

# DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION



RON DeSANTIS  
Governor

JULIE I. BROWN  
Secretary

MELINDA MIGUEL  
Chief Inspector General

LYNNE T. WINSTON, Esq., CIG  
Inspector General

## Office of Inspector General

Annual Audit Plan for Fiscal Year 2021-22  
and Long-Term Audit Plans for  
Fiscal Years 2022-23 and 2023-24

July 2021



DEPARTMENT OF BUSINESS & PROFESSIONAL REGULATION  
Office of Inspector General

JULIE I. BROWN  
Secretary

RON DeSANTIS  
Governor



MEMORANDUM

TO: Julie I. Brown, Secretary  
FROM: Lynne T. Winston, Inspector General *[Signature]*  
DATE: June 30, 2021  
SUBJECT: *Annual Audit Plan for Fiscal Year 2021-22 and Long-Term Audit Plans For Fiscal Years 2022-23 through 2023-24*

I am pleased to submit for your review and approval our annual *Audit Plan for Fiscal Year 2021-22 and Long-Term Audit Plans for Fiscal Years 2022-23 through 2023-24*. Our audit plans are risk-based to provide the most effective coverage of department programs, activities, and functions. Beginning in April of this year, our office conducted a comprehensive risk assessment of department risk factors, which included dissemination of a Risk Assessment Survey to division directors. We then met with the directors of the department's divisions and offices to discuss risks within their respective areas. Subsequently, we held similar discussions with the members of your executive management team. These proposed audit plans address department management's priorities and areas of higher risk exposure identified during our risk assessment process.

Our audit plans are intended to respond to changing conditions and emerging risks. We will modify these plans, as needed, in accordance with management concerns and our ongoing assessment of circumstances and events impacting department operations.

At the request of the Chief Inspector General, we have reserved twenty percent of direct audit time to participate in enterprise-wide audits selected by the Chief Inspector General (CIG). These audits are intended to address risk exposures that exist across all executive agencies. Please note that for Fiscal Year 2021-22, the CIG has chosen "*Security Continuous Monitoring*" as one of the enterprise audit topics. We have also reserved staff time to respond to requests for assistance from you or your managers during the year. This time is available for formal consulting engagements, management advisory services, or other assistance to management.

I am respectfully requesting your review and approval of our proposed annual and long-term audit plans. Please indicate your concurrence with your signature below. Should you have any questions, concerns, or wish to discuss, please do not hesitate to contact me.

Attachment

Approved: *Julie I. Brown* 07/08/21  
Julie I. Brown, Secretary Date





**DEPARTMENT OF BUSINESS & PROFESSIONAL REGULATION  
Office of Inspector General**

**Julie I. Brown  
Secretary**

**Lynne T. Winston  
Inspector General**



**OIG ANNUAL AUDIT PLAN FOR  
FISCAL YEAR 2021-22 AND  
LONG-TERM AUDIT PLANS FOR  
FISCAL YEARS 2022-23 THROUGH 2023-24  
June 30, 2021**

**INTRODUCTION**

The Office of Inspector General (OIG) was established within the Department of Business and Professional Regulation to provide a central point for coordination and responsibility for activities that promote accountability, integrity, and efficiency in government. Section 20.055, Florida Statutes, designates the responsibilities of the Inspector General. These responsibilities include:

- Advising in the development of performance measures.
- Reviewing actions taken by the department to improve program performance.
- Providing direction for, supervising, and coordinating audits, investigations, and management reviews relating to department programs and operations.

To help promote accountability, integrity, and efficiency in department operations, the OIG conducts independent and objective audits and reviews of department programs, activities, and functions. The purpose of these engagements is to provide management with information on the adequacy and effectiveness of internal controls, to evaluate compliance with applicable laws, rules, and regulations, and to assess the effectiveness and efficiency of department operations.

The OIG conducts audits, reviews, and other projects in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* published by the Institute of Internal Auditors, Inc., or, where appropriate, in accordance with generally accepted government auditing standards.

**RISK ASSESSMENT PROCESS**

Section 20.055, Florida Statutes, requires the Inspector General to develop annual and long-term audit plans based on the findings of periodic risk assessments. The *Standards* require that we base our engagement plan on a documented risk assessment that is undertaken at least annually. As such, our office conducted a risk assessment for 2021 that included a review and analysis of department strategic plans, operational reports, budgets, and other documents.

During the period of April 2021, the OIG submitted an online Risk Assessment survey to the department's division directors. Division directors then appropriately allocated surveys to bureau chiefs and key staff. The purpose of this process was to gain an understanding of potential risk exposures that may affect the department, as well as assist with the planning of the OIG annual audit plan and related activities.

Additionally, OIG submitted a Technology Risk Assessment survey to the department's Division of Technology. The survey assisted our office in assessing the vulnerability, confidentiality, and integrity of the department's computer system/infrastructure, as well as controls in place for the

protection of the department's technology resources and assets. Our office noted an 88% survey response rate, with fifteen divisions responding to the surveys in a timely manner.

Furthermore, our office conducted risk assessment interviews with division directors and relevant division staff. We then met with executive management to discuss the divisions' responses, along with enterprise risk exposures and internal controls. This process represents our qualitative analysis of each auditable entity.

## ANNUAL AUDIT PLAN

The following annual and long-term audit plans reflect areas of higher risk identified through the risk assessment process, along with management's priorities, for audit coverage. We note that the risk assessment process establishes risk priorities at a specific point in time. The plan evaluates risk exposure and the effectiveness and efficiency of controls to include:

- Operational changes
- Safeguarding of assets
- Exposure to potential fraud risks
- Reliability and integrity of information provided

We will continue to monitor the department's risk environment to identify emergent issues that may require more immediate review. We also strive to accommodate management requests for audit services that may arise during the year as these typically represent current department concerns. The plan may be adjusted by the OIG to meet management's needs, emerging risks, and other priorities.

The Chief Inspector General has directed Executive Branch agency Offices of Inspectors General to reserve twenty percent of available direct audit hours for participation in enterprise audits. Enterprise audits address issues and risks that are common to most state agencies. These audits seek to identify best practices within the enterprise and practical solutions for agency implementation. The Chief Inspector General has selected "*Security Continuous Monitoring*" relative to cybersecurity as one of the enterprise audit topics for Fiscal Year 2021-22.

## INTERNAL AUDIT STAFFING

The Bureau of Internal Audit is staffed by the Director of Auditing and three internal auditors. We determined that 5,133 hours of auditor staff time are available annually for direct audit activities. In calculating available staff hours, we deducted reasonable leave time, holidays, required training hours, administrative time, and time dedicated to statutorily-required activities and responsibilities. These staff resources are available to conduct internal audits of department programs, activities, and functions, perform consulting engagements and management reviews, provide advisory services to management, and participate in enterprise-related activities as requested by the Chief Inspector General.

The following table lists the internal audits planned, as well as follow-up engagements, for Fiscal Year 2021-22. The table includes an estimate of the staff resources required to complete each engagement. A brief description of the focus of each engagement is provided on the subsequent page. Long-term audit plans for the next two fiscal years are also included.

<b>ANNUAL AUDIT PLAN Fiscal Year 2021-22</b>		
<b>Division/Office</b>	<b>Audit/Assurance Engagement Topic</b>	<b>Estimated Hours</b>
<b>Direct Audit Hours Available</b>		<b><u>5133</u></b>
Department	Chief Inspector General Enterprise Audit <i>Security Continuous Monitoring</i>	1027
Division of Administration/Bureau of Human Resources	Payroll Processes and Procedures <i>This is a carry-forward engagement from Fiscal Year 2020-21</i>	75
Office of General Counsel/Open Government	Public Records Process <i>This is a carry-forward engagement from Fiscal Year 2020-21</i>	56
Division of Technology	IT Disaster Recovery Plan <i>This is a carry-forward engagement from Fiscal Year 2020-21</i>	500
Division of Alcoholic Beverages and Tobacco	Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	600
Department	Audit of Executed Contracts	740
Division of Financial Management/Bureau of Finance and Accounting	Disbursement Section Processes	550
Division of Technology/ Multi-divisions	Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	600
<b>Division/Office</b>	<b>Follow-up Engagements</b>	<b>Estimated Hours</b>
Division of Administration/Bureau of Agency Services	Follow-up: Audit of Department Purchasing Card Program - <i>This is a carry-forward engagement from Fiscal Year 2020-21</i>	10
Office of General Counsel/Open Government	Follow-up: Audit of Public Records Process	50
Division of Administration/Bureau of Human Resources	Follow-up: Audit of Payroll Processes and Procedures	75
Division of Alcoholic Beverages and Tobacco	Follow-up: Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	50
Division of Technology	Follow-up: IT Disaster Recovery Plan	75
Division of Hotels and Restaurants/Multi-divisions	Follow-up: Auditor General's Operational Audit	75
<b>Division/Office</b>	<b>Internal Engagement</b>	<b>Estimated Hours</b>
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – Standard 1300 <i>(In accordance with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards))</i>	250

Division/Office	Management Reviews and Advisory/Technical Assistance Services	Estimated Hours
Department	Compliance with HIPAA Regulations	200
<i>To Be Determined</i>	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	200
<b>Total Hours</b>		<b>5133</b>

**NOTE:** This plan is subject to revision based on changes in the department's risk environment and extenuating circumstances.

### Overview of Engagements Planned for Fiscal Year 2021-22

**Security Continuous Monitoring:** This audit is in response to the revisions to Section 20.055, which require OIG audit plans to include a specific cybersecurity audit plan.

**Payroll Processes and Procedures** (*Carry-forward engagement from Fiscal Year 2020-21*): The purpose of this review is to evaluate the efficiency and effectiveness of internal controls established over payroll-related processes and procedures.

**Public Records Process** (*Carry-forward engagement from Fiscal Year 2020-21*): The purpose of this review is to evaluate the efficiency and effectiveness of internal controls established for the dissemination of information to the public, as well as examine the retention and disclosure practices for public records.

**Information Technology Disaster Recovery Plan** (*Carry-forward engagement from Fiscal Year 2020-21*): The purpose of this review is to evaluate whether proper procedures, as well as internal controls, are in place to recover and protect the department's infrastructure, prevent the loss of data and other IT resources, and quickly restore data following a disaster.

**Internal Controls over Driver and Vehicle Information Database (DAVID):** The purpose of this review is to evaluate whether the department's internal controls over the personal data accessed through DAVID are adequate to protect data from unauthorized access, distribution, use, modification, or disclosure per the department's MOU with the Department of Highway Safety and Motor Vehicles.

**Audit of Executed Contracts:** The purpose of this audit is to carry out the requirements of Section 287.136(2), F.S.

**Audit of Disbursement Section Processes:** The purpose of this review is to determine whether internal controls over disbursements are reasonably adequate to ensure compliance with the applicable laws, rules and regulations and the prevention of duplicate payments

## LONG-TERM AUDIT PLANS

The following tables present the OIG's audit plans for the remaining two fiscal years of the audit cycle. As part of the Fiscal Year 2021-22 annual risk assessment, the OIG will evaluate whether changes in the department's risk environment require that we realign our long-term audit plans to address issues of higher risk or matters of more immediate concern to management.

LONG-TERM AUDIT PLAN Fiscal Year 2022-23		
Division/Office	Audit/Assurance Engagement Topic	Estimated Hours
<i>To Be Determined</i>	Chief Inspector General Enterprise Audit(s) <i>[Selected Topic(s)]</i>	1027
Division of Drugs, Devices and Cosmetics	Performance Measure Validity and Reliability (Requirement per s. 20.055, F.S.)	450
Florida Athletic Commission	Licensing Process/Intake of Permit Fees	600
Division of Professions/Bureau of Education and Testing	Application and Review Processing	600
Division of Alcoholic Beverages and Tobacco/Enforcement	Secondary Employment Vehicle Usage	675
Division of Real Estate	Complaint Investigation Process	675
Division/Office	Follow-up Engagements	Estimated Hours
Department	Follow-up: Audit of Executed Contracts	75
Division of Financial Management/Bureau of Finance and Accounting	Follow-up: Disbursement Section Processes	75
Division of Technology/ Multi-divisions	Follow-up: Audit of Internal Controls over Driver and Vehicle Information Database (DAVID)	50
Division/Office	Internal Engagement	Estimated Hours
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – Standard 1300 <i>(In accordance with the IIA's International Standards for the Professional Practice of Internal Auditing (Standards))</i>	250
Division/Office	Management Reviews and Advisory/Technical Assistance Services	Estimated Hours
Department	Trust Fund Review	356
<i>To Be Determined</i>	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	300
<b>Total Hours</b>		<b>5133</b>

**NOTE:** This plan is subject to revision based on changes in the department's risk environment and extenuating circumstances.

<b>LONG-TERM AUDIT PLAN Fiscal Year 2023-24</b>		
<b>Division/Office</b>	<b>Audit/Assurance Engagement Topic</b>	<b>Estimated Hours</b>
<i>To Be Determined</i>	Chief Inspector General Enterprise Audits <i>[Selected Topic(s)]</i>	1027
Certified Public Accounting	Complaint Investigation Process	600
Division of Service Operations	Paperless Licensing Process	600
Division of Drugs, Devices, and Cosmetics	Inspection Program	600
Division of Administration/Agency Services	Property Management Audit	625
Division of Regulation	Unlicensed Activity Complaint Process	575
<b>Division/Office</b>	<b>Internal Follow-up Engagements</b>	<b>Estimated Hours</b>
Multiple Divisions	Follow-up Engagements: To Be Determined	200
<b>Division/Office</b>	<b>Internal Engagement</b>	<b>Estimated Hours</b>
Office of Inspector General/Bureau of Internal Audit	Internal Assessment – Standard 1300 <i>(In accordance with the IIA’s International Standards for the Professional Practice of Internal Auditing (Standards))</i>	250
<b>Division/Office</b>	<b>Management Reviews and Advisory/Technical Assistance Services</b>	<b>Estimated Hours</b>
Division of Technology	Process Review – Help Desk	356
<i>To Be Determined</i>	Ad Hoc Services and Reviews Per Management or CIG Request or as deemed necessary	300
<b>Total Hours</b>		<b>5133</b>

**NOTE:** This plan is subject to revision based on changes in the department’s risk environment and extenuating circumstances.

To promote accountability, integrity, and efficiency in government, the Office of Inspector General conducts audits and reviews of Department of Business and Professional Regulation programs, activities, and functions. This project was conducted pursuant to Section 20.055, Florida Statutes, and in conformance with applicable *Principles and Standards for Offices of Inspectors General* as published by the Association of Inspectors General and applicable standards of the *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors, Inc.

Other reports prepared by the Office of Inspector General of the Department of Business and Professional Regulation can be obtained by telephone (850-414-6700) or by mail (2601 Blair Stone Road, Tallahassee, FL 32399-1018). OIG reports are also available online at <http://www.myfloridalicense.com/dbpr/oig/auditreports.html>.