



June 29, 2017

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

Subject: OIG Work Plan for Fiscal Year 2017-18 and Long Term Audit Plans for Fiscal Years 2018-19 and 2019-20

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 Practice 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 2017-18, 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 operations. Our analysis is based on a risk assessment performed by the OIG, including input from Florida Office of Early Learning (OEL) executive management, directors, managers, supervisors, 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 2017-18, 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:   
Rodney J. MacKinnon, Executive Director

Date: 6/30/17

Sincerely,



Sarah Beth Hall, Inspector General

SARAH BETH HALL

INSPECTOR GENERAL, OFFICE OF EARLY LEARNING

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



**Annual Work Plan for Fiscal Year 2017-18  
and Long-Term Audit Plans for  
Fiscal Years 2018-19 and 2019-20**

**Dated: June 29, 2017**

**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 Florida Statutes, 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 Inspector General plans and regularly monitors work to ensure an appropriate balance is maintained between audit, investigative, and other accountability services.

The following sections provide information on OIG staff changes as well as detailed planned engagements for fiscal year 2017-18, as time permits.



**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;
- Outreach and Education;
- Administration, Oversight, and Supervision of the OIG;
- External Audit Coordination;
- Training; and
- Leave and State Holidays.

**Fiscal Year 2017-18 Staff Resources Allocation**

For fiscal year 2017-18, OIG allocation of staff hours are:

Category	Planned Hours	Percent of Time
Planned Engagements <sup>1</sup>	1015 hours	24%
Carry Forward Assignments	569 hours	13.5%
Investigative Services	860 hours	20.5%
Follow-Up Activities	16 hours	0.4%
Oversight Activities	280 hours	7%
External Audit Coordination	25 hours	0.6%
Outreach and Education	75 hours	2%
Management Support <sup>2</sup>	500 hours	12%
Indirect Activities <sup>3</sup>	820 hours	20%
	4,160 hours	100%

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

<sup>2</sup> Management support includes activities related to project management, OIG project staff meetings, OEL department meetings, and public records requests.

<sup>3</sup> Indirect activities include leave, state holidays, and administrative activities.



**Planned Engagements**

Section 20.055, Florida Statutes requires the OIG to conduct financial, compliance, electronic data processing, and performance audits of the agency and prepare audit reports of the findings. Engagements are conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* issued by the Institute of Internal Auditors. A total of 1,015 OIG staff hours are allocated to new engagements for FY 2017-18. These engagements were selected based on a risk assessment performed by the OIG, including input from Florida OEL management and OIG staff.

TOPIC	DESCRIPTION
General IT Controls	IT General Controls Review of selected computer operations including backup and recovery procedures and patch management.
Data Analytics & Fraud Detection	Review of the data analytics and fraud detection processes used by the Florida OEL to identify public assistance fraud.
Program Integrity Monitoring Efficiency & Effectiveness Review	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 evaluate the efficiency and effectiveness of the Program Integrity Unit’s monitoring efforts.
Coalition 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, and shall notify the coalition in writing of approval or disapproval and the reasons for disapproval.
LRPP Performance Measures	In accordance with Section 20.055, 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 within the agency’s Long Range Program Plan (LRPP).
Management Requests	A portion of our planned engagements is reserved for management requests that may occur during the fiscal year. These requests may be for assurance or consulting services.



TOPIC	DESCRIPTION
Enterprise Projects	At the request of the CIG, a portion of our resources is allocated to enterprise projects for fiscal year 2017-18. The CIG in consultation with agency inspectors general identifies Enterprise Projects.

**Carry Forward Assignments**

At the end of fiscal year 2016-17, the OIG had four engagements in progress. Each carry forward project is expected to be closed out within the first quarter of fiscal year 2017-18. A total of 569 hours are allocated for these activities.

TOPIC	DESCRIPTION
SR Provider Management Audit, No. 17-IA001	Evaluate the process early learning coalition (coalition) management has put in place to qualify and accept school readiness (SR) providers. Additionally, the audit will identify best practices and opportunities for improvement for the SR On-boarding process. (Carry forward engagement from fiscal year 2016-17)
IT Risk Assessment, No. 17-IA003	This project will focus on the Florida OEL's compliance with Agency State Technology Rule 74-2, Information Technology Security, Florida Administrative Code. (Carry forward engagement from fiscal year 2016-17)
OEL Match Reporting Process Audit, No. 17-IA004	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. (Carry forward engagement from fiscal year 2016-17)
OIG Internal Quality Assessment, No. 17-IA002	Assess whether the internal audit activity is in conformance with the <i>Standards</i> and Section 20.055, Florida Statutes, as well as, whether internal auditors apply the Code of Ethics. (Carry forward engagement from fiscal year 2016-17)



### **Investigative Services**

In addition to audit activities, Section 20.055, Florida Statutes, requires the OIG to initiate, conduct, supervise, and coordinate investigations designed to detect, deter, and prevent fraud, waste, mismanagement, misconduct, and other abuses in state government. The OIG receives complaints related to agency activities; and performs inquiries, investigations, or reviews, as the Inspector General deems appropriate. Additionally, the OIG will continue to perform activities related to the Florida OEL fraud referral process including administration of the fraud referral database.

During fiscal year 2016-17, the OIG applied to the Commission for Law Enforcement Accreditation, Inc. for accreditation. During fiscal year 2017-18, OIG staff will continue conducting activities related to obtaining accreditation.

A total of 860 hours are 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. The IG provides written responses to the agency head on the status of corrective actions taken. One engagement is scheduled for follow-up activities in fiscal year 2017-18, with 16 hours allocated.

### **Oversight Activities**

The OIG participates in numerous activities that are classified as oversight. This includes coordination of the annual OIG risk assessment, OIG work plan, OIG annual report, single audit activities, and other internal/external assistance. A total of 280 OIG staff hours are allocated to oversight activities for fiscal year 2017-18.

### **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 OIG serves as the primary point of contact for external auditors.



At fiscal year-end, one known external entity audit will require coordination and/or follow-up during fiscal year 2017-18. A total of 25 OIG staff hours are allocated to external audit coordination activities for fiscal year 2017-18.

### **Outreach and Education**

The OIG currently provides ongoing consultation to management regarding fraud, risk, internal controls, program management, and efficiency of operations. The OIG accomplishes these tasks through fraud awareness briefings, Internal Audit awareness briefings, OIG newsletters, and the OIG website. A total of 75 hours are allocated for these related activities.

### **Management Support**

Management Support includes activities associated with training, participation in Florida OEL meetings, internal OIG meetings that involve discussions on project progress, responding to and tracking public records requests, and general project management. Project management represents the oversight of internal audits, administrative investigations, and other OIG projects by the Inspector General.

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.

A total of 500 staff hours are allocated to management support for fiscal year 2017-18.

### **Indirect Activities**

Indirect activities include administrative tasks and leave. OIG staff routinely perform activities that do not relate to specific assignments. Examples of these types of tasks include timekeeping, personnel administration, training not directly related to a project, as well as, purchasing activities. Additionally, estimated hours have been reserved to account for OIG staff leave and state holidays. A total of 820 staff hours are allocated to indirect activities for fiscal year 2017-18.





***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 2018-19</b>
Confidential Data Review
Complaint Management
End-User IT Projects
Internal Control Over Financial Reporting
LRPP Performance Measures
Coalition Anti-Fraud Plan Reviews

<b>Fiscal Year 2019-20</b>
IT Security
Business Continuity
Check/Deposit Process
VPK & SR Facilitator Network Evaluation
LRPP Performance Measures
Coalition Anti-Fraud Plan Reviews