



June 30, 2016

Mr. Rodney J. MacKinnon, Executive Director  
Florida Office of Early Learning  
250 Marriott Drive  
Tallahassee, FL 32399

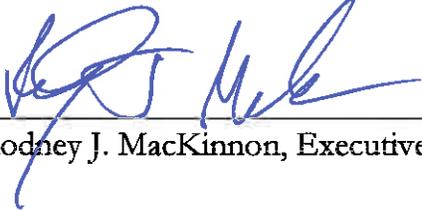
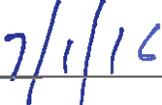
Subject: OIG Work Plan for Fiscal Year 2016-17 and Long Term Audit Plans for Fiscal Years 2017-18 and 2018-19

Dear Executive Director MacKinnon:

I am submitting for your approval, in accordance with Section 20.055, Florida Statutes and *The International Standards for the Professional Practices of Internal Auditing*, issued by the Institute of Internal Auditors, the annual work plan for the Office of Inspector General (OIG). The OIG work plan documents our goals and objectives for fiscal year 2016-17, including engagements for the upcoming fiscal year and projected engagements for the following two fiscal years. The OIG audit plan is risk-based to provide the most effective coverage of the Department's programs, processes, systems, and contracts. Our analysis is based on a risk assessment performed by the OIG, including input from Florida Office of Early Learning (OEL) executive staff, directors, managers, and OIG staff. We have also allocated a portion of our auditable hours for management requests and enterprise projects as requested by the Governor's Chief Inspector General.

We look forward to working with you in meeting the challenges and opportunities that face the Florida OEL. With your approval, we will implement the OIG work plan for fiscal year 2016-17, and will submit copies of the work plan to the Governor's Chief Inspector General and the Florida Auditor General.

Thank you for your continued support.

Approved By:  Date:   
Rodney J. MacKinnon, Executive Director

Sincerely,



Sarah Beth Hall, Inspector General

**SARAH BETH HALL**

INSPECTOR GENERAL, OFFICE OF EARLY LEARNING

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**Florida Office of Early Learning  
Office of Inspector General**



**Annual Work Plan for Fiscal Year 2016-17  
And Long-Term Audit Plans for  
Fiscal Years 2017-18 and 2018-19**

**Dated: June 30, 2016**

**Sarah Beth Hall, Inspector General**

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### **Mission**

The mission of the Office of Inspector General (OIG) internal audit activity is to provide independent, objective assurance, and consulting services designed to add value and improve the Florida Office of Early Learning (OEL) operations. The internal audit activity helps the Florida OEL accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### **Authority, Responsibility and Independence**

The authority and responsibilities of the OIG are established in Section 20.055, Florida Statutes. Pursuant to legislative intent, the OIG also administers the public assistance fraud referral process for the Florida OEL and coordinates the process with external partners to ensure maximum efficiency.

The Inspector General reports functionally to the Florida Chief Inspector General (CIG) and administratively to the Florida OEL Executive Director. Pursuant to state statute, the OIG has full, free, and unrestricted access to all Florida OEL activities, records, data, properties, functions, and personnel necessary to effectively discharge its responsibilities.

### **Risk Assessment and Audit Plan**

To fulfill its mission and goals, the OIG conducts a risk assessment of the Florida OEL operations. Both Florida Statutes and professional audit standards require the OIG to develop risk-based annual and long-term audit plans which consider resource requirements and input from senior management.

The audit plan includes participation in enterprise audit projects as requested by the CIG. The approved audit plan will guide our activities throughout the year, but will be adjusted to meet management needs as other priorities change and new risks are identified.

The following sections provide information on OIG staff changes as well as detailed planned engagements for fiscal year 2016-17.



**Available Staff Resources**

The OIG has been authorized two positions. They are comprised of one professional staff and the Inspector General. The professional staff position and the Inspector General provide 4,160 staff hours of professional and administrative support for this upcoming year. These resources are applied to:

- Audits, Consulting Services, Investigations, Management Reviews, Enterprise Projects;
- Follow-up Activities;
- Education and Outreach;
- Administration, Oversight, and Supervision of the OIG;
- External Audit Coordination;
- Training; and
- Leave/Holidays.

**Fiscal Year 2016-17 Staff Resources Allocation**

For fiscal year 2016-17, OIG allocation of staff hours are:

Category	Planned Hours	Percent of Time
Carry Forward Assignments	40 hours	1%
Planned Engagements <sup>1</sup>	1,391 hours	33.5%
Investigative Services	400 hours	10%
Follow-Up Activities	10 hours	0.5%
Oversight Activities	645 hours	15%
External Audit Coordination	50 hours	1%
Outreach and Education	120 hours	3%
Indirect Activities <sup>2</sup>	1,054 hours	25%
Project Management	450 hours	11%
	4,160 hours	100%

**Carry Forward Assignments**

The OIG staff have 10 complaints in progress during fiscal year 2015-16 that are currently being processed. They are expected to be closed out within the first quarter of fiscal year 2016-17. A total of 40 hours have been allocated for these activities.

<sup>1</sup> Planned Engagements include Audits, Consulting Services, Management Reviews, Management Requests, and Enterprise Projects.

<sup>2</sup> Indirect activities include leave/holidays, training, and administration.



***Planned Engagements***

A total of 1,391 OIG staff hours are allocated to new engagements for FY 2016-17. These engagements were selected based on a risk assessment performed by the OIG, including input from Florida OEL management and OIG staff.

TOPIC	DESCRIPTION
<p>Provider Management Review</p>	<p>Evaluate the process early learning coalition (coalition) management has put in place to qualify and accept providers. With focus on the controls for ensuring that policies and processes are in place and being consistently followed. Additional focus will be on the coalition’s strategy to track and handle provider management in the high-risk locations, including a review of provider acceptance and the periodic provider continuance review process.</p>
<p>OEL Match Reporting Process</p>	<p>Review of the accuracy and consistency of match reporting by coalitions, with a focus on in-kind contributions. Also, review compliance with State and Federal laws and regulations. Review of how the Florida OEL processes match funds.</p>
<p>Program Integrity Unit Efficiency &amp; Effectiveness Review</p>	<p>The Program Integrity Unit within the Florida OEL is responsible for promoting School Readiness and Voluntary Prekindergarten program compliance and effectiveness for the Florida OEL’s early education and care programs. This engagement will review the efficiency and effectiveness of the Program Integrity Unit.</p>
<p>IT Risk Assessment</p>	<p>This project will focus on the Florida OEL’s compliance with Agency State Technology Rule 74-2, Information Technology Security, Florida Administrative Code.</p>



TOPIC	DESCRIPTION
Anti-Fraud Plan Reviews	In accordance with Section 1002.91, Florida Statutes and Rule 6M-9.400, Florida Administration Code, the OIG will review each coalition’s anti-fraud plan by September 1, 2016, and shall notify the coalition in writing of approval or disapproval and the reasons for disapproval.
Single Audit Activities	The OIG will perform selected activities during the fiscal year in accordance with the Florida Single Audit Act, Section 215.95, Florida Statutes.
Performance Measures	In accordance with Section 20.055 (2)(b), Florida Statutes, each agency’s OIG is required to assess the reliability and validity of the information provided by the agency on performance measures and standards to be submitted to the Executive Office of the Governor.
Management Requests	A portion of our planned engagements has been reserved for management requests that may occur during the fiscal year. These requests may be for assurance or consulting services.
Enterprise Projects	The CIG asked agency inspectors general to identify common audit topics in preparation of an enterprise audit plan. At the request of the CIG, a portion of our resources were allocated to enterprise projects for fiscal year 2016-17.



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### **Investigative Services**

In addition to audit activities, Section 20.055, Florida Statutes, requires the OIG to conduct investigations to detect, deter, and prevent fraud, waste, misconduct, and other abuses. The OIG also receives and handles complaints.

The OIG plans to obtain accreditation for Investigations in 2017 by the Commission for Law Enforcement Accreditation, Inc. OIG staff will be conducting activities related to obtaining accreditation.

A total of 400 hours have been allocated for these investigative-related activities.

### **Follow-up Activities**

OIG staff conducts follow-up assessments on both internal and external audits, management reviews, and investigations to ensure the Florida OEL has taken appropriate corrective action on findings. One engagement is scheduled for follow-up activities in fiscal year 2016-17, with 10 hours allocated.

### **Oversight Activities**

The OIG participates in numerous activities that are classified as oversight. This includes coordination of the fraud referral process and administration of the fraud referral database, an annual review of OIG procedures, data analytics, internal quality assessment, annual OIG risk assessment, OIG work plan, OIG annual report, and other internal/external assistance.

A total of 645 OIG staff hours are allocated to oversight activities for fiscal year 2016-17.

### **External Audit Coordination**

The OIG is the primary liaison with external audit entities and is responsible for coordinating and facilitating responses to audits or reviews by those entities with a view toward avoiding duplication. The IG shall provide written responses to the agency head on the status of corrective actions taken. The OIG serves as the primary point of contact for external auditors.

A total of 50 OIG staff hours are allocated to external audit coordination activities for fiscal year 2016-17.



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### **Outreach and Education**

The OIG currently provides ongoing consultation to management regarding risk, internal controls, program management and efficiency of operations in efforts to assist the Florida OEL in meeting its mission. A total of 120 hours were allocated for these related activities.

### **Indirect Activities**

#### ***General and Administrative***

OIG staff routinely perform activities that do not relate to specific assignments. Examples of these types of tasks include timekeeping, staff meetings, Department meetings, personnel administration, training not directly related to a project, annual budget preparation, as well as, purchasing activities.

#### ***Training***

In accordance with the *International Standards for the Professional Practice of Internal Auditing*, internal auditors should possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. OIG staff are required to obtain a minimum of 40 hours of continuing professional education every two years. In addition, the OIG must meet minimum training standards required by the Commission for Florida Law Enforcement (CFA) in order to receive accreditation. The CFA requires OIG staff to complete 40 hours of training every two years that directly enhances professional proficiency.

#### ***Leave and Holidays***

Estimated hours have been reserved to account for OIG staff leave and State holidays.

A total of 1,054 staff hours are allocated to indirect activities for fiscal year 2016-17.

### **Project Management**

Project Management represents the oversight of internal audits, administrative investigations, and other OIG projects by the Inspector General. A total of 450 staff hours are allocated to audit management for fiscal year 2016-17.



**Long-Term Audit Plans**

The OIG Long-Term Audit Plan is to ensure that its services provide the most benefit to the Florida OEL. Specifically, the OIG intends to be a leader in developing competent, innovative staff, and providing reports that are objective, clear, concise, constructive and timely, concerning matters that are important to the Florida OEL Executive Director. Specifically, planned projects are identified below. However, the long-term plans are subject to change, based on the results of the periodic risk assessment and to be responsive to both the Florida OEL Executive Director and the CIG.

<b>Fiscal Year 2017-18</b>
Whistleblower Audit
IT Governance
Performance Funding Project Review
Workload Analysis
Performance Measures
Anti-Fraud Plan Reviews
Single Audit Activities

<b>Fiscal Year 2018-19</b>
IT Security Reviews
Internal Handling of Confidential Data
School Readiness Program Review
Workload Analysis
Performance Measures
Anti-Fraud Plan Reviews
Single Audit Activities