

Specialty License Plate Audit
Florida Animal Friend, Inc.
Animal Friend
Audit Report 201819-09

September 17, 2018

Introduction and Background

The purpose of this audit was to determine compliance with applicable laws and policies related to the annual reporting by the Florida Animal Friend, Inc., (Organization) for the Animal Friend specialty license plate. The Organization is required to submit a Specialty License Plate Revenue, Expenditure, and Compliance Affidavit, or state single audit, to the Department of Highway Safety and Motor Vehicles (Department) within nine months after the end of the Organization's fiscal year. The affidavit submitted by the Organization for the 2017 Fiscal Year ended June 30, 2017, was used for this audit.

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, Florida Statutes (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 the 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.

For every Animal Friend specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to the Organization; a nonprofit organization formed to save cats and dogs by supporting organizations that offer free or low-cost spay and neuter services. Section 320.08058(55), F.S., specifies funds are to be used by the Organization for spay and neuter programs in the state. Additionally, no more than 10 percent of the annual use fees may be used for administrative costs directly associated with marketing and promotion of the license plate and distribution of funds.

The Animal Friend specialty license plate was established in 2004. There were 23,656 active Animal Friend specialty license plates as of June 2018. The Organization reported receipts of \$559,675.30 in specialty license plate fees for the 2017 Fiscal Year.

Results of Audit

The Organization materially complied with applicable laws and policies related to the annual reporting for the Animal Friend specialty license plate.

Purpose, Scope, and Methodology

The purpose of this audit was to determine the Organization's compliance with applicable laws and policies related to the annual reporting by the Organization for the Animal Friend specialty license plate.

The scope of this audit included specialty license plate revenues and expenditures reported on the Organization's affidavit for the 2017 Fiscal Year, and specialty license plate revenue and expenditures reported in the Organization's financial records for the 2017 Fiscal Year.

The methodology for the audit of the Animal Friend specialty license plate included:

- Reviewing Florida Statutes, Department policies, and Organization policies;
- Reconciling the Department's distribution of specialty license plate fees to revenues reported on the affidavit filed by the Organization;
- Reconciling the expenditures reported on the affidavit to the Organization financial records;
- Reviewing the use of funds by the Organization 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,
- Comparing expenditures to statutory requirements for annual allocation limits, and reviewing reasonableness of balances.

Distribution, Statement of Accordance, and Project Team

Distribution

Terry L. Rhodes, Executive Director
Jamie DeLoach, Chief of Staff
Robert Kynoch, Director of Motorist Services
Kevin Bailey, Chief Administrative Officer, Division of Motorist Services
Jerilyn Bailey, Bureau Chief of Issuance Oversight

Lois Kostroski, Executive Director, Florida Animal Friend, Inc.
Dr. Larry Dee, President, Florida Animal Friend, Inc.

Eric Miller, 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:
Jill Sittig, Auditor
Cindy Fernald, Auditor

Under the supervision of:
David Ulewicz, Audit Director

Approved by:



David Ulewicz, Acting Inspector General