



CHIEF FINANCIAL OFFICER  
**JIMMY PATRONIS**  
STATE OF FLORIDA

Fiscal Years 2019-20 and 2020-21

# Annual and Long Term Audit Work Plan

Department of Financial Services

David T. Harper, Inspector General  
Office of Inspector General  
Department of Financial Services

July 8, 2019





CHIEF FINANCIAL OFFICER  
**JIMMY PATRONIS**  
STATE OF FLORIDA

July 8, 2019

The Honorable Jimmy Patronis  
Chief Financial Officer  
Florida Department of Financial Services  
The Capitol, PL 11  
Tallahassee, FL 32399-0001

Dear CFO Patronis:

We are pleased to submit for your review and approval the Department of Financial Services (DFS), Office of Inspector General (OIG), *Annual and Long Term Audit Work Plan for Fiscal Years 2019-20 and 2020-21* (the Plan).

As required by Section 20.055, Florida Statutes, the Plan is risk-based and provides the most effective coverage of DFS programs, activities, and functions. The Plan allows time to perform special projects as requested by DFS executive or senior management. Special projects may include an audit, consulting activity, or management review of programs, functions, or organizational units. Additionally, the DFS OIG may revise the Plan, based on changes in the risk environment.

The DFS OIG is requesting your review and approval of the Plan. At your convenience, we are available to discuss any suggestions or questions you may have.

Sincerely,

A handwritten signature in blue ink, appearing to read "David T. Harper".

David T. Harper  
Inspector General

DH:swm

Approved: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Jimmy Patronis".

Jimmy Patronis, Chief Financial Officer

07/10/19  
Date

Office of Inspector General  
Fiscal Years 2019-20 and 2020-21 Annual and Long Term Audit Work Plan

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## Risk Assessment Process

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Section 20.055, Florida Statutes, and professional audit standards require the Office of Inspector General (OIG) to develop a risk-based annual and long-term audit work plan (the Plan), that includes input from the Department of Financial Services (DFS) executive and senior management. The DFS OIG conducted the 2019 annual risk assessment that resulted in the identification of audit topics for inclusion in the Plan.

1. Defined the audit universe: Identified and surveyed 73 offices and bureaus.
2. Identified significant risks and performed the following activities:
  - Interviews and surveys were designed to include major risks; potential audit topics; program and operational deficiencies; and concerns regarding fraud, waste, or abuse
  - Provided surveys to 73 DFS offices and bureaus
  - Interviewed the chief of staff, deputy chief financial officers, and division directors
3. Developed an annual Audit Work Plan based on the following:
  - Evaluated risk surveys and interview results
  - Translated risks into measurable scores
  - Reviewed external (e.g., Auditor General) and Internal Audit report results
  - Analyzed OIG Investigations' complaints
  - Reviewed Long Range Program Plan (LRPP)
  - Incorporated Auditor institutional knowledge
  - Determined final risk ranking
4. Discussed highest ranked risks (Risk Priorities) with the Chief of Staff.

## Risk Priorities

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The top five risk priorities are:

No.	Risk Priorities
1	Hiring and retention of qualified staff
2	Cash management
3	Safeguarding confidential data, including unauthorized disclosure
4	Reliance on inaccurate or incomplete information
5	Contract management or monitoring and related processes

Office of Inspector General  
Fiscal Years 2019-20 and 2020-21 Annual and Long Term Audit Work Plan

**Fiscal Years 2019-20 and 2020-21 Annual and Long Term Audit Work Plan**

<b>Potential Direct Hours Available for FY 2019-20 Annual Audit Work Plan</b>	4,596
<b>(3 staff + .5 audit director = 3,936 + 660 hours)</b>	
Carry-forward (hours to complete FY2018-19 projects)	400
New audits identified through the risk assessment process	1,560
Recurring audits and annual audit projects (see the Plan for FY 2019-20)	1,189
20% of hours reserved for executive and leadership project requests	787
Chief Audit Executive (Audit Director direct hours)	660
<b>Total Direct Hours Planned for FY 2019-20 Annual Audit Work Plan</b>	<b>(4,596)</b>

**\*Fiscal Years 2019-20 Annual Audit Work Plan**

Division/Office	Engagement Description	Project Type
Accounting and Auditing (A&A)	Electronic Funds Transfer Process	Carryover Consulting
Agent and Agency Services	Bureau of Licensing	Carryover Operational Assurance Audit
Administration	Fleet Management	New Assurance Audit
To Be Determined (TBD)	Contract Management	New Assurance Audit
TBD	Confidential Information	New Assurance Audit
TBD	Special Requests from Executive and Senior Management	New
Finance and Budget	OIG Internal Audit – Bureau of Financial Services' Administration of the DFS PCard Program	Follow-up
A&A	Auditor General – Local Government Reporting System	Follow-up
A&A, Office of Information Technology (OIT), Administration	Auditor General – Florida Accounting Information Resource System (FLAIR)	Follow-up
Unclaimed Property, OIT	Auditor General – Audit of Unclaimed Property Management Information System (UPMIS)	Follow-up
State Fire Marshal, OIT	Auditor General – Audit of State Fire Marshal and Information Technology Controls	Follow-up
A&A, OIT, Administration	Auditor General – FLAIR	Follow-up



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Treasury, OIT	Auditor General – Treasury IT Operational Audit	Coordination
Funeral, Cemetery, and Consumer Services, OIT, Investigation and Forensic Services	Auditor General – DFS Operational Audit	Coordination
A&A	Auditor General – Statewide Financial Statement & Federal Awards	Coordination
A&A, OIT, Administration	Auditor General – FLAIR	Coordination
OIG	OIG Internal Audit – Annual Risk Assessment	Special Project
OIG	OIG Internal Audit – Audit Work Plan	Special Project
OIG	OIG Internal Audit – LRPP Performance Measures	Special Project
OIG	OIG Internal Audit – Schedule IX	Special Project
OIG	OIG Internal Audit – DFS OIG Annual Report	Special Project
OIG	OIG Internal Audit – Quality Assurance Improvement Program	Special Project
OIG	OIG Internal Audit – Quality Assurance Review Preparation	Special Project
OIG	Auditor General – Treasury IT Operational Audit	Coordinated Audit Response
OIG	Auditor General – Statewide Financial Statement & Federal Awards	Coordinated Audit Response
OIG	Auditor General – Florida Accounting Information Resource System	Coordinated Audit Response
OIG	Auditor General – DFS Operational Audit	Coordinated Audit Response

\*The DFS OIG may revise the Plan, based on changes in the risk environment.

**Fiscal Years 2020-21 Long Term Audit Work Plan**

Division/Office	Engagement Description	Project Type
DFS	OIT Involvement with IT Initiatives	Management Review
Risk Management	Transaction Processing Controls	Assurance Audit
Accounting and Auditing	1099 Process	Assurance Audit
Administration	Vacancy/Hiring Process	Consulting Activity

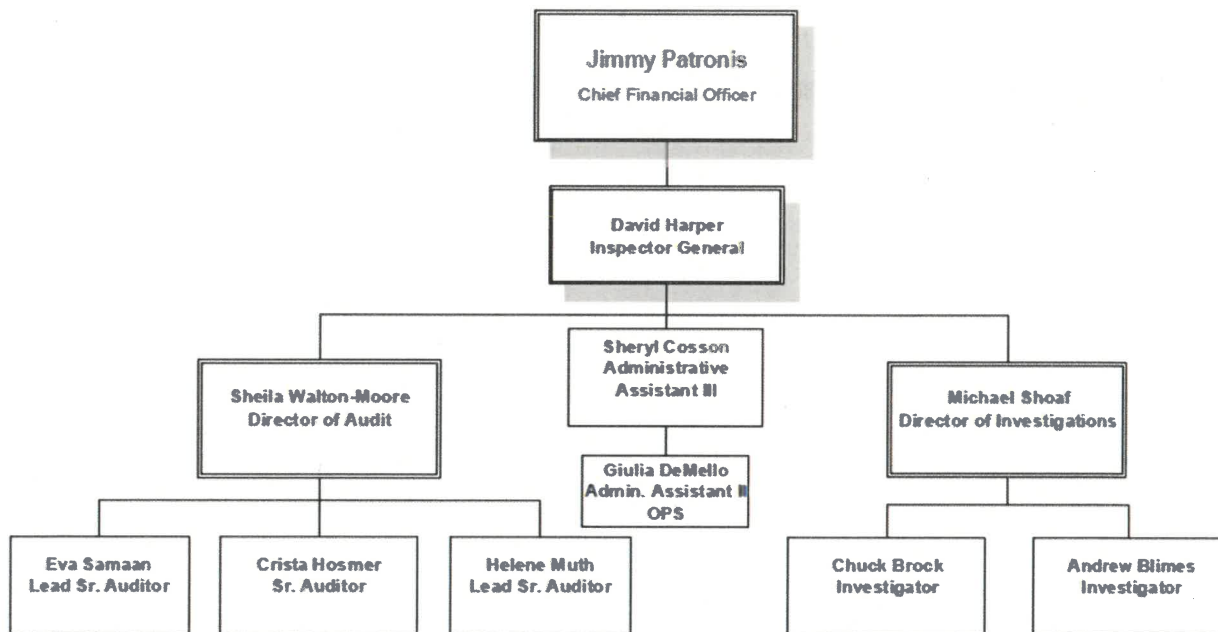
## Background

In accordance with Section 20.055, Florida Statutes, the OIG is established within each state agency to provide a central point for coordination and responsibility for activities that promote accountability, integrity, and efficiency in government. The OIG provides independent and objective information to the Chief Financial Officer and executive management of the Florida Department of Financial Services through audits, investigations, inspections, reviews, performance measure assessments, and other accountability activities.

The Inspector General (IG) is appointed by, and reports to the Chief Financial Officer. The IG directs the activities of the OIG team members within two sections: Internal Audit (Audit) and Investigations.

### Organizational Chart Department of Financial Services

Office of the Chief Financial Officer  
Office of Inspector General



Audit performs independent and objective audit and consulting engagements that provide information on the adequacy and effectiveness of the Department's internal controls and on the economy, efficiency, and effectiveness of departmental programs, activities, and functions. Audit also provides management advisory services and performs audit and consulting engagements in accordance with the *International Standards for the Professional Practice of Internal Auditing* published by The Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General.

## **Project Team**

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The following OIG employees contributed to the *Fiscal Years 2019-20 and 2020-21 Annual and Long Term Audit Work Plan*:

David T. Harper, Inspector General  
Sheila Walton-Moore, Director of Audit  
Helene Muth, Lead Senior Auditor  
Crista Hosmer, Senior Auditor  
Eva Samaan, Lead Senior Auditor

## **Distribution**

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Ryan West, Chief of Staff  
Executive Management  
Division Directors  
Auditor General  
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee  
Chief Inspector General

Please address inquiries to the DFS OIG at 850-413-3112.