

July 17, 2013

Julie L. Jones
Executive Director
Florida Department of Highway Safety and Motor Vehicles
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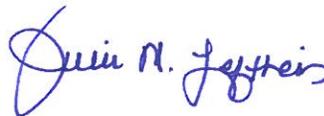
Director Jones:

I am submitting for your review and approval the Annual Work Plan for the Office of Inspector General, pursuant to Section 20.055, Florida Statutes, Department of Highway Safety and Motor Vehicles Policy Number 11.07 and *The International Standards for the Professional Practice of Internal Auditing*. The Work Plan for the 2013-14 Fiscal Year was developed based on a risk assessment conducted by the Office of Inspector General and input from management.

The Work Plan optimizes our audit resources to address some of the most vulnerable areas of the Department. We look forward to working with you to improve Department operations and delivery of services.

With your approval, we will implement the Work Plan for the 2013-14 Fiscal Year. Upon approval, copies of this plan will be submitted to the Governor's Inspector General and the Auditor General. Thank you for your continued support.

Sincerely,



Julie M. Leftheris
Inspector General

Approved: 
Julie L. Jones, Executive Director



Risk Assessment and Annual Audit Plan for the 2013-14 Fiscal Year

July 17, 2013

Introduction

The authority and responsibilities of the Office of Inspector General are established in Section 20.055, Florida Statutes. The Inspector General reports functionally and administratively to the Department of Highway Safety and Motor Vehicles Executive Director. The Office of Inspector General has a responsibility to inform and advise management of significant deficiencies or other substantive issues noted in the course of its activities.

All operations of the Department of Highway Safety and Motor Vehicles may be subject to audit and the Office of Inspector General has the following reporting responsibilities:

- Provide individual audit results to appropriate management on a timely basis relative to significance.
- Appraise the Department of Highway Safety and Motor Vehicles Executive Director and executive management on progress made in addressing previously reported matters.
- Develop annual and long-term audit plans based on risk assessment results.
- Monitor management's process for ensuring compliance with the Department of Highway Safety and Motor Vehicles *Code of Ethics*.
- Assist management in fulfilling their responsibilities regarding financial reporting and internal control assertions and certifications.

Mission Statement

The mission of the Office of Inspector General is to promote integrity, accountability, and efficiency in the Department by conducting audits, reviews, investigations, and consulting services to provide objective, accurate, and timely information to management and the public.

Risk Assessment and Annual Audit Plan

Each year, the Office of Inspector General performs a risk assessment of the Department to identify areas with the highest level of risk. Risk is any threat to

achieving the Department's mission or the likelihood that an event or action may negatively affect the Department. Our risk assessment included interviewing 43 of the Department's senior managers to gather their perspectives on the Department's current risks and exposures.

Other matters considered during the risk assessment and development of the annual audit plan included:

- Personnel hours and resources available;
- The dates and results of prior engagements;
- Updated assessments of risks and effectiveness of risk management and control processes;
- Requests by the Executive Director and Executive Management;
- Current changes in Department of Highway Safety and Motor Vehicles business, organizational structure, performance, operations, program systems, and controls;
- Opportunities to achieve more efficient and effective operating benefits;
- Opportunities to improve risk management, control and governance processes, and reduce opportunities for fraud related incidences;
- Statutorily required follow-up work to external audits and reviews; and
- Opportunities to improve Department of Highway Safety and Motor Vehicles governance of information technology resources.

Carry Forward Projects from the 2012-13 Fiscal Year

Go Renew (Virtual Office)

GoRenew.com provides online services for motor vehicle and driver license transactions. Customers can go online to renew their registration of vehicles, manufactured homes, mobile homes, parking permits, motorcycles, or vessels. Customers can also renew their driver license, request a change of address, and request copies of titles.

The objective of this audit is to evaluate the internal and systematic controls of Department virtual office transactions processed.



Medical Review

The goal of the Medical Review program is to evaluate individuals who may be unsafe to drive because of a medical condition. Courts, doctors, police, accident reports, relatives, and concerned citizens can report information about a person's driving ability to the Department. Reports of medical conditions are always private under Florida law.

Once identified, actions taken may include processing sanctions against a person's driving privilege, ensuring they meet vision standards, and evaluating their mental and physical ability to operate a motor vehicle safely.

The objective of this audit is to evaluate the Department's Medical Review operations and compliance with applicable state laws and Department policy and procedure.

Enterprise Background Screening

Changes in law, (passed during the 2010 legislative session, Chapter Law 2010-114), significantly modified the background screening and hiring process for many service providers regulated by a variety of state agencies. This project will evaluate the background screening process across state agencies with the objective of identifying efficiencies.

Specialty Tags (5)

In God We Trust
Sportsmen's National Land Trust
Challenger/Columbia
Aquaculture
Save Our Seas

Section 320.08062, Florida Statutes, grants the Department authority to examine all records relating to the use of specialty license plate funds.

The objective of these audits is to review financial data associated with specialty license plate activities for recipient organizations and determine compliance with applicable laws, policies, and regulations.

Planned Audits and Reviews for the 2013-14 Fiscal Year

Revenue – Accounts Receivable

The Revenue Section is responsible for the day to day transactions including receiving, distributing, reporting, and reconciling the revenue collected by the Department.

Revenue has three primary subsections (Accounts Receivable, Reporting and Distribution and Reconciliations). The Accounts Receivable subsection records incoming revenue and tracks it from receipt to disposition as well as invoices for outstanding receivables.

The objective of this audit will be to review and evaluate the Accounts Receivable process for efficiency and effectiveness and compliance with applicable state laws and Department policy and procedure.

Project Management Office

The PMO promotes formal project management disciplines to deliver technology solutions on time, within budget, and with an agreed-upon level of quality. The PMO serves as a liaison between ISA and its customers in order to elicit, analyze, and validate requirements for business changes.

The objective of this audit will be to review and evaluate the efficiency and effectiveness of Project Management Office operations and compliance with Department policy and procedure.

Customer Service Center

The Customer Service Center provides centralized phone access and support to tax collector personnel and state-owned issuance field offices inquiring on motor vehicle and driver license functions and procedures. The analysts also respond to inquiries from the motoring public via telephone, fax, email, and correspondence regarding license or motor vehicle issues. A centralized appointment center operates to make appointments for services at offices statewide. This unit also analyzes inquiry trends and provides recommendations for improvements to other motorist services program areas.

The objective of this audit will be to review and evaluate the efficiency and effectiveness of the Customer Service Center operations and compliance with Department policy and procedure.

License Plate and Title Inventory Controls

The Bureau of Issuance Oversight provides consumer protection and public safety through licensing systems that register and title motor vehicles, vessels, and manufactured/mobile homes and issues driver licenses and identification cards. The Bureau issues, renews, transfers, and maintains inventory of driver license stock, license plates and registration decals as well as issues, renews, and cancels disabled parking permits.

The objective of this audit will be to determine whether the Department's inventory control framework for license plate and title inventory are adequate and that internal controls are in place to reduce inventory-related risk.

Payroll

Payroll expense is the sum total of all compensation that the Department must pay to its employees for a set period or on a given date. Payroll is one of the largest expenses incurred by a state agency.

The objective of this audit will be to review and evaluate the internal controls and processing of the Department payroll to include occurrence and existence, completeness, and accuracy.

Evidence – FHP

It is the policy of the Florida Highway Patrol that all members properly collect, process, control, and manage evidence and property that comes into their possession. To achieve this goal, the Florida Highway Patrol has established both guidelines, specific responsibilities, and an Evidence/Property Procedures Manual for its members.

The objective of this audit will be to review and evaluate compliance with Department policy and procedure.

Continuity of Operations Plan (COOP)

The Continuity of Operations Plan (COOP) establishes policy and guidelines to ensure the execution of the mission essential functions for Department personnel in the event that an emergency threatens or incapacitates operations and the relocation of selected personnel and functions is required. Specifically, the plan is designed to:

- Ensure that Department personnel are prepared to respond to emergencies, recover from them, and mitigate against their impacts; and

- Ensure the Department is prepared to provide critical services in an environment that is threatened, diminished, or incapacitated.

The objective of this audit will be to review and evaluate the Department's COOP plan to determine how closely the Department's disaster recovery readiness aligns to actual organizational objectives.

Contract Audit – IT Staff Augmentation

The Department contracts with various vendors for staff resources to fulfill information technology needs within the Department. The objective of this audit will be to evaluate both contract compliance and oversight of information technology staff augmentation contracts.

Contract Audit – MorphoTrust

The Department of Highway Safety and Motor Vehicles issues over 5 million driver licenses and identification cards annually. To issue license and identification cards, the Department has a contract with MorphoTrust to provide computers, cameras, image capture software, signature pads, card printers, scanners, and consumables, like card stock, printer ribbons, and laminates. MorphoTrust is responsible for maintenance of this equipment and the production and shipping of consumables, in exchange for a set price per license/identification card issued.

The objective of this audit will be to evaluate both contract compliance and oversight of the MorphoTrust contract.

Enterprise-wide Audits

The Governor's Office of Chief Inspector General will coordinate enterprise-wide audits of audit topics shared by many of the different state agencies. The intent is to increase efficiency in conducting audits of topics identified as significant to many of the state agencies and to provide enterprise-wide information to the Governor and citizens of Florida.

Specialty Tag Audits (10)

Section 320.08062, Florida Statutes, grants the Department authority to examine all records relating to the use of specialty license plate funds.

The objective of these audits will be to review the processes used for collecting financial data associated with specialty license plate activities for recipient organizations and determine compliance with applicable laws, policies, and regulations.



Recurring Projects

Performance Measure Assessment

Section 20.055(2), Florida Statutes, requires each state agency's Office of Inspector General to perform a validity and reliability assessment of their agency's performance measures.

FHP Information and Evidence Fund

The Office of Inspector General staff conducts quarterly reviews to evaluate the internal controls over the Information and Evidence Fund and compliance with Florida Statutes, Department policies, and procedures.

FHP Intelligence Procedures

The Office of Inspector General staff conducts an annual review to assess and report on their internal audit of Intelligence Procedures. The assessment focused on information collection, storage, purging, and the utilization of intelligence personnel and techniques.

Compliance Reviews

The Office of Inspector General staff review reports submitted by DUI programs and assist Division of Motorist Services staff with reviews of audit reports and affidavits submitted by organizations that receive specialty license plate annual use fee proceeds.

Audit Follow-Up

Section 20.055, Florida Statutes, requires the identification of each significant recommendation described in previous audit reports which corrective action has not been completed. The Office of Inspector General staff conduct follow-up assessments of outstanding items at six-month intervals until all corrective actions have been completed.



Long-Term Work Plan (2014-15 or 2015-16)

Other Long-Term Audit Projects

- Rebuilt Inspections
- Bureau of Personnel Services - Recruitment
- Tax Collector MOU
- DAVID Security
- Data Center Cost Analysis
- Department Inventory
- Department Ethics