



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

Fiscal Years 2023-24 and 2024-25

Annual and Long-Term Audit Work Plan

Department of Financial Services

Dawn E. Case, Inspector General
Office of Inspector General
Department of Financial Services

June 19, 2023





CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

June 19, 2023

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

Dear Chief Financial Officer 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 2023-2024 and 2024-25 (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 OIG may revise the Plan, based on changes in the risk environment.

The 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 black ink that reads "D.E.C.".

Dawn E. Case
Inspector General

DEC: dkc

Approved: _____

A handwritten signature in blue ink that reads "Jimmy Patronis".
Jimmy Patronis, Chief Financial Officer

A handwritten date in blue ink that reads "6/19/23".
Date

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Background

In accordance with section 20.055, Florida Statutes, the Office of Inspector General (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 (DFS) through audits, investigations, inspections, reviews, performance measure assessments, and other accountability activities. The IG directs the activities of the OIG team members within two sections: Audit and Investigations.

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.

Risk Assessment Process

Section 20.055, Florida Statutes, and professional audit standards require the OIG to develop a risk-based annual and long-term audit work plan (the Plan), that includes input from the DFS executive and senior leadership. The OIG conducted the 2023 annual risk assessment and developed the Audit Plan by following the Institute of Internal Auditors' eight-step risk assessment process.

1. Defined the audit universe and auditable units by using the organizational chart and various online resources that describe fourteen operating divisions consisting of forty-six bureaus or sections.
2. Identified the objectives of the Department and mapped each objective to the division(s) primarily responsible for meeting the objective.
3. Categorized objectives into four risk factor categories and determined the risks associated with each category.
4. Identified thirteen significant risks within the four risk factor categories.
5. Developed questions related to the thirteen areas of risk and distributed a survey of the questions to ninety-four bureau chiefs and supervisors within each auditable unit.
6. Performed in person interviews of division directors and executive leadership.

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7. Analyzed the results of the survey and interview responses and performed an assessment of audit or review history for each auditable unit.
8. Developed an annual Audit Work Plan based on results of the analysis.

The survey provided to participants involved questions soliciting responses of “high, medium or low”. The survey response rate was 61.7% (58 out of 94) from various auditable units.

Audit Work Plan

The intent of this audit work plan is to provide broad audit coverage while focusing OIG resources on areas with the greatest known risks. The OIG has dedicated resources to provide audit coverage of Department programs, systems, and expenditures.

The Internal Audit Section currently has four positions. Based on our estimated resources when fully staffed, which combines hours for both the annual and long-term plans, staff members can expend 5,414 hours on audit plan engagements annually.

The total hours available will be allocated to projects and functions as outlined below:

***Fiscal Year 2023-24 Annual Audit Work Plan**

Division/Office	Audit Work Plan Projects	Project Type	Estimated Hours
Business Office	My Florida Safe Home Program	New Assurance Audit	550
Division of Forensic Investigations	Secondary Employment	New Assurance Audit	550
Administration	Mailroom Process	New Assurance Audit	550
State Fire Marshal	Bookstore and Bookstore Deposits	New Assurance Audit	400
TBD	Performance Measures	Management Review	250
Departmentwide	Records Retention (with a focus on email retention)	New Assurance Audit	400
TBD	Various Audit Follow-up Activities	Follow-up	150
OIG	Risk Assessment and Annual Audit Plan Activities	Annual Planning	200
OIG	Internal Quality Assurance Activities	Quality Assurance	50
Departmentwide	FLHSMV DAVID System Internal Controls (carry over from prior year)	Triennial Audit Attestation	250

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Office of Information Technology	Security planning (carry over from prior year)	Consulting	225
TBD	Technical Assistance/ Investigative Support/ Inspection Support	Technical Support	139

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

Fiscal Year 2023-24 Annual Cybersecurity Audit Work Plan

Division/Office	Audit Work Plan Projects	Project Type	Estimated Hours
Office of Information Technology	Cybersecurity Project	New Assurance Audit	850
Departmentwide	Protection of Confidential Health Data	New Assurance Audit	850

***Fiscal Year 2024-25 Long-Term Audit Work Plan**

Division/Office	Audit Work Plan Projects	Project Type	Estimated Hours
Departmentwide	Records Retention (with a focus on email retention)	Assurance Audit	450
Accounting and Auditing	Invoice Auditing Process	Assurance Audit	550
Treasury	Collateralization Administration Program	Consulting	400
Departmentwide	Triennial Audit of Contracts	Assurance Audit	800
Auditing and Accounting	Bureau of State Payroll Processing	Assurance Audit	550
TBD	Performance Measures	Management Review	250
TBD	Various Audit Follow-up Activities	Follow-up	150
OIG	Risk Assessment and Annual Audit Plan Activities	Annual Planning	200
OIG	Internal Quality Assurance Activities	Quality Assurance	50
TBD	Technical Assistance/ Investigative Support/ Inspection Support	Technical Support	114
TBD	Carryover Projects		300

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Fiscal Year 2024-25 Long-Term Cybersecurity Audit Work Plan

Division/Office	Audit Work Plan Projects	Project Type	Estimated Hours
Office of Information Technology	Cybersecurity Project	New Assurance Audit	800
Departmentwide	Protection of PII Data	New Assurance Audit	800

Project Team

The following OIG employees contributed to the Fiscal Years 2023-24 and 2024-25 Annual and Long-Term Audit Work Plan:

Dawn E. Case, Inspector General
Debbie K. Clark, Director of Audit
Crista Hosmer, Senior Auditor
Tingting Fan, Senior IT Auditor
Karine St. Jean, Auditor

Distribution

Peter Penrod, Chief of Staff
Executive Leadership
Division Directors
Auditor General
Chief Inspector General

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