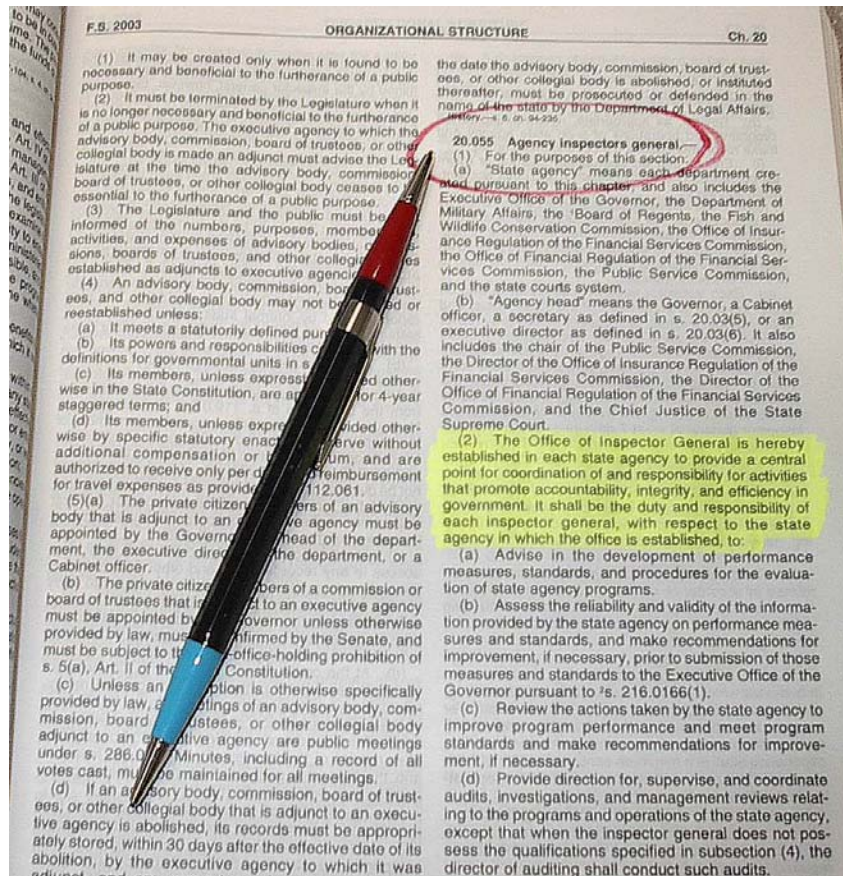


DEPARTMENT OF MANAGEMENT  
**SERVICES**  
OFFICE OF INSPECTOR GENERAL



2003/2004 ANNUAL REPORT

2004/2005 WORK PLAN

LONG TERM PLAN



September 29, 2004

William S. Simon, Secretary  
Department of Management Services  
4050 Esplanade Way, Suite 235  
Tallahassee, Florida 32399-0905

Dear Secretary Simon:

I am pleased to submit our Annual Report on the activities of the Office of the Inspector General for the fiscal year ended June 30, 2004, as required by Section 20.055 (7), Florida Statutes.

The Annual Work Plan portion of the report includes planned projects for the current fiscal year and our projected activities for the next two fiscal years. Our Work Plan is risk-based to provide the most effective coverage of the Department's programs, processes, systems, and contracts with outside entities. Our risk analysis is based on surveys and meetings with key Department managers and a risk assessment performed by Office of Inspector General staff. We have also been requested to again perform an audit of the Wireless 911 System by the State of Florida Wireless 911 Board.

The activities outlined in our Work Plan address the major operations of the Department and optimize the use of our resources. We have retained approximately 10 percent of Internal Audit's time for management assistance projects including those requested by your office.

We look forward to working with you and our fellow Department of Management Services employees in meeting the challenges and opportunities that face the Department. With your approval, we will implement the Work Plan for Fiscal Year 2004-05. Thank you for your continued support.

Respectfully Submitted

/s/  
John S. Rumph  
Inspector General

APPROVED:       /s/        
William S. Simon, Secretary  
Department of Management Services

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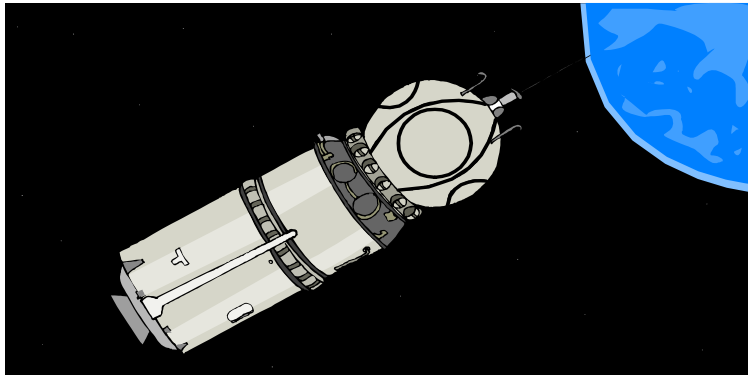
*This Annual Report is presented to the Secretary to comply with statutory requirements and to provide departmental staff and interested parties with information on the Office of Inspector General's (OIG) progress in accomplishing its mission as defined by Florida law.*

*Section 20.055, Florida Statutes, establishes the OIG within each state agency to provide a central point for coordination of, and responsibility for activities that promote accountability, integrity, and efficiency in government.*

# INTRODUCTION

## Mission Statement

The OIG's mission is to assist in the accomplishment of the Department's overall mission to deliver resource savings solutions to our customers to enable them to better serve the people of Florida. The OIG assists the Department in accomplishing its mission by providing independent reviews, assessments, and investigations of activities and programs.



The OIG's responsibilities include:

- Advising in the development of performance measures, standards, and procedures for the evaluation of agency programs;
- Reviewing actions taken by the agency to improve program performance and meet program standards;
- Providing direction for supervising and coordinating audits, investigations, and management reviews relating to agency programs and operations;
- Recommending corrective action concerning fraud, abuse, and deficiencies in agency controls and reporting on progress made in implementing corrective action;
- Reviewing rules relating to agency programs and operations; and
- Ensuring that an appropriate balance is maintained between audit, investigative, and other accountable activities.



## Department Responsibilities Are Diverse

The Department of Management Services serves as the administrative arm of state government. As such, the Department is responsible for:



- Consolidating the state's buying power for the purchase of commodities and services;

- Serving as the centralized authority for operations and maintenance of state-owned facilities, as well as office construction;



- Developing rules and guidelines to ensure that human resource issues, including employee recruitment, promotion, and discipline are fairly and uniformly addressed and implemented;

- Managing the acquisition, use, operation, maintenance and disposal of state-owned and operated aircraft, motor vehicles, watercraft and heavy equipment;



- Coordinating the procurement and distribution of available federal surplus assets as a tax saving program for the state;

- Providing a comprehensive and cost-efficient package of insurance benefits for the state workforce; and



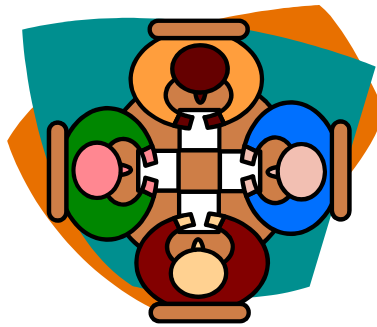
- Administering the state-wide retirement program and monitoring the actuarial soundness of local government retirement plans.

To ensure that we provide adequate coverage of the many departmental activities and adequate support to management, the OIG performs an annual risk assessment of all Department activities. This ensures that the OIG is responsive to management concerns and that those activities with the greatest risks are identified and scheduled for review.

The varied nature and scope of the Department's responsibilities require a unique approach by the OIG. While some agency IG offices perform reviews of the same subject matter from year to year, DMS auditors and investigators are constantly engaged in different functional and program areas from one review to the next. This requires a constant learning and educational process for staff members. For example, during Fiscal Year 2004-05, the Department assumed responsibility for managing the operations of the State's privately operated prisons. Consequently, the OIG has been requested to review the contract management and monitoring procedures at these prisons. In addition, the OIG has assumed the audit responsibility for the State Technology Office. This increase in workload is reflected in the Annual Audit Plan.

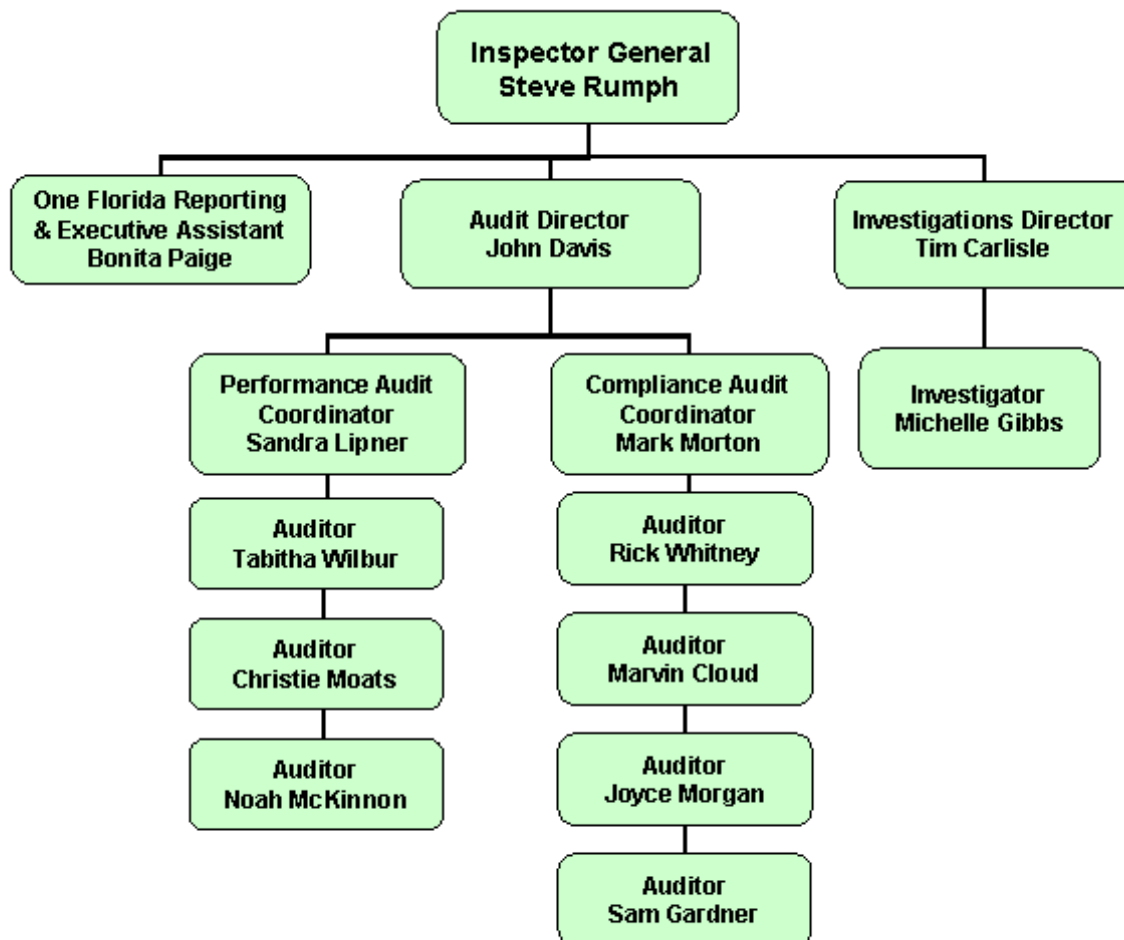


## OIG Organization and Staff



To carry out our duties and responsibilities, the OIG is organized into two sections: Internal Audit and Investigations.

The OIG has a staff of 14 professional/technical positions. Our organizational structure is as follows:





OIG employees have a wide range of experience in both the public and private sectors. Staff members have supervised and conducted audits or investigations at the federal, state, and local levels. The OIG staff brings background and experience in accounting, auditing, law enforcement, program evaluation, management, computer science, and communications.

### OIG Staff Certifications

Professional certifications held by the staff include:



*2 - Certified Inspectors General*

*2 - Certified Public Accountants*

*1 - Certified Internal Auditor*

*1 - Certified Information Systems Auditor*

*1 - Certified Government Financial Manager*

*1 - Certified Inspector General Investigator*

### Staff Affiliations

OIG staff is affiliated with the following professional organizations:

- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Association of Government Accountants
- Association of Military Comptrollers
- Institute of Internal Auditors
- Southeastern Evaluation Association



- National Association of State and Local Inspectors General
- Tallahassee Chapter of the Association of Inspectors General
- The Florida Audit Forum
- Information Systems Audit and Control Association
- National Drug Enforcement Officers Association

# MAJOR ACTIVITIES AND FUNCTIONS



In order to carry out its mission, OIG staff performs the following functions:

## Internal Audit



Internal Audit performs independent audits, reviews, and examinations to identify, report, and recommend corrective action for control deficiencies or non-compliance with laws, policies, and procedures. Audits are also performed to evaluate and make recommendations to improve the effectiveness and efficiency of Department programs and functions.

Audits are conducted in accordance with the current *Standards for the Professional Practice of Internal Auditing* established by the Institute of Internal Auditors (IIA), Inc. Financial audits may be subject to the standards for Generally Accepted Accounting Principles promulgated by the American Institute of Certified Public Accountants. OIG audit reports are distributed to the Secretary of the Department, Office of the Auditor General, Office of the Chief Inspector General, and Department managers.

Responsibilities and functions of Internal Audit include:

- ▶ Conducting *Performance Audits* to ensure the effectiveness, efficiency, and economy of the Department's programs. Elements of financial, compliance, and information systems audits are often included within the scope of such audits.
- ▶ Assessing the reliability and validity of information provided by the Department on *Performance Measurement* and standards.
- ▶ Conducting *Compliance Audits* to ensure that the Department's programs are following prescribed statutes and rules. OIG performs compliance

audits to assess external agencies' compliance with statutes and rules pertaining to participation in the Florida State Employees Retirement System. This includes providing technical assistance to agencies in meeting participation and reporting requirements.

- ▶ Providing *Management Assistance Services* that involve consulting and advising management on departmental policies and procedures and the development of performance measures.
- ▶ Coordinating *Audit Responses and Conducting Follow-ups* to findings and recommendations made by the Auditor General, Office of Program Policy Analysis and Government Accountability (OPPAGA), Inspector General, and other oversight organizations.

## Internal Investigations



The Internal Investigations Section works to deter, detect, and investigate crimes or misconduct impacting the Department. The Section receives inquiries or complaints regarding departmental activity from many sources, including the Whistle-blower's Hotline, the Comptroller's Get Lean Hotline, the Chief Inspector General's Office, and the Governor's Office. Complaints are also received from people who do business with the Department and from upper management or line personnel within the agency. Some complaints are broad and address entire programs while others have a more limited scope.

Staff monitors and track all cases.

- All case dispositions are reported to the Secretary and appropriate managers.
- When allegations are sustained that involves possible disciplinary action, the OIG provides the necessary facts to the Department's Bureau of Personnel Management Services, the Office of the General Counsel, and Division Managers to assist them in taking the appropriate disciplinary actions.
- Cases involving criminal activity are referred to the appropriate law enforcement agency.

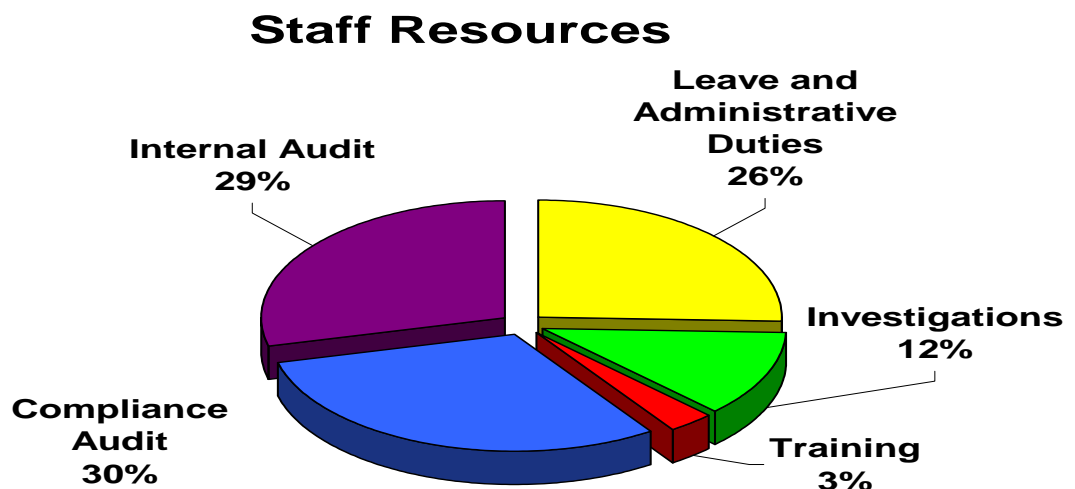
# ACCOMPLISHMENTS



During Fiscal Year (FY) 2003-04, the OIG accomplished workload or issued reports by functional area as follows:

Function	Number	Potential Cost Savings/Recovery/Avoidance
Compliance Audits	228	\$ 1,768,629
Internal Performance Audits	4	\$ 3,169,000
Management Advisory Reviews	8	
Response Coordination	9	
Audit Report Follow-ups	8	
Investigations	35	
Background Inquiries	1,327	
Public Entity Crime Cases	4	

To accomplish our goals, personnel resources were utilized as shown in the following chart:



# SUMMARY OF ACTIVITIES



A summary of the major activities of the OIG during FY 2003-04 follows:

## Performance Audits

During FY 2003-04, the Internal Audit Section completed 4 performance audits with recommendations resulting in savings or questioned costs of approximately \$3,169,000. Our reports are available online at:

[http://dms.myflorida.com/dms/administration/inspector\\_general/publications](http://dms.myflorida.com/dms/administration/inspector_general/publications).

Following are highlights of the audits and reviews completed during the past year.

### Audit of Flagler County's Use of 911 Fees IA Report 2003-77

At the request of the State Technology Office, Bureau of Policy and Regulations Services, the Office of Inspector General conducted an audit of Flagler County's use of 911 fees. The following paragraphs discuss the results of our review and recommendations to improve Flagler County's accountability of 911 fees.

911

The report also included recommendations to the State Technology Office (STO) and State of Florida Wireless 911 Board (Wireless Board) concerning clarification of existing state statutes to (1) adequately prescribe the disposition of surplus 911 funds and (2) accurately define what items/services may be classified as associated expenses for 911 purchases.

Flagler County is in the process of successfully implementing its 911 system. To date, the County has upgraded its basic wireline 911 service to enhanced wireline 911 service and is in the process of implementing enhanced wireless 911 service. Our review,

however, showed that improvements could be made by the County in accounting for and expenditure of 911 fees:

- ✚ Wireline 911 and wireless 911 fees were deposited into a single fund and could not be separately identified and accounted for. As a result, the County was unable to determine the available balance for each individual fee at a given time. Subsequently, the County could not accurately determine the amount of funds that could be carried forward from each fee balance from one fiscal year to the next in accordance with statutes.
- ✚ The County purchased items with 911 fees that were not authorized by statutes. Conversely, the County did not use 911 fees for authorized expenses.

*We recommended* the following:

- ✚ The STO and Wireless Board require the Flagler County Board of County Commissioners to create a formal budget process to separately account for the use of revenues received from wireline 911 fees and wireless 911 fees.
- ✚ The STO and Wireless Board require Flagler County's Board of County Commissioners to calculate the amount of 911 funds to be carried forward in accordance with state statutes.
- ✚ The STO and Wireless Board require Flagler County's Board of County Commissioners to appropriately document the justification for carry forward of 911 funds by resolution, or to alternatively reduce 911 fees for subscribers.
- ✚ The STO and Wireless Board require Flagler County's Board of County Commissioners to use 911 funds only for items authorized by statutes. We suggested that the Board encourage the County to fully use 911 funds rather than general revenue funds to pay for allowable 911 expenses.

***Audit of Department Contract Management***  
***IA Report 2004-01***



The Office of Inspector General performed an audit to determine whether Department contract management was accomplished in the most efficient manner and in accordance with applicable state statutes, rules, and Department policies and procedures. Our review showed that:

- The Department lacks accountability and control over the contracting process.
- There is no method to track, monitor the progress of, or report on the status of existing contracts at either the Department or Division level.
- There are no written policies and procedures sufficient to guide staff through the procurement and management of service contracts.
- An effective contract monitoring mechanism does not exist to ensure the Department is receiving the services for which it has contracted.
- Purchasing actions frequently do not comply with state purchasing statutes and rules or follow sound business practices. Required documentation of purchasing actions and justification of agency purchasing decisions are not maintained in contract files.

We found that the Department paid excessive costs for some services and there was no assurance that the Department received the services for which it contracted. Furthermore, due to inadequately constructed and poorly negotiated contracts as well as a failure to maintain necessary and required documentation, the Department may find it is unable to enforce basic contract requirements and could be vulnerable to future contractor claims.

***We recommended*** that the Department Purchasing Office establish a centralized contract administration system to monitor and track the status of all contracts from the development and procurement phases through contract close-out. ***We also recommended*** that the Contract Administrator position be placed within the Department Purchasing Office and the Contract Administrator be responsible for maintaining contract files and financial information on all contracts and serve as a liaison between the contract managers and the Department.

Management agreed with the recommendations contained in the audit report and took immediate action to correct the deficiencies noted, to strengthen policies and procedures, and to establish a contract management system.

**Department IT Security**  
**IA Report 2004-107**



We evaluated the effectiveness of the Department's network access controls. The objective of our review was to determine if the Department's procedures for granting and removing network access provided adequate network security.

Our review showed that the Department's information technology policies and procedures were last updated in October 1994. They refer to Florida Administrative Code that has been repealed, an organizational structure that has been dismantled, and standards that are no longer applicable. Further review showed that both the Department and State Technology Office's (STO) network domains have potential security exposures.

The report is exempt from public records in accordance with Section 282.318, Florida Statutes. Accordingly, the details of this report are not discussed here.

We recommended that the Department revise its policies and procedures to include the establishment, change, and removal of user access accounts. We also recommended that the Department periodically review all network user access accounts to identify and remove those which are no longer authorized.

**Outsourcing of Integrated**  
**Retirement Information System (IRIS)**  
**IA Report 2004-103**



We conducted an audit of the cost effectiveness of the outsourcing of the support function for the Integrated Retirement Information System (IRIS) at the Division of Retirement. Division management intended to renew the existing IT support contract with the vendor, BearingPoint, for a period of 3 additional years. Based on our review, we determined that the \$3.52 million annual cost of the existing support contract was excessive.

We concluded that contract costs should reasonably be in the \$2 million to \$2.5 million range, annually. We provided the Department with several options concerning contract renegotiations, which included:

- ◆ Renegotiate and renew the contract for a 1, 2 or 3-year period, depending on whether the negotiated rate reduction is satisfactory to the Department.



- ◆ Should the Department be unable to obtain a satisfactory rate reduction, extend the contract for a 6-month period and solicit competition for a new contract.
- ◆ Should the Department be unable to obtain significant cost reductions through renegotiation of the existing contract or through a new contract, transition IT operations and support from the vendor to the State.

Subsequent to our review, the Department successfully renegotiated the contract at a reduced annual cost of \$2.6 million. This resulted in a cost savings of approximately \$2.76 million over the 3-year contract period.

## Management Advisory Services

During each year, the OIG reserves staff time to review issues or matters of concern to Department management. During FY 2003-04, the Internal Audit Section performed eight reviews at the request of Department management. These reviews addressed issues such as the following:



- ▶ Validation of Methodology Used to Calculate Sourcing Savings
- ▶ Supervisor's 360 Evaluation
- ▶ Agency Customer Satisfaction Survey
- ▶ Free Trade Areas of Americas (FTAA) Building Security

Other examples were:

### *Review of Sick Leave Pool* *IA Report 2004-126*

At the request of the Bureau of Personnel Management Services (Bureau), we conducted a review of the balance of hours in the sick leave pool. We reviewed all relevant statutes, rules, and the department's policy and procedures concerning the establishment and maintenance of the sick leave pool. We also reviewed all sick leave pool records maintained by the Bureau.

Due to insufficient documentation, the correct balance of hours in the sick leave pool could not be determined. Our review showed that:

- The sick leave pool had not been balanced since June, 2001.



- The Bureau had transferred 8 hours of sick leave, per participant, to cover a low balance in the pool. At the time of the transfer, not all participants had accumulated enough sick leave hours to cover the 8-hour transfer. Some participants gave 4 hours and the remaining 4 hours were transferred later. However, the Bureau did not correctly document the transfers.
- When the Division of Retirement's sick leave pool was combined with the Department's in April 2003, adequate documentation of this transaction was not maintained.

We attempted to retrieve transfer information from the Cooperative Personnel Employment Subsystem (COPES); however, COPES data did not go back more than 2 years. Due to the absence of COPES data and the lack of adequate records, we were unable to determine the correct balance of hours in the sick leave pool.

We recommended that the Department consider using the sick leave transfer option exclusively, and abolish the sick leave pool.

**Department Climate Survey**  
**IA Report 2004-26**



results showed that:

At the Secretary's request, we performed an Employee Climate Survey within the Department for the period of January 2002 through January 2003. This period covered the calendar year immediately prior to the Secretary's appointment. The survey

- The majority of employees indicated a high level of satisfaction with their benefit packages, physical working conditions and safety.
- Employees displayed general satisfaction with those areas relating to their individual work groups and Divisions.
- Employees indicated a high level of dissatisfaction in those areas relating to treatment, reward and recognition, leadership, and career development.
- Employees' overall level of satisfaction with the Department was low.

- Attitudes were similar between Career Service and Selected Exempt Service employees.
- Those employees working outside the Tallahassee Capital Center Office Complex (CCOC) generally rated Department leadership lower than those employees working within the CCOC.
- Employee attitudes were similar between gender and race.
- In general, the higher the level of income the higher the satisfaction level.

The survey indicated that many employees were taking a “wait and see” attitude about the new direction of the Department. The survey results were published in the Department’s newsletter and provided to Department managers.

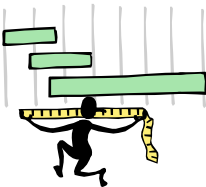
At the Secretary’s request, we will conduct the climate survey annually.

### 911 Presentation IA Report 2003-67



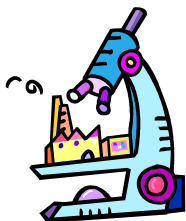
At the request of the State Technology Office, Bureau of Policy and Regulations Services and Wireless 911 Board, we presented “911 From an Auditor’s View Point” at the 911 Coordinator’s meeting. The presentation consisted of the OIG’s authorization and purpose, OIG’s role at the State Technology Office, external versus performance audits, steps of an audit, reference materials, an explanation of allowable expenses, and prior county 911 audit findings.

## Performance Measurement Reviews



During FY 2004-05 the OIG will perform a comprehensive review of all Department performance measures. A comprehensive review is needed in light of the Department’s implementation of various outsourcing initiatives and other changes in program operations. The review will assist in ensuring that Department measures continue to remain valid and reliable indicators of the Department’s performance.

## Compliance Audits



During FY 2003-04, the Compliance Audit Section performed 228 compliance reviews of local government participants in the State of Florida Retirement System. These 228 reviews resulted in revenue adjustments of \$1,768,629 to the Retirement Trust Fund. Compliance

audits consisted mainly of reviews of payroll records, personnel files, and earnings records.

Compliance reviews are performed at participating entities such as:

- County Commissions
- County Property Appraisers
- County Tax Collectors
- County School Boards
- County Clerks
- County Comptrollers
- County Sheriffs
- County Supervisors of Elections
- Community Colleges

The Compliance Audit Section also completed five special reviews requested by management. These reviews identified errors relating to accumulated annual leave payments, accumulated sick leave payments, compensatory time payments, merit bonus payments, unreported earnings, performance incentive payments, and unreported workers compensation payments.

## Response Coordination and Follow-up



We coordinated the Department's responses to 6 Auditor General, and 3 OPPAGA audit reports. These 9 reports contained 73 recommendations. We also performed follow-up reviews on 17 recommendations contained in 6 Auditor General and 2 OPPAGA audit reports.

## Investigations

The Investigations Section conducted 90 investigations during the year. Of these investigations, 55 cases were state employee background investigations and 35 cases centered mainly on employee misconduct and administrative issues. Four investigations were for convictions of Public Entity Crimes, resulting in the placement of 6 individuals and 1 company on the State of Florida Convicted Vendor List. Two investigations were referred to another agency. Twenty-five investigations resulted in administrative sanctions, which included terminations, resignations and reprimands. Four investigations were inconclusive and closed. In addition to the above mentioned investigations, the Investigations Section reviewed the criminal histories of 1,272



contract employees. As a result of these reviews, 50 of these employees were denied access to DMS facilities. Representative examples of the 35 cases were:

**PRIDE Enterprises**  
**II Report 2004-37**



The Sales Manager for a janitorial supply company complained that name-brand products were being sold under state contract by PRIDE Enterprises. The complainant reported that these name-brand products were advertised at the PRIDE Enterprises website, under the state term contract. Investigation substantiated that PRIDE Enterprises does purchase name-brand products to be sold on their website and through their catalog. These products were being misrepresented as items that could be purchased under the state term contract guidelines. As a result of this investigation, PRIDE Enterprises changed the items on their website to reflect the correct products for purchase under the state term contract. Also, PRIDE Enterprises discontinued their catalog sales. An e-mail notification was sent by PRIDE Enterprises to all state purchasing agents to make them aware of these changes.

**Unauthorized Services**  
**II Report 2003-39**



An investigation was initiated after reports were received that a DMS employee was charging fees for notary public services performed for customers visiting the state agencies located in a DMS facility. The notary services were not part of the employee's assigned duties.

The investigation disclosed that customers requesting services were advised that certain documents needed to be notarized. These customers were then referred to the employee who was known to be an authorized Notary Public. The employee would notarize customer documents for a fee. Further investigation disclosed that the employee also performed notary services for state agencies at no charge. The employee was interviewed and related she was advised by the Florida Department of State that she was allowed to perform notary services while on breaks from her normal duties. The employee was directed to halt all notary services at DMS facilities.

***Sexual Harassment:  
Barkley Security Agency, Inc.  
II Report 2003-47***

Two Department of Children and Families employees alleged that a guard working for the Barkley Security Agency, Inc. leered at them and made them uncomfortable as they entered and exited their DMS building. The investigation disclosed there were others within the building that felt the same way when coming in contact with this person. The security agency was notified that this guard could no longer work in any DMS facility.



and Families employees alleged that a Barkley Security Agency, Inc. leered at them and made them uncomfortable as they entered and exited their DMS building. The investigation disclosed there were others within the building that felt the same way when coming in contact with this person. The security agency was notified that this guard could no longer work in any DMS facility.

***Alleged Theft of a Weapon  
II Report 2003-116***

An investigation was initiated after the Department of Juvenile Justice (DJJ) reported that juveniles boasted of finding and stealing a pistol, ammunition and cigarettes from a vehicle parked on the DMS Federal Property Assistance facility. Investigations by the DMS and DJJ Inspectors General disclosed that the juveniles were not properly supervised during the time they cleaned the DMS facility and that several of the juveniles had entered a vehicle that was parked on the facility compound. Further investigation disclosed that the juveniles did remove several rounds of pistol ammunition that had been left inside the vehicle. The juveniles then shared the ammunition with their friends. Investigation disclosed that no pistol or cigarettes were obtained by the juveniles. The stolen ammunition was recovered.

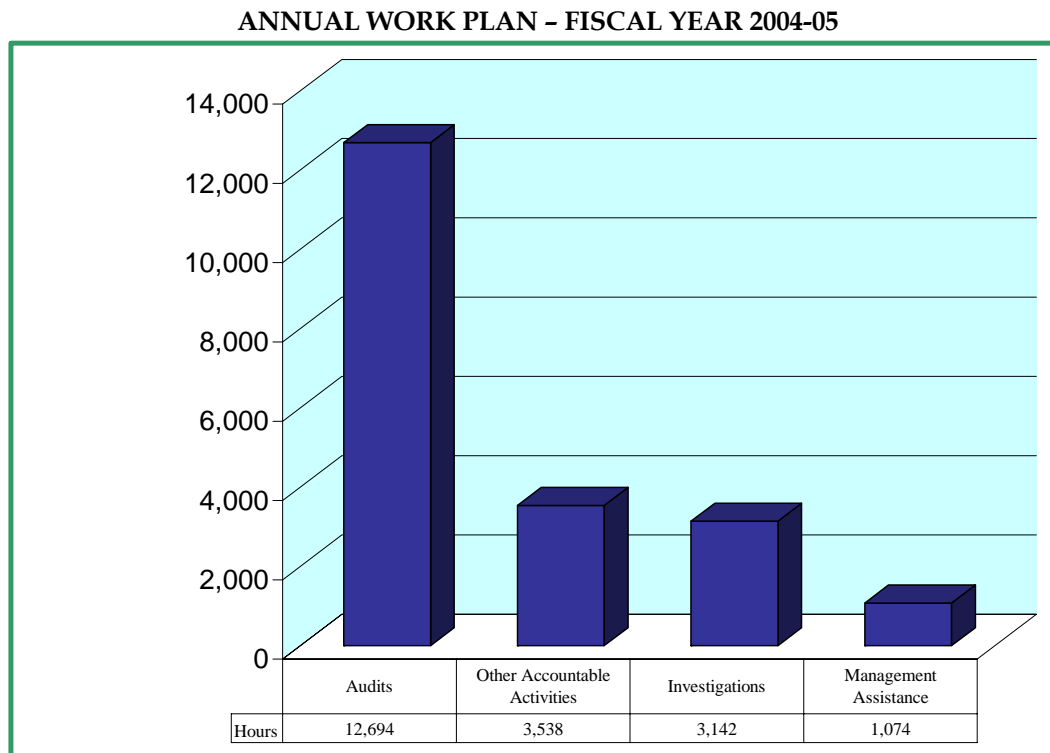


# ANNUAL WORK PLAN FY 2004-05



The purpose of developing the annual work plan is to identify, select, and plan the allocation of resources for the upcoming year. The overriding consideration during the development of our annual work plan is to provide the greatest benefit to the Department with our limited resources.

This Work Plan details products to be delivered. For the upcoming year, we plan to continue devoting the majority of our resources to internal audits and investigations. Based on current staffing, it is expected that the OIG will have approximately 20,000 hours available for projects. The resource allocation depicted in the following chart represents an appropriate balance between audit, investigative, and other accountability activities at the Department of Management Services.



Allocation of staff resources for FY 2004-05 is shown in the following table by specific category.

## Allocation of Time Resources for FY 2004-05

Audit/Program Evaluation	Hours
Performance Measure Validation	400
Contract Monitoring - Private Correctional Facilities	1,500
Lafayette County 911 System	400
STO Billing & Collections Procedures	1,200
General Controls - Department IT Resources	600
Revenues and Cash Receipts Procedures	700
<b>Subtotal</b>	<b>4,800</b>

Investigation Projects	Hours
Comptroller's Complaints	200
Security Assessments	400
Agency Investigations	2,542
<b>Subtotal</b>	<b>3,142</b>

Management/Support	Hours
Personnel Issues	240
Staff Meetings	312
Timekeeping System	312
Management/Coordination	78
<b>Subtotal</b>	<b>942</b>

Internal Process Analyses/Report	Hours
Annual Work Plan/Report	160
Annual Risk Assessment	240
<b>Subtotal</b>	<b>400</b>

Management Assistance Services	Hours
Reserved	1,074
<b>Subtotal</b>	<b>1,074</b>

Holidays and Leave	Hours
Holidays	960
Annual Leave	2,112
Sick Leave	1,248
Other Leave	192
<b>Subtotal</b>	<b>4,512</b>

Special Projects	Hours
Single Audit Act Coordination	100
Schedule IX Preparation	80
Climate Survey	600
Other	100
<b>Subtotal</b>	<b>880</b>

Response Coordination	Hours
Response Coordination	200
Six-Month Follow-ups	420
Eighteen-Month Follow-ups	NA
Internal Follow-ups	120
<b>Subtotal</b>	<b>740</b>

Professional Training	Hours
Staff Development	96
Professional Training	480
<b>Subtotal</b>	<b>576</b>

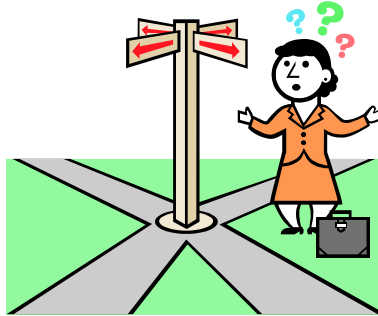
Audit Compliance	Hours
Compliance Reviews	7,000
Special Retirement Projects	894
<b>Subtotal</b>	<b>7,894</b>

**Total Available Hours**

**24,960**



# LONG TERM PLAN FOR FY 2005-06 AND 2006-07



Our long-term plan is to ensure that the services of the Office of Inspector General provide the most benefit to the Department. Our goal is to achieve and maintain an appropriate balance between audit, investigative, and other accountability activities.

Based on the FY 2004-05 Annual Work Plan, approximately 25,000 staff hours will be available for the Office of Inspector General. The Office of Inspector General expects to expend the number of hours shown below for each category during FY 2005-06 as well as FY 2006-07.

ACTIVITY	HOURS
Audit/Program Evaluations	3,960
Compliance Reviews	7,000
Investigations	3,142
Management Assistance	2,454
Response Coordination/Follow-up	800
Internal Process Analyses/Reporting	400
Holidays and Leave	4,512
Management and Support	942
Special Projects	280
Professional Training	576
Special Retirement Projects	894
<b>Total Available Hours</b>	<b>24,960</b>

## APPENDIX A

**Distribution List**

*William O. Monroe, Auditor General*

*Gary Vanlandingham, Interim Director  
Office of Program Policy Analysis and Government Accountability*

*Terry Shoffstall, Director  
Joint Legislative Auditing Committee*

*Derry Harper, Chief Inspector General  
Executive Office of the Governor*

*Kim Mills, Audit Director  
Executive Office of the Governor*

*L.R. Weathermon, Audit Manager  
Office of the Auditor General*

*Lisa Hurley, Deputy Secretary  
Department of Management Services*

*Taylor Smith, Deputy Secretary  
Department of Management Services*

*Cindi Marsiglio, Deputy Secretary  
Department of Management Services*

*Tom Clemons, Director of Administration  
Department of Management Services*

*Debra Forbess, Director of Planning and Budget  
Department of Management Services*

*John Kuczwanski, Press Secretary  
Department of Management Services*