

STATE OF FLORIDA
DEPARTMENT OF MILITARY AFFAIRS
Office of the State Inspector General
St. Francis Barracks
82 Marine Street
St. Augustine, Florida 32084

July 10, 2015

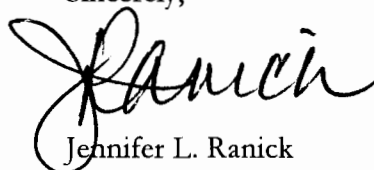
Major General Michael A. Calhoun
The Adjutant General
Department of Military Affairs
St. Francis Barracks, 82 Marine Street
St. Augustine, Florida 32084

Dear General Calhoun:

In accordance with Florida Statutes, attached herewith, for your approval (indicating your signature), is the Audit Plan dated July 10, 2015, for the Department of Military Affairs regarding the fiscal period July 1, 2015 through June 30, 2016.

We appreciate your continuing support of our organization. If you have any questions, or require additional information regarding the above matter, please contact Ed Mosca at extension #0220, or myself at extension #0126.

Sincerely,



Jennifer L. Ranick
Internal Auditor
Department of Military Affairs

Distribution:

Melinda Miguel
Chief Inspector General of Florida
Sherrill Norman, CPA
Auditor General of Florida

**STATE OF FLORIDA
DEPARTMENT OF MILITARY AFFAIRS
St. Francis Barracks
82 Marine Street
St. Augustine, Florida 32084**

**Office of the State Inspector General
Audit Plan
For The Period July 1, 2015, Through June 30, 2016**

Introduction:

Section 20.055(5)(i), Florida Statutes, requires that the Inspector General develop long-term and annual audit plans based on the findings of periodic risk assessments. Standard 2010, International Professional Practices Framework, published by The Institute of Internal Auditors, Inc. (IIA Standards), requires that risk-based plans be established to determine the priorities of the internal audit activity, consistent with the organization's goals. The plan will show the individual audits to be conducted during each year and related resources to be devoted to the respective audits. By statute, the plan is submitted to the agency head for approval with copies submitted to the Governor's Chief Inspector General and the Auditor General.

Overview of Methodology Used to Determine Areas Selected for Audit:

The Office of the Inspector General (OIG) conducted a risk assessment that included all programs with the Department of Military Affairs (Department). The risk assessment process is used to evaluate potential work based upon the knowledge of the current events and accumulated knowledge of senior staff to ensure that we meet the OIG mission of promoting accountability, integrity, efficiency and compliance within the Department's programs and activities. Our risk assessment methodology included:

- Reviewing program objectives, financial information, applicable laws, various reports including internal and external audit reports, and other available program data.
- Inquiring with directorates and key employees regarding the complexity of their operations and obtaining their insight into operations and associated risks.
- Considering the potential for loss or theft of assets, possibility of not meeting program objectives, and whether or not there were any health, safety or welfare issues for the public, employees, clients, users, or recipient of program benefits.
- Ranking the information based on the unit's relative risk factors such as: size of budget and flow of funds; complexity and decentralization of operations; existence of certain internal control elements (i.e., policies and procedures, monitoring systems); experience of management; and the last time the program was audited by the OIG, the Auditor General, or other oversight authority.

Calculation of Available Hours:

Based on the current audit staff within the OIG, for the twelve month period ending June 30, 2016, there are approximately 4,160 hours available for all activities and projects, including audits, investigations, administration, leave and holidays. Based on the results of our assessment and audit priorities, the following represents the time allocation per current State position description (State Inspector General and Internal Auditor):

Total hours for twelve-months (2 individuals x 52 weeks x 40 hours)	4,160
Less: Estimated annual leave	(240)
Estimated sick leave	(160)
Training	(80)
Estimated personal leave	(16)
Holidays	(144)
	<u>(640)</u>
Estimated available work hours	3,520
Hours available for audits (64%)	
CIG Enterprise Audit Projects	700
Long Range Program Plan and Performance Measures	200
Cooperative Agreements	350
Property Records	400
SQM Follow Up	350
Enterprise fund consolidation	<u>250</u>
Total audit hours	2,250
Hours available for non audit services (36%):	
Investigations/complaints	450
Consultation with management	400
Administrative	<u>420</u>
Total non audit hours	1,270
TOTAL HOURS	3,520

Work to be Performed:

Chief Inspector General Enterprise Audits

At the direction of the Governor's Chief Inspector General, approximately 20% of our available time has been allocated to enterprise audit projects.

Long Range Program Plan and Performance Measures

Pursuant to Section 20.055(2), Florida Statutes, we will assess the validity and reliability of the performance measures reported in the Department's Long Range Program Plan (LRPP).

Cooperative Agreements

The purpose of this audit will be to determine whether the Department of Military Affairs is in compliance with their cooperative agreements. This audit will include both State and Federal agreements.

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Property Records

The purpose of this audit will be to determine whether construction-in-progress on State owned buildings is properly reported to the State of Florida. In addition, we will determine compliance with SQM policies and procedures.

SQM Property and Accountability Follow-Up

The purpose of this audit will be to select a sample of armories and perform annual audits on location to further assist the Property and Accountability Office in their efficiency and effectiveness.

Enterprise Fund Consolidation

This is a carry-over project from the previous audit plan to review the operating model for the enterprise funds at Camp Blanding including their financial statements reported in the Florida Accounting Information Resource System (FLAIR). The purpose of this review will be to determine if the enterprise funds' operating guidelines ensure the following of effective and efficient business practices; including whether business transactions are recorded and reported in accordance with standards as established by Accounting Standards Codification.

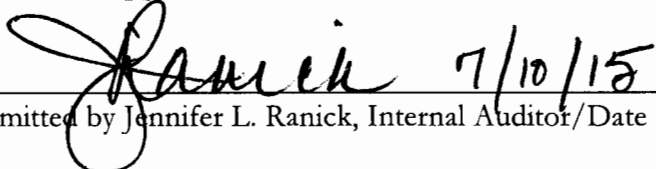
Long-Term Plan:

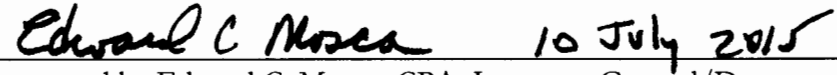
For the fiscal years 2016-2017 and 2017-2018, we plan to ensure the services of the OIG provide the most benefit to the Department and provide coverage for those areas identified as the highest risks. Our goal is to achieve and maintain an appropriate balance between audit, investigative, and other accountability services. Based on our estimation, the following represents the time allocation per current State position description (State Inspector General and Internal Auditor):

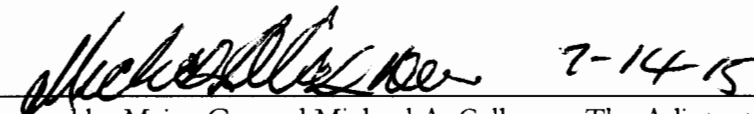
Total hours for a two year period (2 individuals x 104 weeks x 40 hours)	8,320
Audit/Program evaluation and management assistance	1,347
Enterprise audits	1,680
Investigation activities	1,600
Administrative	1,013
Office management	1,400
Training	160
Holidays and leave	<u>1,120</u>
Total available hours	8,320

The long-term plans are subject to change based on the results of the periodic risk assessment conducted in accordance with Section 20.055, Florida Statutes, and any requests made by the Governor and Chief Inspector General to evaluate particular programs.

Audit Plan Approval

 7/10/15
Submitted by Jennifer L. Ranick, Internal Auditor/Date

 10 July 2015
Approved by Edward C. Mosca, CPA, Inspector General/Date

 7-14-15
Approved by Major General Michael A. Calhoun., The Adjutant General/Date