

# Specialty License Plate Audit

## Hubbs Florida Ocean Fund, Inc.

### Discover Florida's Oceans

Audit Report 201516-13

January 15, 2016

## Executive Summary

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The purpose of this audit was to determine compliance with applicable laws, policies, and regulations related to the annual affidavit prepared by the Hubbs Florida Ocean Fund, Inc. (Ocean Fund) for the Discover Florida's Oceans specialty license plate. The Ocean Fund 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 Ocean Fund's fiscal year. The affidavit submitted by the Ocean Fund for the 2015 Fiscal Year ended June 30, 2015 was used for this audit.

For every Discover Florida's Oceans specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to the Ocean Fund, a non-profit formed for the charitable purpose of promoting scientific research and educational activities associated with the marine environment. Section 320.08058(50), Florida Statutes (F.S.), specifies that 20 percent of the proceeds from the sale of plates is to be distributed to the Wildlife Foundation of Florida, Inc., a maximum of 10 percent of the funds may be used for administrative costs, a maximum of 15 percent of the funds may be used for marketing the plate, and the remainder of the funds is to be used for research, education, and conservation programs relating to the marine environment.

During our audit, we determined the Ocean Fund generally complied with applicable laws, policies, and regulations related to the annual affidavit for the Discover Florida's Oceans specialty license plate.

## Background and Introduction

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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.



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The Ocean Fund reported receipts of \$360,937.20 in specialty license plate fees for the 2015 Fiscal Year.

We used the Ocean Fund's 2015 Fiscal Year affidavit and financial records for this audit.

## Results of Audit

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During our audit, we determined the Ocean Fund generally complied with applicable laws, policies, and regulations related to the annual affidavit for the Discover Florida's Oceans specialty license plate.

## Purpose, Scope, and Methodology

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The purpose of this audit was to determine the Ocean Fund's compliance with applicable laws, policies, and regulations related to the annual affidavit prepared by the Ocean Fund for the Discover Florida's Oceans specialty license plate.

The scope of this audit included revenues and expenditures reported on the Ocean Fund's affidavit for the 2015 Fiscal Year, and specialty license plate revenue and expenditures reported in the Ocean Fund's financial records for the 2015 Fiscal Year.

The methodology included:

- Reviewing Florida Statutes related to specialty license plate fees;
- Reviewing Department policies and regulations related to specialty license plate fees;
- Reviewing the Ocean Fund's policies 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 Ocean Fund;
- Reconciling the expenditures reported on the affidavit to the Ocean Fund's financial records;
- Reviewing the use of funds by the Ocean Fund to ensure there is adequate supporting documentation, and the expenditures are for purposes authorized by statute;
- Reviewing timing, availability, and content of reports such as affidavits, single audits, or subrecipient monitoring; and
- Reviewing reasonableness of balances.

## Distribution, Statement of Accordance, and Project Team

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### Distribution

Terry L. Rhodes, Executive Director  
Diana Vaughn, Deputy Executive Director  
Robert Kynoch, Director of Motorist Services  
Rick White, Deputy Director of Motorist Services  
Julie Larsen, Bureau Chief of Issuance Oversight

Jim Atchison, Board Chairman, Hubbs Florida Ocean Fund  
Donald Kent, CEO, Hubbs SeaWorld Research Institute  
Bethany Smith, CFO, Hubbs SeaWorld Research Institute

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

### 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. Pursuant to Chapter 119, Florida Statutes, public records held by the Department's Inspector General are available upon request for inspection or copying.

### Project Team

Engagement conducted by:  
Cindy Fernald, Auditor  
Kyle Tolbert, Auditor

Under the supervision of:  
David Ulewicz, Audit Director

Approved by:

  
Julie M. Leftheris, Inspector General