

Specialty License Plate Audit

Florida Breast Cancer Foundation, Inc.

End Breast Cancer

Audit Report 201314-42

August 26, 2014

Executive Summary

The purpose of this audit was to determine compliance with applicable laws, policies, and regulations related to the annual affidavit prepared by the Florida Breast Cancer Foundation, Inc. (Foundation) for the Breast Cancer Research (End Breast Cancer) specialty license plate. The Foundation is required to submit a Specialty License Plate Revenue, Expenditure, and Compliance Affidavit to the Department of Highway Safety and Motor Vehicles (Department) within nine months after the end of the Foundation's fiscal year. The affidavit submitted by the Foundation, for the 2013 Fiscal Year ended June 30, 2013, was used for this audit.

For every End Breast Cancer specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to the Foundation, a non-profit organization established to administer and award grants for cardiovascular research, education and prevention. Section 320.08058(33)(c), Florida Statutes (F.S.), specifies that up to 20 percent of the annual use fees may be used for administrative costs directly associated with the operation of the Foundation and marketing and promotion of the Florida breast cancer research concept and license plate. The remaining funds shall be used to fund breast cancer education and research. Research funding shall be made available for the following:

- Basic, clinical, and translational breast cancer research;
- Epidemiological studies of breast cancer;
- Research on possible links between breast cancer and the environment;
- Psychoimmunological research; and
- Innovative awards and idea grants.

During our audit, we determined that the Foundation generally complied with applicable laws, policies, and regulations related to the annual affidavits.

Background and Introduction

Specialty license plates are license plates available to the general public with unique designs that promote philanthropic and other causes and require payment of an additional annual use fee. Section 320.08056, F.S., authorizes the issuance of all specialty license plates and specifies the annual use fee for the more than 120 specialty license plates Florida offers.

Section 320.08062, F.S., grants the Department authority to examine all records relating to the use of specialty license plate funds. The Office of Inspector General included the examination of specialty license plate recipient organizations in its annual work plan.

The End Breast Cancer specialty license plate was enacted in 2002. For every End Breast Cancer specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to the Foundation, a non-profit organization established to administer and award grants for cardiovascular research, education, and prevention.

Section 320.08058(33)(c), Florida Statutes (F.S.), specifies that up to 20 percent of the annual use fees may be used for administrative costs directly associated with the operation of the Foundation and marketing and promotion of the Florida breast cancer research concept and license plate. The remaining funds shall be used to fund breast cancer education and research. Research funding shall be made available for the following:

- Basic, clinical, and translational breast cancer research;
- Epidemiological studies of breast cancer;
- Research on possible links between breast cancer and the environment;
- Psychoimmunological research; and
- Innovative awards and idea grants.

The Foundation received \$542,136.55 in specialty license plate fees for the 2013 Fiscal Year.

We used the Foundation's 2013 affidavit and financial records for this audit.

Results of Audit

During our audit, we determined that the Foundation generally complied with applicable laws, policies, and regulations related to the annual affidavit for the End Breast Cancer specialty license plate.

Purpose, Scope, and Methodology

The purpose of this audit was to determine the Foundation's compliance with applicable laws, policies, and regulations related to the annual affidavit prepared by the Foundation for the End Breast Cancer specialty license plate.

The scope of this audit included revenues and expenditures reported on the Foundation's affidavit for the 2013 Fiscal Year, and specialty license plate revenue and expenditures reported in the Foundation's financial records for the 2013 Fiscal Year.

The methodology included:

- Reviewing Florida Statutes related to specialty license plate fees;
- Reviewing Department policies and procedures related to specialty license plate fees;
- Reviewing the Foundation's policies and procedures related to the use of specialty license plate fees;
- Reconciling the Department distribution of annual use fees to revenues reported on the affidavit filed by the Foundation;
- Reconciling the expenditures reported on the affidavit to the Foundation's financial records;
- Reviewing the use of funds by the Foundation to ensure there is adequate supporting documentation, and that the expenditures are for purposes authorized by statute;
- Reviewing timing, availability, and content of reports such as affidavits, single audits, or subrecipient monitoring; and
- Comparing expenditures related to distributions and annual allocation limits for compliance with Section 320.08058(33)(c), F.S., and reviewing reasonableness of balances.

Distribution, Statement of Accordance, and Project Team

Distribution

Terry L. Rhodes, Executive Director
Russell Silverman, Executive Director, Florida Breast Cancer Foundation, Inc.

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Statement of Accordance

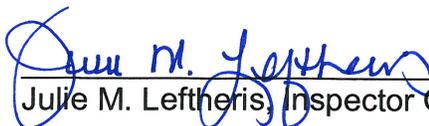
Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General.

Project Team

Engagement conducted by:
Cindy Fernald, Auditor
Emily Kate Anthony, Auditor

Under the supervision of:
David Ulewicz, Audit Director

Approved by:


Julie M. Leftheris, Inspector General