

DEPARTMENT OF CHILDREN AND FAMILIES
OFFICE OF INSPECTOR GENERAL



Annual Audit Plan
Fiscal Year 2023-2024



June 29, 2023

INTRODUCTION

The Office of Inspector General (OIG) was established, within each state agency, by Florida Statute¹ in 1994. The OIG provides a central point for coordination and responsibility for activities that promote accountability, integrity, and efficiency in government. Section 20.055(6)(i), Florida Statutes (F.S.), directs the inspector general to develop annual and long-term audit plans based on the findings of periodic risk assessments.² The audit plan shall show the individual audits to be conducted during each year and related resources to be devoted to the respective audits and shall also include a specific cybersecurity audit plan.³

The risk assessment process facilitates the identification and relative priority of audit projects to be conducted during the upcoming fiscal year. OIG internal audit projects are conducted in accordance with *International Standards for the Professional Practice of Internal Auditing* (Standards), as promulgated by the Institute of Internal Auditors, Inc.

METHODOLOGY

The Internal Audit Section employs a continuous risk assessment model to reflect the ever-changing Department environment to ensure the assignment and completion of high-risk projects. Project priority may be modified as Department conditions and associated risks change.

To develop our proposed audit plan, we solicited input from Department leadership and management to gauge risk through the perspective of those closely involved in operations. Information obtained was further analyzed and evaluated using several risk factors, including impact on citizens and stakeholders, internal controls, potential fraud, management priority, and prior audits. As potential audit topics were examined, the impact of each risk factor was assessed. The calculation for each risk factor was aggregated, resulting in an overall score. Those topics with the highest scores were deemed priority and are included in the current fiscal year audit plan. In accordance with § 20.055(6)(i), F.S., we included the Department's cybersecurity risks into our annual risk assessment and included the risks identified in the development of the long-range and annual audit plans.

Standards⁴ require sufficient resources to achieve the approved audit plan. The proposed audit plan is based on 8,400⁵ direct audit hours.

¹ Section 20.055(2), Florida Statutes (F.S.).

² A risk assessment is a quantification and compilation of factors that might influence the operational success of a component or activity within an organization.

³ Section 20.055(6)(i), F.S.

⁴ According to Resource Management Performance Standard 2030, the chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan (*International Standards for the Professional Practice of Internal Auditing*, Revised Standards, Effective January 1, 2017).

⁵ The Internal Audit Section has seven auditor positions. Annual and sick leave, holidays, training, and administrative time are taken into consideration in calculating available staff hours. Hours may fluctuate depending on available staff.

ANNUAL AUDIT PLAN – PROJECT HOURS

Based on the results of our risk assessment, the following table depicts our projected audit plan for fiscal year (FY) 2023-2024, as well as our long-term plans for FY 2024-2025 and FY 2025-2026. This audit plan incorporates current priorities of management as identified during the risk assessment process. A brief description of topics follows.⁶

FY 2023-2024 Projects	Estimated Hours
<i>Audit Projects for FY 2023-2024</i>	
Carry Forward Projects	2,200
Incident Response (Enterprise Cybersecurity)	700
Disaster Recovery (Cybersecurity)	600
Agency Performance Measures / Long Range Program Plan	500
Supplemental Nutrition Assistance Program (SNAP)	600
Total Hours for Audit Projects	4,600
<i>Other Activities</i>	
Annual Report	100
Annual Risk Assessment and Audit Plan	300
External Audit Coordination	700
Reserve Hours for Enterprise Projects	400
Reserve Hours for Management Requests / Special Projects	800
Single Audit Reviews	1,500
Total Hours for Other Activities	3,800
TOTAL HOURS	8,400

Long-Term Audit Plan for FY 2024-2025 and FY 2025-2026
Cybersecurity (Enterprise)
Children’s Legal Services
Contractor Compensation
Contract Compliance
Data Governance
Data Integrity
Ethics
Falsification of Records
Fleet Management
Opioid Settlement Fund
Personnel Management

⁶ Project scope and audit objectives will be finalized during the preliminary survey phase of each project, where an expanded control assessment will be conducted. This expanded control assessment will determine the highest risk areas within the proposed topic that might affect the mission of the Department.

ANNUAL AUDIT PLAN – DESCRIPTION

Projects in Progress at the End of FY 2022-2023

Allowable Costs in Fixed Price Contracts

The objective of this project is to review cost analyses for non-competitive agreements and the allowability of contract expenditures for a sample of fixed-price contracts.

Background Screening Process - Childcare

The objective of this project is to review the efficiency of the internal background screening process for owners, operators, and personnel of childcare facilities. The review will focus on identifying opportunities for improving the turnaround time for processing screening results, including leveraging the technology of the Agency for Health Care Administration Clearinghouse.

Contractor Accountability - Contract Management Processes

The objective of this project is to determine contract manager compliance with certification requirements, Chapter 287, F.S., § 402.7305, F.S., and guidance from the Department Procurement and Contracting Playbook.

Foster Care and Adoption Payments

Effective July 1, 2022, Chapter 2022-68, Laws of Florida, amended §§ 39.5085 and 409.145, F.S., by revising and specifying room and board rates, providing applicability of annual cost of living increases, and providing supplemental room and board payment provisions to certain caregivers. This audit will review payments, including maintenance subsidies, for out-of-home and adoptive placements.

Identity Management and Access Control - Enterprise Cybersecurity

In accordance with Florida Cybersecurity Standards as outlined in Rule 60GG-2.003(1), Florida Administrative Code, and the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity, we will conduct an enterprise audit of agency cybersecurity controls for Identity Management and Access Control. The review will include current Department cybersecurity identity management and access control policies, procedures, activities, and processes for Department selected system(s) based on risk.

Single Audit Compliance by Contracted Service Organizations

Pursuant to § 215.97(b), F.S., *Florida Single Audit Act*, among other requirements, each nonstate entity that provides state financial assistance to a subrecipient shall:

Review the financial reporting package of the subrecipient, including the management letter and corrective action plan, to the extent necessary to determine whether timely and appropriate corrective action has been taken with respect to audit findings and recommendations pertaining to state

financial assistance provided by a state awarding agency or nonstate entity.

The objective of this audit will be to review Department contracted service organization compliance with single audit subrecipient monitoring requirements.

New Projects for FY 2023-2024

Incident Response (Enterprise Cybersecurity)

Section 20.055(6)(i), F.S., requires each agency OIG to include a specific cybersecurity audit. The objectives will be determined later in the fiscal year in consultation with the Office of the Chief Inspector General.

Disaster Recovery (Cybersecurity)

Preliminary objectives will include a review of business continuity and disaster recovery practices to determine whether the disaster plan is up to date and periodically tested; data centers and backup procedures are established; appropriate resources are allocated; roles and responsibilities are identified; and an overall evaluation of Department preparedness in the event of a disruption.

Agency Performance Measures / Long Range Program Plan

Section 20.055(2)(b), F.S., requires each state agency OIG to perform a validity and reliability assessment of Department performance measures.

Supplemental Nutrition Assistance Program (SNAP)

Preliminary objectives will include reviewing the process for approving benefit applications and disbursing payments and evaluating whether internal controls over personal data accessible through system applications are adequate to protect data from unauthorized access, use, or modification.

AUDIT PLAN APPROVAL

The FY 2023-2024 Audit Plan is respectfully submitted by:



Keith R. Parks, Inspector General

6-29-23

Date

Approved by:



Shevaun L. Harris, Secretary

7-5-23

Date