



FLORIDA DEPARTMENT *of* STATE

RICK SCOTT
Governor

KURT S. BROWNING
Secretary of State

June 29, 2011

Kurt S. Browning
Secretary of State
Florida Department of State
R. A. Gray Building
500 South Bronough Street
Tallahassee, FL 32399-0250

Dear Secretary Browning:

I am pleased to submit for your review and approval the Office of Inspector General (OIG) Annual Work Plan. Our Work Plan was compiled based on a risk assessment performed by OIG staff and input from key department managers and staff.

The activities outlined in our Work Plan address the major operations of the department and optimize the use of our resources. Members of senior management requested some of the planned activities. This Plan is dynamic, so we encourage continuous feedback and additional project suggestions. We have retained a portion of our time for special projects including those you may request.

We look forward to working with you and our fellow department employees in meeting the challenges and opportunities that face the Florida Department of State. With your approval, we will implement the OIG Annual Work Plan for fiscal year 2011-2012. Thank you for your continued support and cooperation.

Sincerely,

A handwritten signature in green ink that reads "John L. Greene".

John L. Greene, CIA, CGAP, CGFM
Inspector General

Approved:

A handwritten signature in black ink that reads "Kurt S. Browning".

Kurt S. Browning
Secretary of State

OFFICE OF INSPECTOR GENERAL



Kurt S. Browning
Secretary

OIG Risk Assessment and Proposed 2011-2012 Work Plan

June 29, 2011



John L. Greene
Inspector General

INTRODUCTION

We are pleased to present the results of our annual risk assessment and work plan development. The purpose of this memorandum is three-fold; to share the results of our annual risk assessment survey, to share potential cost savings ideas provided by risk survey respondents and to provide our proposed 2011/2012 Office of Inspector General (OIG) Work Plan.

Our annual risk assessment survey is used to identify and manage risks – events or actions that may adversely affect the department and the achievement of organizational objectives. These risks may be operational, financial, legal or reputational.

Each year we identify risks and share this information with management to assist them in addressing those risks. This year's survey consisted of two survey documents. Management and directors were required to complete a survey to identify risks that may adversely affect the department and the achievement of organizational objectives. Department employees were given an opportunity to answer questions that reflect on information that they report to management or their supervisor and help us be aware of any fraud, waste, or abuse in the department. They were asked to identify a program or function that would benefit from having an independent assessment and an opportunity to identify any efficiencies or cost saving ideas. Their feedback was critical to our work plan development process.

The approved work plan document will guide our work throughout the year but will be adjusted to meet management needs as other priorities are identified.

In addition to identifying risk, we used the survey to collect cost saving ideas. The survey responses included 52 responses with potential cost saving ideas. These ideas were summarized and provided to management for assessment and implementation.

We are available to discuss the risk assessment, potential cost saving ideas and our proposed work plan topics at your convenience.

RISK ASSESSMENT SURVEY/QUESTIONS

As part of the OIG Annual Risk Assessment process, a survey was created for department management that would help identify risks associated with the different areas of the department. This survey was limited to eleven questions that would help capture these risks. We had a 55.17% response rate.

The survey consisted of questions about:

- Management Controls
- Communications
- Staffing and Resources
- Data Systems and Information
- Reporting
- Fraud, waste and abuse

The OIG Risk Assessment process gave all department staff an opportunity to answer questions that reflect on information that they report to management or their supervisor and help us be aware of any fraud, waste, or abuse in the department. They were asked to identify a program or function that would benefit from having an independent assessment and an opportunity to identify any efficiencies or cost saving ideas. We had a 20.24% response rate.

RISK ASSESSMENT SURVEY/QUESTION RESULTS

The survey results highlight department risk areas that should help you understand what your managers perceive as the most significant department risks. This information can be used to establish priorities as well as help you evaluate the proposed OIG work plan topics. We reviewed and compiled all written comments to each survey question and provided a summary to the Secretary.

Policies: When posed with the statement “Policies in my work unit allow employees to do their jobs,” 87.5% of management/directors indicated that policies allow employees to do their jobs.

Q1 – Policies in my work unit allow employees to do their jobs.

Agree	14	87.50%
Disagree	0	0.00%
No Comment	2	12.50%
Total	16	100.00%

Procedures: When posed with the statement “Procedures in my work unit allow employees to do their jobs effectively,” 87% of management/directors indicated that procedures allow employees to do their jobs effectively.

Q2 - Procedures in my work unit allow employees to do their jobs effectively.

Agree		14	87.50%
Disagree		0	0.00%
No Comment		2	12.50%
Total		16	100.00%

Processes: When posed with the statement “Processes in my work unit allow employees to do their jobs effectively,” 87.5% of management/directors that procedures allow employees to do their jobs effectively.

Q3 - Processes in my work unit allow employees to do their jobs effectively.

Agree		14	87.50%
Disagree		0	0.00%
No Comment		2	12.50%
Total		16	100.00%

Communication of Policy Decisions: When posed with the statement “Policy decisions are communicated effectively to staff responsible for their implementation,” 93.75% of management/directors indicated that policy decisions are communicated effectively to staff responsible for their implementation.

Q4 - Policy decisions are communicated effectively to staff responsible for their implementation.

Agree		15	93.75%
Disagree		0	0.00%
No Comment		1	6.25%
Total		16	100.00%

Qualified Staff: When posed with the statement “My work unit has qualified staff to handle our work load,” 50% of management/directors responded “Agree.”

Q5 - My work unit has qualified staff to handle our work load.

Agree		8	50.00%
Disagree		7	43.75%
No Comment		1	6.25%
Total		16	100.00%

Staff Retention: When posed with the statement “My work unit is able to retain qualified staff,” 62.5% of management/directors “Agree” and 37.50% “Disagree”.

Q6 - My work unit is able to retain qualified staff.

Agree		10	62.50%
Disagree		6	37.50%
No Comment		0	0.00%
Total		16	100.00%

Resources: When posed with the statement “My work unit has adequate resources to carry out our job functions,” 93.75% of management/directors “Agree”.

Q7 - My work unit has adequate resources to carry out our job functions.

Agree		15	93.75%
Disagree		1	6.25%
No Comment		0	0.00%
Total		16	100.00%

Information Technology: When posed with the statement “My work unit has undergone significant change in our business processes within the last year,” 31.25% of management/directors responded “Yes” and 68.75% responded “No”.

Q8 - My work unit has undergone significant change in our business processes within the last year.

Yes		5	31.25%
No		11	68.75%
No Comment		0	0.00%
Total		16	100.00%

Reported Information: When posed with the statement “For your program area, please discuss significant events that occurred in the last year which generated interest from the following:” management/directors had 5 response for Media interest, 4 response for Public Interest Groups interest and 5 response for Senior Management Interest.

Q9 - For your program area, please discuss significant events that occurred in the last year which generated interest from the following: Media, Public Interest Groups and Senior Management.

Media		5	21.74%
Public Interest		4	17.39%
Senior Management		5	21.74%
No Comment		9	39.13%
Total		23	100.00%

Fraud, Waste or Abuse: When asked “If you could select one program or area you believe may be vulnerable to fraud, abuse, inefficiency or ineffectiveness, please identify and provide an explanation,” management/directors provided eight comments.

Q10 - If you could select one program or area you believe may be vulnerable to fraud, abuse, inefficiency or ineffectiveness, please identify and provide an explanation.¹

Management Control: When asked “The major data systems I rely on for management information provides sufficient information for decision making,” 100% of management/directors indicated major data systems I rely on for management information provides sufficient information for decision making.”

¹ Note: Question 10 was for comments

Q11 - The major data systems I rely on for management information provides sufficient information for decision making.

Agree		16	100.00%
Disagree		0	0.00%
No Comment		0	0.00%
Total		16	100.00%

The department employee’s response to four questions and an opportunity to identify any efficiencies or cost saving ideas should help you understand what staff think about their managers and areas that could use some improvement. The answers to these questions and cost saving ideas can help establish OIG priorities in the coming fiscal years.

Management Information: When posed with the statement “Information reported to management reflects the actual results of operations in my work unit,” 86.14% of staff responded “Yes.”

Q1 - Information reported to management reflects the actual results of operations in my work unit.

YES		87	86.14%
No		7	6.93%
No Comment		7	6.93%
Total		101	100.00%

Reporting Wrongdoing: When posed with the statement “If I report suspected wrongdoing to my supervisor, I am confident appropriate action will be taken,” 83.17% of staff responded “Yes.”

Q2 - If I report suspected wrongdoing to my supervisor, I am confident appropriate action will be taken.

YES		84	83.17%
No		14	13.86%
No Comment		3	2.97%
Total		101	100.00%

Fraud, Waste or Abuse: When asked “Are you aware of any fraud, waste or abuse in the department,” 86.14% of staff responded “No.” and 9.90% of staff responded “Yes.” We compiled these responses and reviewed all associated comments to determine if there was any information that was actionable by the OIG by performing a review, an audit or an investigation.

Q3 - Are you aware of any fraud, waste or abuse in the department?

YES		10	9.90%
No		87	86.14%
No Comment		4	3.96%
Total		101	100.00%

Fraud, Waste or Abuse: When asked “Do you have a program or function which would benefit from having an independent assessment,” 89.11% of staff responded “No.”

Q4 - Do you have a program or function which would benefit from having an independent assessment?

YES	6	5.94%
No	90	89.11%
No Comment	5	4.95%
Total	101	100.00%

COST SAVING IDEAS

The Office of Inspector General collected cost saving ideas from department staff as part of the Annual Risk Assessment. As previously indicated, the cost saving ideas question was distributed to approximately 499 department employees and 101 staff responded to the survey (approximately a 20.24% response rate).

The following is the question used to gather cost saving ideas –

***“As the agency tries to create efficiencies and reduce costs, we need your input. Please provide any efficiencies or cost saving ideas in the box below.*”**

We received 52 cost saving ideas responses derived from 101 department staff. Many of these responses included significant details and multiple cost savings ideas. We reviewed all ideas and compiled a summary which has been shared with the Secretary and the appropriate executive management team member.

PROPOSED 2011-2012 WORK PLAN

Both Florida Statutes and professional audit standards require the development of risk based work plans (both short and long term) which consider resource requirements. The OIG currently has 2 positions. Based on our analysis, staff members will be able to expend approximately 3200 staff hours to work plan engagements. Approximately 800 staff hours will be needed to complete ongoing projects initiated during the fiscal year. The remaining 2400 hours will be programmed for new engagements.

The following page contains our proposed work plan provided for your review. Following the table of projects planned for the 2011-2012 fiscal year, we have included a table of projects planned for succeeding fiscal years.

PROPOSED 2011-2012 WORK PLAN AND SELECTION CRITERIA

Work Plan Project	SELECTION CRITERIA
Grant Monitoring and Administration	State of Florida Inspector's General Enterprise Audit
Elections	Risk Assessment Issue
Performance Measures – 2011	Statutory Compliance – Recurring Work Plan Item
On-Site Grant Reviews	Risk Assessment Issue
Auditor General Audits/Corrective Action	Statutory Compliance – Recurring Work Plan Item
Florida Single Audit Program Monitoring	Recurring Work Plan Item
OPPAGA Corrective Action Status Reports	Statutory Compliance – Recurring Work Plan Item
OIG Risk Assessment	Recurring Work Plan Item
Management Requests	Recurring Work Plan Item
Department of Financial Services Review	Recurring Work Plan Item
Florida Electronic Library	Risk Assessment Issue
Conduct Investigations as Needed	Statutory Compliance –Recurring Work Plan Item

POTENTIAL OUT YEAR WORK PLAN PROJECTS

Revenue-Cash Receipts
Laboratory, Archaeological Conservation-Vault
Mission San Luis-Land Management
Annual Reports-Corporations
Performance Measures
Auditor General Audits/Corrective Action
Florida Single Audit Program Monitoring
OPPAGA Corrective Action Status Reports
OIG Risk Assessment
Management Requests
Conduct Investigations as Needed

ATTACHMENT 1 – Addressee and Distribution List

Kurt S. Browning, Secretary

Copies distributed to:

Jennifer Kennedy, Acting Chief of Staff and Deputy Secretary of State for Corporations and Elections

JuDee L. Dawkins, Deputy Secretary for Cultural Historical and Information Programs

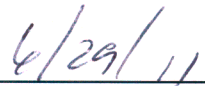
David Martin, Auditor General

Melinda Miguel, Chief Inspector General

This report is reviewed by:



Ary Miller
Management Review Specialist

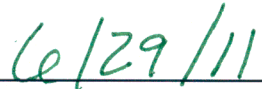


Date

Approved by:



John L. Greene, CIA, CGAP, CGFM
Inspector General



Date

The mission of the department is to serve and enhance Florida's communities by preserving and promoting Florida's rich historical and cultural heritage; by supporting local library systems; by ensuring fair and accurate elections; and by issuing corporate charters and recording financial information. The Office of Inspector General conducts audits and reviews of department programs to assist the Secretary and other agency management and staff in fulfilling this mission.

Please address inquiries regarding this report to John Greene at 850-245-6195. Copies of final reports may be viewed and downloaded via the internet at: <http://www.dos.state.fl.us/office/inspector-general>. Copies may also be obtained by telephone at 850-425-6190, by FAX at 850-245-6125, in person or by mail at Office of Secretary, R. A. Gray Building, 500 S. Bronough Street, Tallahassee, Florida 32399-0250.