual report.

Available Resources

For planning purpose, it is assumed that an Inspector General, an Audit Director, two (2) Internal Auditors, and an Investigator, would be in the Office of Inspector General, that the positions would be filled, and the Audit Director and Internal Auditors are dedicated full-time to auditing.

Available Resources

	Inspector General	Investigator	Audit Director	Internal Auditor (2)	Total
Total Hours	2,080	2,080	2,080	4,160	10,400
Annual Leave	(176)	(176)	(176)	(176)	(704)
Sick Leave	(104)	(104)	(104)	(104)	(416)
Training	(40)	(40)	(40)	(40)	(160)
Holidays	(80)	(80)	(80)	(80)	(320)
	1,680	1,680	1,680	3,760	8,800
Hours on Other Duties	(840)	(1,680)	(250)	0	(2,770)
Available Audit Hours	840	0	1,430	3,760	6,030

	Inspector General	Investigator	Audit Director	Internal Auditor (2)
Percentage of Hours on Other Duties	50%	100%	15%	0%
Percentage of Hours on Audit	50%	0%	85%	100%
Total	100%	100%	100%	100%

Audit Plan Development

The purpose of the audit planning process is to identify projects and to manage the Internal Audit Section's anticipated workload. This plan has several purposes and intended benefits including:

- Assisting FDVA in meeting its mission by planning activities through a risk-based process to provide the most effective coverage of the programs, processes, systems, and contracts;
- Informing managers, outside agencies, and entities, of the Office of Inspector General's mission, activities, and planned audit coverage; and
- Familiarizing the agency staff with functions and services provided by the Internal Audit Section of the Office of Inspector General.

Audit selection is based on an assessment of risk and knowledge of the current events affecting the Department's operations. Risk assessment is a process used to evaluate potential audits based upon specific risk factors related to the Department's operations, internal controls, and estimated liability to the Department. The risk factors are reviewed annually and may be refined as needed.

Risk Assessment

The assigned points are calculated utilizing seven (7) specific areas of evaluation, individually weighted to their significance to the organization. The seven (7) categories are as follows:

(1) Management Discretion - Information received during management reviews or from management.
(2) Quality of Internal Controls – The existence of adequate internal controls indicate few visible weaknesses.
(3) Regulatory and Legal Impact – Lowest adverse reaction to any deficiencies from employee, government, or public exposure.
(4) Prior Audits – Recent previous reviews of a comprehensive nature that may or may not have resulted in a major audit finding.
(5) Major Changes – Minimum changes of any significance in service, personnel, systems, or financial results that could compromise operations.
(6) Frequency and Complexity of Operations – Generally involving routine, well documented, and easily understood procedures.
(7) Financial Impact – Potential economic consequences related to cash, assets, and resources.
(8) Negative publicity - Functions and processes that are not performed efficiently and effectively leading to potential negative publicity.

The assigned weight of each category as outlined on the matrix determines the highest risk factor for each entity. This factor establishes the entities with the highest priority.

Internal Audit also performed a review of all risks at the FDVA and of the 2025 SWOT analysis. Furthermore, Internal Audit reviewed the mitigating controls in place to limit the risk of the areas reviewed and put a residual risk rating of high, medium or low on each risk identified.

Audit Risk Assessment

FDVA Annual Audit Plan FY 2026-2027
Risk Assessment

	Management Discretion 15% Weight	Quality of Internal Controls 15% Weight	Regulatory and Legal Impact 10% Weight	Prior Audits 10% Weight	Major Changes 10% Weight	Operational Frequency and Complexity 15% Weight	Financial Impact 15% Weight	Negative Publicity 10% Weight	Calculated Risk Factor
Cybersecurity Audit	2	2	3	2	3	3	2	3	2.45
Pharmacy	1	1	3	2	2	3	1	3	1.90
Travel	3	1	2	1	1	2	1	3	1.75
Per Patient Day	2	2	2	1	1	1	3	1	1.70
Contract Management	1	1	3	1	1	2	2	2	1.60
Donation Trust Fund	1	1	2	1	1	1	1	3	1.30
Residential Trust Fund	1	1	2	1	1	1	1	3	1.30

Point system: 1 = Low Risk 2 = Medium Risk 3 = High Risk

Planned Projects

Risk Factor	Planned Projects	Hours
2.45	Cybersecurity Audit	1,129
1.90	Pharmacy	876
1.75	Travel	806
1.70	Per Patient Day	783
1.60	Contract Management	737
1.30	Donation Trust Fund	599
1.30	Residential Trust Fund	599
		5,530

	Ongoing Project	Hours
	Annual Employee Survey	300
		300

	Other Activities	Hours
	Inspector General Annual Report	100
	Inspector General Audit Plan	100
		200

Total Hours 6,030

Cybersecurity Audit

The Florida Department of Veterans' Affairs (FDVA) has an Agency wide network to facilitate its operations. The network has transitioned to a Microsoft 365 approach for streamlined authentication and encryption, which includes various hardware such as printers, access points, and mobile devices, and standard system configurations to provide security and integrity of data. Cybersecurity refers to the protection afforded to an automated information system in order to maintain confidentiality, integrity, and availability. Internal Audit, in coordination with the Auditor General, the Chief Inspectors General, and the Florida Department of Management Services, will evaluate FDVA's controls in regard to Cybersecurity in accordance with House Bill 1279 and Chapter 60GG-2.004 FAC. This year focuses on supply chain risk management.

Pharmacy and Medication

The FDVA spends about $4 million annually on Pharmacy services and medications. The audit will evaluate the adequacy of FDVA's governance, risk management, and control processes in providing proper use of medications with concentration on controlled substances, determine if FDVA was properly following state and federal statutes regarding medications, and evaluate the FDVA compliance with contracts related to Pharmacy services provided by the U.S. Department of Veterans Affairs (VA). The audit will evaluate the effectiveness of contract activities including contract monitoring, reporting, certifying all services are rendered, invoices are reconciled, compliance, and other contract related duties.

Travel

FDVA employees engage in a significant amount of travel throughout Florida, and occasionally outside of Florida. Travel has been expanded in different departments of the agency in the past 5 years. The audit will ensure FDVA is complying with the most recent state travel procedures and policies and is using travel resources reasonably and efficiently.

Per Patient Day

The audit of Per Patient Day (PPD) metrics for FDVA's long-term care facilities will evaluate whether PPD levels at each home are reasonable and aligned with internal benchmarks and relevant industry standards. The review will analyze cost-per-resident-day drivers, compare results across FDVA facilities, and comparable external providers.

Contract Management

The audit of contract management will focus on FDVA's use of sole source and emergency procurement to determine whether these contracts are justified, properly documented, and compliant with state procurement requirements. The review will assess whether adequate market analyses, justification forms, and approval processes are consistently followed and whether controls are in place to prevent inappropriate reliance on noncompetitive procurement methods. The audit will also evaluate timeliness, transparency, and oversight of emergency contracting actions and will identify opportunities to strengthen processes, improve accountability, and reduce the risk of unnecessary cost or procurement vulnerabilities.

Donation Trust Fund

The State Veterans' Homes and Domiciliary may receive and accept gifts, grants, and endowments in the name of the Homes and Domiciliary. The Administrator and the Director determine how the donation could best benefit the Homes, Domiciliary, and its residents unless the benefactor requests or instructs usage for a specific purpose. The audit will continue to evaluate overall internal controls on the processes for accepting, distributing, and accounting of the donations.

Residential Trust Fund

Given the vulnerability of residents in FDVA Homes and Domiciliary, it is important that those residents have adequate assurance of proper accountability of their funds collected and managed. Internal Audit will continue to evaluate overall internal controls on the processes for accepting, distributing, and accounting of the Resident Trust Fund established for residents at the Homes.

Ongoing Projects

Electronic Based Employee Survey

Approximately October of each year, the Office of Inspector General conducts an employee survey to measure employees' perceptions of whether, and to what extent, conditions that characterize successful organizations are present in FDVA. The survey mirrors the Federal Government employee survey and compares results between both surveys. The survey also determines progress since the prior year survey in order to identify areas for improvement and potential audits.

In-Person Whole Home Reviews

The Office of Inspector General selects random Home locations in order to conduct in-person whole Home reviews, which includes in-person employee surveys and a general evaluation measuring the pulse (morale, etc.) of the Home. Additionally, employees often provide useful ideas that may improve the operation of the Homes ranging from cost saving measures to morale improvement.

Follow-up on Corrective Action Status

Internal Audit follows up on all audit findings, internal and external, to ensure management addressed all findings and recommendations identified during the audits.

Long-Term Audit Plan

Long-term audit plans may be affected by changing risks and regulatory aspects. While taken into consideration with the annual audit plan, the OIG will determine if current relevant circumstances warrant changes in the scheduled plans of this document.

Long-Term Audit Projects:

- Resident Trust Fund
- Donation Trust Fund
- Contract Management Processes Updates
- IT Governance

- Cybersecurity

Other Activities

Inspector General Annual Report

No later than September 30, prepare an annual report summarizing the activities of the Office of Inspectors General during the preceding state fiscal year. The completed Annual Report is furnished to the agency head; while a copy of the report is submitted to the Auditor General and Chief Inspector General.

Inspector General Annual Internal Audit Plan

The OIG develops an annual Internal Audit plan based on the findings of periodic risk assessments. The plan will include the individual audits to be conducted and related resources to be devoted to the respective audits. The Annual Internal Audit plan also includes the Long-Term Audit plan which includes planned long-term audits. The plan is submitted to the Agency Head for approval and a copy of the approved plan submitted to the Auditor General and Chief Inspector General.

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