



STATE OF FLORIDA

DIVISION OF EMERGENCY MANAGEMENT

Ron DeSantis
Governor

Kevin Guthrie
Executive Director

MEMORANDUM

TO: Kevin Guthrie, Executive Director
FROM: Mandi Cohen, Inspector General
DATE: June 12, 2023
SUBJECT: Office of Inspector General
 Annual Work Plan for Fiscal Year 2023-2024

Pursuant to § 20.055(6)(i), Florida Statutes, the Office of Inspector General (OIG) is pleased to present for your approval, our Annual Work Plan for Fiscal Year 2023-2024. The plan is based upon the results of our annual risk assessment and aims to provide the best use of available resources, and the most effective coverage of the Division’s programs, systems, activities, and processes.

The annual, cybersecurity, and long-term audit topics in this year’s plan reflect areas of higher risk as well as management priorities identified through our risk assessment process. Resources have also been allocated for management requests, investigations, and other OIG responsibilities.

The plan is intended to be a guide to direct the activities of the OIG, and may be modified during the year to address changing conditions, priorities, or risks. Once you have approved the plan, we will provide copies to the Governor’s Chief Inspector General and the Auditor General, as required by statute.

I look forward to working with you and your team in the upcoming year. Thank you for your continued support and cooperation.

Respectfully Submitted By:	Mandi Cohen, Inspector General	Digitally signed by Mandi Cohen, Inspector General Date: 2023.06.12 10:46:38 -04'00'	Date: <u>6/12/2023</u>
Mandi Cohen, Inspector General			
Approved By:	Kevin Guthrie	Digitally signed by Kevin Guthrie Date: 2023.06.12 19:55:31 -04'00'	Date: <u>6/12/2023</u>
Kevin Guthrie, Executive Director			

Florida Division of Emergency Management



Office of Inspector General

Annual Work Plan for Fiscal Year 2023-2024



PURPOSE AND AUTHORITY

Pursuant to § 20.055, Florida Statutes (F.S.), the Office of Inspector General (OIG) is established to provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the agency. The OIG shall conduct financial, compliance, electronic data processing, and performance audits of the agency and prepare audit reports of the findings. Audits shall be conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* (Red Book Standards), as published by the Institute of Internal Auditors.

Red Book¹ and Florida Statutes² require the OIG to develop annual and long-term audit plans based on the findings of periodic risk assessments. The plan shall show the individual audits to be conducted during each year and related resources to be devoted to the respective audits. The plan shall also include a specific cybersecurity audit plan.

This report, the *OIG Annual Work Plan* (Plan), was prepared in response to the auditing standard and statutory requirements. The Plan includes the allocation of OIG resources for planned audits, investigative activities, and other oversight and accountability activities to be conducted by the OIG during the 2023-2024 Fiscal Year (FY).

The Plan is intended to be a guide to direct the activities of the Florida Division of Emergency Management's (FDEM) OIG, and may be modified during the year to address changing conditions, priorities, and risks.

RISK ASSESSMENT

In response to statutory and auditing standards requirements, the OIG conducted a risk assessment of FDEM operations to identify management priorities and potential audit topics for inclusion in the Plan. The risk assessment methodology included surveys of and discussions with FDEM management, as well as review of the outcome of external audit reports, prior audit and investigative activities, and prior-year risk assessments.

Based on the results of the risk assessment, we identified potential audit topics for inclusion in the Plan. The potential audit topics were reviewed and prioritized based on relative risk factors, including, fraud potential, materiality, management interest, impact of change, and the need for audit coverage.

The annual, cybersecurity, and long-term audit engagements included in this year's Plan reflect areas of higher risk as well as management priorities identified through the risk assessment process.

¹ Red Book Standard 2010 (Planning) and Standard 2020 (Communication and Approval).

² Section 20.055(6)(i), F.S.



ALLOCATION OF RESOURCES

The FDEM OIG team consists of four positions: Inspector General (Select Exempt Service), Audit Director (OPS³), Auditor/Investigator (Career Service), and OIG Analyst (OPS).⁴ OIG staff members collectively carry out the audit, investigative, and other statutory responsibilities of the OIG.

Considering staff time allocated to professional development, management and administrative activities, and leave/holidays, the OIG staff hours available for audit, investigative, and other statutorily required activities is estimated to be 4,229 hours.

Based on the estimated available staff hours, the following table depicts the allocation of OIG resources for the 2023-2024 FY:

Allocation of Staff Hours for FY 2023-2024		
Type of Project	Description	Hours
Audit Activities	Planned Audit Engagements:	
	• Chief Inspector General (CIG) Enterprise Cybersecurity Audit – Incident Response	625
	• Finance Processes and Procedures (Consulting Engagement)	525
	Carry-Forward (Prior-Year Audit Closeouts)	20
	Other CIG Enterprise Projects/Coordination	206
	Audit Follow-up	497
	Quality Assurance and Improvement Program	268
	Fraud Awareness/Outreach Activities	380
Management Requests	350	
Investigative Activities	Investigations and Complaints	500
	OIG Accreditation	150
Recurring Projects & Other Responsibilities	Single Audit Reviews	220
	OIG Risk Assessment and Annual Plan	150
	Performance Measures Review	140
	OIG Annual Report	70
	External Audit Coordination	128
Total Hours		4,229

³ Other Personal Services (OPS) employment is a temporary employer/employee relationship used solely for accomplishing short term or intermittent tasks. OPS employees do not fill established positions, are not eligible for paid leave, but may be eligible for health insurance.

⁴ The Audit Director and Auditor/Investigator positions were vacant as of the date this report was published.



ANNUAL, CYBERSECURITY, & LONG-TERM AUDIT PLANS

The annual, cybersecurity, and long-term audit projects in this year's Plan reflect areas of higher risk as well as management priorities identified through the risk assessment process. The objectives and scopes of these projects will be determined during the planning phase of each engagement.

Annual Audit Plan for FY 2023-2024:

- **Finance Processes and Procedures (Consulting Engagement⁵):** FDEM management requested the OIG perform a consulting engagement related to the Division's financial processes. The engagement may include review of payment, procurement, and other financial processes and procedures.

Cybersecurity Audit Plan for FY 2023-2024:

- **Enterprise Cybersecurity Audit – Incident Response:** This will be an Enterprise Cybersecurity Audit conducted at multiple state agencies under the direction and guidance of the Office of the Chief Inspector General⁶. The audit may focus on compliance with the incident response requirements contained in the Florida Cybersecurity Standards (Chapter 60GG-2, Florida Administrative Code).

Long-Term Audit Plan for FYs 2024-2026:

- **Contracts Audit:** Pursuant to § 287.136, F.S., the OIG shall complete a risk-based compliance audit of all contracts executed by the agency for the proceeding three fiscal years. The audit must include an evaluation of, and identify any trend in, vendor preference. The OIG is required to perform this audit during FY 2024-2025.
- **F-ROC Program:** Potential focus on reviewing the Division's assessment and scoring guidelines for the Florida Recovery Obligation Calculation (F-ROC) Program for compliance with applicable laws, rules, and policies.
- **DEMES:** Potential focus on reviewing internal controls surrounding ongoing expansions to the Division of Emergency Management Enterprise Solution (DEMES) system related to FDEM blue sky (day-to-day) and grey sky (emergency activation) functions.

⁵ Pursuant to Red Book Standard 2010.C1, "The chief audit executive [Inspector General] should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value, and improve the organization's operations. Accepted engagements must be included in the plan." Consulting services are advisory in nature and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client.

⁶ The Office of the Chief Inspector General is established within the Executive Office of the Governor pursuant to § 14.32, Florida Statutes. The Chief Inspector General is responsible for promoting accountability, integrity, and efficiency in the agencies under the jurisdiction of the Governor.



OTHER OIG RESPONSIBILITIES

In addition to the planned audits, the OIG has allocated resources to the following statutory responsibilities, recurring projects, and other accountability activities:

Other OIG Responsibilities	
Project Type	Description
Investigations and Complaints (§ 20.055(7), F.S.)	The OIG shall initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in state government. The OIG investigative function receives complaints and coordinates activities required by the Florida Whistle-blower’s Act (§§ 112.3187-112.31895, F.S.).
OIG Law Enforcement Accreditation	The OIG investigative function is accredited by the Commission for Florida Law Enforcement Accreditation. Being accredited means the investigative work products of the OIG meet or exceed the highest professional standards. The OIG must continually monitor investigative activities to ensure compliance with accreditation standards, and must undergo a reaccreditation assessment every three years. The last assessment was conducted in FY 2022-2023.
Chief Inspector General Enterprise Projects	At the request of the Governor’s Chief Inspector General (CIG), a portion of our resources will be allocated to statewide enterprise priorities as directed by the CIG in consultation with agency inspectors general.
Risk Assessment and Annual Work Plan for FY 2024-2025 (§ 20.055(6)(i), F.S.)	Pursuant to statute, the Inspector General shall develop annual and long-term audit plans based on the findings of periodic risk assessments. The plan shall also include a specific cybersecurity audit plan.
OIG Annual Report For FY 2022-2023 (§ 20.055(8), F.S.)	Pursuant to statute, the OIG must prepare an annual report summarizing the activities of the office during the immediately preceding state fiscal year. This report is due September 30 each year.
Follow-up on Prior Audit Findings (§ 20.055(6)(h) and § 20.055(2)(c), F.S.)	Pursuant to statute, the Inspector General shall monitor the implementation of FDEM’s response to any report on FDEM issued by the Auditor General or by the Office of Program Policy Analysis and Government Accountability. Additionally, the OIG shall review the actions taken by FDEM to improve program performance and meet program standards and make recommendations for improvement if necessary.



Other OIG Responsibilities (Continued)

Project Type	Description
Performance Measures Review (§ 20.055(2), F.S.)	Pursuant to statute, the OIG is responsible for advising in the development of performance measures, standards, and procedures for the evaluation of agency programs; and assessing the reliability and validity of the information provided on performance measures and standards; making recommendations for improvement, as necessary.
External Audit Coordination (§ 20.055(2)(g), F.S.)	Pursuant to statute, the OIG will continue to ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies, with a view toward avoiding duplication.
Management Requests and Special Projects	The OIG allocates time for management requests and special projects, as deemed appropriate.
Single Audit Review (Federal and State)	On behalf of FDEM, the OIG reviews single audit reports received from FDEM subrecipients. The OIG's review is limited to identifying any audit findings related to funding awarded by FDEM. When a finding is identified, the OIG notifies FDEM management so that they may take appropriate action.



DISTRIBUTION

Internal Distribution

Kevin Guthrie, Executive Director
James Bujeda, Deputy Director
Luke Strickland, Chief of Staff

External Distribution

Melinda Miguel, Chief Inspector General
Sherrill F. Norman, Auditor General

Statement of Accordance

This report was prepared pursuant to § 20.055(6)(i), Florida Statutes, and in accordance with the *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors: Standard 2010 (Planning) and Standard 2020 (Communication and Approval).

