



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

Fiscal Years 2021-22 and 2022-23

Annual and Long Term Audit Work Plan

Department of Financial Services

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

June 30, 2021





CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

June 30, 2021

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 2021-2022 and 2022-23* (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 leadership. 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.

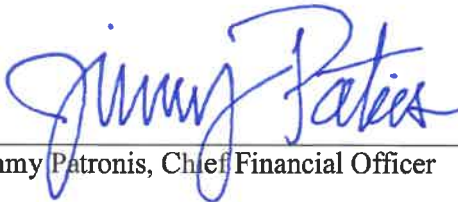
The DFS OIG is requesting your review and approval of the Plan. At your convenience, we are available to discuss any suggestions or questions you may have.

Sincerely,

David T. Harper
Inspector General

DH: dkc

Approved: _____


Jimmy Patronis, Chief Financial Officer

_____ Date

Office of Inspector General
Fiscal Years 2021-22 and 2022-23 Annual and Long-Term Audit Work Plan

Table of Contents

Risk Assessment Process	4
Risk Priorities	4
Fiscal Years 2021-22 and 2022-23 Annual and Long-Term Audit Work Plan	5
Background	7
Project Team	8
Distribution	8

Risk Assessment Process

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 2021 annual risk assessment that resulted in the identification of audit topics for inclusion in the Plan.

1. Defined the audit universe: Identified and surveyed 66 offices and bureaus.
2. Identified significant risks and performed the following activities:
 - Interview questionnaires 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 66 DFS offices and bureaus
 - Interviewed the Chief of Staff, deputy chief financial officers, General Counsel 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

Risk Priorities

The top five risk priorities are:

No.	Risk Priorities
1	Cash management, including overpayments, underpayments, and erroneous payments
2	Failure to meet program objectives
3	Safeguarding confidential data, including unauthorized disclosure
4	Lack of IT resources or IT system failures (includes unsupported software and old systems that are no longer supported)
5	Misuse of Department equipment or resources

Office of Inspector General
Fiscal Years 2021-22 and 2022-23 Annual and Long-Term Audit Work Plan

Fiscal Years 2021-22 and 2022-23 Annual and Long-Term Audit Work Plan

Direct Hours Available for FY 2021-22 Annual Audit Work Plan (2.5 staff + .5 Audit Director = 3,528 + 856 hours) **	3,671
Carry-forward (hours to complete FY2020-21 projects)	100
New audits identified through the risk assessment process	1,787
Recurring audits and annual audit projects	784
Hours reserved for executive and leadership project requests	600
Chief Audit Executive projects (Audit Director direct hours)	400
Total Direct Hours Planned for FY 2021-22 Annual Audit Work Plan	3,671

** Note the OIG currently has 1 auditor position vacant and anticipates another vacancy in early fall 2021, therefore we anticipate that our 3 auditor positions will be filled for only half of the 2021-22 fiscal year.

***Fiscal Year 2021-22 Annual Audit Work Plan**

Division/Office	Engagement Description	Project Type
Rehabilitation and Liquidation	Claims – Confidential Data Access	Carryover Assurance Audit
Unclaimed Property	Accounts Receivable Processing	New Assurance Audit
Risk Management	Employee Workers’ Compensation Claims - Access to Confidential Data	New Assurance Audit
Department wide	Contracts	Legislative Mandate
Chief Inspector General Special Project	Cybersecurity	New Assurance Audit
Department wide	FDHSMV DAVID System Internal Controls	Audit & Annual Attestation
TBD	Special Requests from Executive and Senior Management	New Assurance Audit
State Fire Marshal; Administration	OIG Internal Audit – Purchasing & Contractual Services – Contract Administration	Follow-up
Agent & Agency Services	OIG Internal Audit – Licensing, Confidential Data Access and Background Screenings	Follow-up
Accounting and Auditing (A&A); Office of Information Technology (OIT); Administration	Auditor General – Florida Accounting Information Resource System (FLAIR)	Follow-up
Funeral, Cemetery, and Consumer Services; OIT;	Auditor General – DFS Operational Audit	Follow-up

Office of Inspector General
Fiscal Years 2021-22 and 2022-23 Annual and Long-Term Audit Work Plan

Investigative and Forensic Services		
Office of Inspector General	Auditor General – Quality Assessment Review	Follow-up
A&A	Auditor General – Statewide Financial Statement & Federal Awards	Follow-up
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 – Statewide Financial Statement & Federal Awards	Coordinated Audit Response
OIG	Auditor General – Florida Accounting Information Resource System	Coordinated Audit Response

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

Fiscal Year 2022-23 Long Term Audit Work Plan

Division/Office	Engagement Description	Project Type
Rehabilitation & Liquidation	Accounting – Disbursement of Claims Funds	Assurance Audit
Administration	Purchasing Process	Assurance Audit
Unclaimed Property	Accounts Payable – Claims Processing	Assurance Audit
Funeral, Cemetery & Consumer Services	TBD	Assurance Audit
Consumer Services	TBD	Assurance Audit

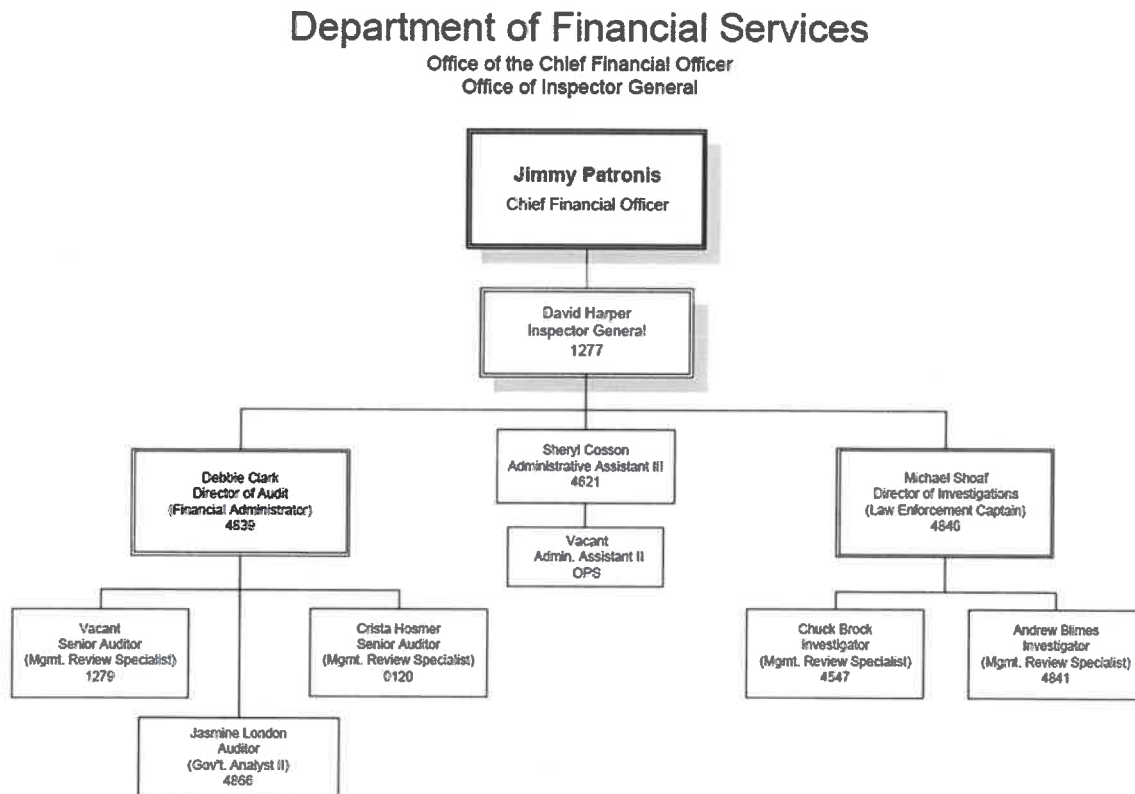
Office of Inspector General
Fiscal Years 2021-22 and 2022-23 Annual and Long-Term Audit Work Plan

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: Audit and Investigations.

Organizational Chart



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

Office of Inspector General
Fiscal Years 2021-22 and 2022-23 Annual and Long-Term Audit Work Plan

and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General.

Project Team

The following OIG employees contributed to the *Fiscal Years 2021-22 and 2022-23 Annual and Long-Term Audit Work Plan*:

David T. Harper, Inspector General
Debbie K. Clark, Director of Audit
Crista Hosmer, Senior Auditor
Jasmine London, Auditor

Distribution

Peter Penrod, Chief of Staff
Executive Leadership
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.