

Specialty License Plate Audit

Choose Life, Inc.

Choose Life

Audit Report 201819-27

May 9, 2019

Introduction and Background

The purpose of this audit was to determine compliance with applicable laws and policies related to the annual reporting by the Choose Life, Inc. (Organization) for the Choose Life 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 2018 Fiscal Year ended June 30, 2018, 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 Choose Life specialty license plate sold or renewed, a \$20 annual use fee is charged and distributed, as required by statute, to the Organization. The Organization is required to distribute each county's share of annual use fees to nongovernmental, not-for-profit agencies within each Florida county. The receiving agency must use funds to provide for the material needs of pregnant women who are making an adoption plan for their children, including but not limited to, clothing, housing, medical care, food, utilities, and transportation. Funds may also be used by the receiving agencies for adoption related counseling, training and advertising, but may not be used for administrative or legal expenses, or capital expenditures. Section 320.08058(29), F.S., specifies that up to 15 percent of total proceeds may be used by the Organization for administrative costs and promotion of the plate program.

The Choose Life specialty license plate was established in 1998. There were 22,721 active Choose Life specialty license plates as of June 2018. The Organization reported receipts of \$486,896.94 in specialty license plate fees for the 2018 Fiscal Year.

Results of Audit

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

The scope of this audit included specialty license plate revenues and expenditures reported on the Organization's affidavit for the 2018 Fiscal Year, and specialty license plate revenue and expenditures reported in the Organization's financial records for the 2018 Fiscal Year.

The methodology for the audit of the Choose Life 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
Jennifer Langston, Acting Chief of Staff
Robert Kynoch, Director of Motorist Services
Stephanie Duhart, Chief Administrative Officer, Division of Motorist Services

Randy Harris, President, Choose Life, Inc.
Russ Amerling, Director, Choose Life, Inc.
Susan Harris, Executive Administrator, Choose Life, Inc.

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

Statement of Accordance

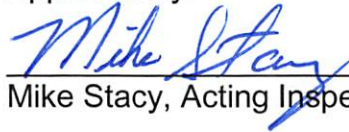
Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement 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:
Jill Sittig, Auditor

Under the supervision of:
David Ulewicz, Audit Director

Approved by:



Mike Stacy, Acting Inspector General