



**Office of Inspector General  
Fiscal Year 2018-19 Audit Plan**

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## ***INSPECTOR GENERAL (IG) RESPONSIBILITIES***

*IG Responsibilities* - In accordance with Governing Board Policies 140-1, 140-3 and Section 20.055, Florida Statutes, the IG is responsible for the following activities:

- (a) Advise in the development of performance measures, standards, and procedures for the evaluation of the District.
- (b) Assess the reliability and validity of the information provided by the District on performance measures and standards, and make recommendations for improvement.
- (c) Review the actions taken by the District to improve program performance and meet program standards and make recommendations for improvement, if necessary.
- (d) Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the District.
- (e) Conduct, supervise, or coordinate other activities carried out or financed by the District for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- (f) Keep the Governing Board informed concerning fraud, abuses, and deficiencies relating to programs and operations administered or financed by the District, recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action.
- (g) Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication.
- (h) Review, as appropriate, rules relating to the programs and operations of the District and make recommendations concerning their impact.
- (i) Ensure that an appropriate balance is maintained between audit, investigative, and other accountability activities.
- (j) Comply with the General Principles and Standards for Offices of Inspector General as published and revised by the Association of Inspectors General.

### **INTRODUCTION**

In accordance with Governing Board Policies 140-1, 140-3, and Section 20.055(6)(i), Florida Statutes, the inspector general shall submit an audit plan to the District Governing Board that shows the individual audits and related resources to be devoted to the respective audits during the year. In addition, the audit plan shall also include a long-term projection. This plan is submitted to the Governing Board for approval and a copy of the approved plan will be submitted to the Auditor General.

Standard 2010, International Professional Practice of Internal Auditing, requires risk-based plans be established to determine the priorities of the internal audit activity. The audit plan is the result of a District-wide risk assessment and reflects individual audits planned over the next 12 months and long-term. A risk assessment takes into consideration factors that might influence the operational success of a component or activity within an organization. To ensure the audit plan included the priorities of the Governing Board and the District, meetings with each Governing Board member, District management,

and District staff was also included as part of the risk assessment to solicit their views on risk facing the District. In addition, District strategies, objectives and priorities, prior audits, budgets, and associated risks were considered in developing the audit plan. The audit plan ensures that resources are available for additional functions of the inspector general such as special request, investigative, review, other accountability, and administrative activities.

The audit plan is subject to revision based upon management concerns and the ongoing assessment of risk impacting District operations. Per Governing Board Policy 140-1 and 20.055(6), Florida Statutes, the Governing Board may at any time request the inspector general to perform an audit of a special program, function, or organizational unit.

AUDITS

**Table 1  
Resources Devoted to Audit Topics**

Fiscal-Year	Number of	
	Staff	Hours
FY 2018-19	1	750
FY 2019-20	1	825
FY 2020-21	1	825
FY 2021-22	1	825

**Table 2  
Tabulation of Short-Term and Long-Term Audit Topics**

Audit Topics	Completion	
	12 Months	Long-Term
Commercial Insurance		✓
Competitive Procurement	✓	
Cost Share Projects	✓	
Department of Motor Vehicles (DMV) File Security	✓	
Fund Balances		✓
Health Insurance		✓
Investments		✓
IT Access Privileges	✓	
IT Security		✓
Land		✓
Overtime - Payroll		✓
Other Revenues		✓
P-Cards		✓
Permits		✓
Receivables		✓
SOC 1 Type 2 Reports	✓	
Tangible Personal Property		✓
Vehicles	✓	

As part of all audits, an understanding of the policies, procedures, and internal controls will be gained for the specific topic. A brief summary of the planned audit work includes, but is not limited to:

- ◆ **Commercial Insurance** – For selected commercial insurance, evaluate methods used to acquire the insurance.
- ◆ **Competitive Procurement** – For selected transactions that exceed the bid threshold, perform procedures to verify bids were completed and documented.
- ◆ **Cost Share Projects** – For selected cost share projects, ensure accounting and monitoring are in accordance with the agreement, policies, and procedures.
- ◆ **DMV File Security** – As required per the memo of understanding with DMV, audit internal controls over the security of DMV data to prevent unauthorized access, distribution, use, modification, or disclosure.
- ◆ **Fund Balances** – For selected fund balances, test classifications for propriety.
- ◆ **Health Insurance** – For selected employees, retirees, and dependents, obtain documentation to ensure coverage is provided to only eligible individuals.
- ◆ **Investments** – Determine if the types of investments are in accordance with State law and District policy.
- ◆ **IT Access Privileges** – Determine if access privileges are within the assigned job duties, as they relate to the financial and HR applications, to assigned users. Review the monitoring of access privileges.
- ◆ **IT Security** – Review authentication controls and monitoring of system activity.
- ◆ **Land** – For selected transactions, review dispositions and purchases including monitoring of conservation easements.
- ◆ **Overtime - Payroll** – For selected overtime transactions, determine if the transaction was documented, reviewed by the appropriate supervisor, and in compliance with District policies and procedures.
- ◆ **Other Revenues** – Other revenues include sales from timber, hog hunts, alligator eggs, etc. For selected transactions, ensure proper accountability.
- ◆ **P-Cards** – Review the issuance, assignment, and credit limits of purchasing cards. For selected p-card transactions, determine if the transaction was documented, reviewed, and for a public-purpose.
- ◆ **Permits** – Review the controls over processing and fee collection of permits.
- ◆ **Receivables** – For selected transactions, test the completeness of the receivable and subsequent collection.
- ◆ **SOC 1 Type 2 Reports** – Obtain documentation of the monitoring of SOC 1 Type 2 reports for the health-insurance and workers' compensation programs and any action, if necessary, that was taken as a result of the monitoring.

- ◆ **Tangible Personal Property** – Review subsidiary records of tangible personal property and for selected property from the field and property from the subsidiary record, determine if the item exists and is included in District records.
- ◆ **Vehicles** – Determine if the District is documenting a periodic review of the need for and usage of motor vehicles including justification for maintaining vehicles with low usage.

**Table 3  
Tabulation of Deliverables**

<b>Office of Inspector General</b>			
<i>Description</i>	<i>Frequency</i>	<i>Reported/Approval</i>	<i>Annual % of Chargeable Hours<sup>1</sup></i>
Audit Plan	Annual	Governing Board Approval	10% <sup>2</sup>
Audits	See Audit Plan	Governing Board Approval	55%
Status of Corrective Actions to Audits	6 Months	Reported	↓
Auditor General Recommendation Status	6 and 18 Months	Reported	↓
Investigations	As Needed	Reported	10%
Reviews <sup>3</sup>	As Needed	N/A	10%
Inspector General Annual Report	Annual	Reported	5%
District Performance Measures	Annual	Reported	5%
Inspector General Performance Measures	Semi-Annual	Governing Board Approval	5%
Updates to the Finance/Outreach & Planning Committee	Quarterly	Reported	↓
Meet with the Executive Director <sup>4</sup>	Monthly	N/A	↓
External Peer Review	Once Every 3 Years	Reported	↓

Respectfully Submitted By: \_\_\_\_\_ Date: January 22, 2019

Brian Werthmiller, Inspector General

<sup>1</sup> Does not include time for continuing professional education, District training, administrative duties, coordination of external audits, holiday, vacation, and sick hours.

<sup>2</sup> Includes time for risk assessment.

<sup>3</sup> Typically, a review will not result in a deliverable. For instance, a request from management to review and make any recommendations on a procedure, will typically not result in a report.

<sup>4</sup> This is not a deliverable. The meetings are required per Governing Board Policy 140-3.

CONTACT INFORMATION

**Brian Werthmiller, CPA**  
**Inspector General**

2379 Broad Street Brooksville, Florida 34604-6899

Phone: (352) 796-7211 X4100 ♦ Fraud and Compliance Hotline (352) 754-3482