

Specialty License Plate Audit
Harbor Branch Oceanographic Institute
Foundation, Inc.
Aquaculture
Audit Report 202223-01

June 28, 2023

Introduction and Background

The purpose of this audit was to determine compliance with applicable laws and policies related to the annual reporting by the Harbor Branch Oceanographic Institute Foundation, Inc., (Foundation) for the Aquaculture specialty license plate. The Foundation 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 Foundation's fiscal year. The single audit submitted by the Foundation for the 2022 Fiscal Year ended June 30, 2022, was used for this audit.

Specialty license plates are license plates available to the 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 144 specialty license plates Florida offers. For every Aquaculture specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute.

Section 320.08062(3), 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.

Section 320.08058(44)(b), F.S., specifies the Aquaculture license plate annual use fee shall be used in the following manner:

- Ten percent of funds shall be distributed to the Guy Harvey Research Institute of the Nova Southeastern University Oceanographic Center to conduct outreach and education regarding aquaculture in the state;
- Up to fifteen percent may be used for administrative costs directly associated with Harbor Branch Oceanographic Institution's aquaculture programs and administrative costs associated with the Aquaculture license plate;

- Up to ten percent may be used for continuing promotion and marketing of the license plate; and
- The remaining funds shall be used to conduct scientific research on environmentally responsible and sustainable methods of farming freshwater and saltwater organisms such as fish, shellfish, and crustaceans for food; biomedical species for pharmaceutical and nutraceutical compounds; and marine ornaments for the aquarium trade. These funds shall be used to expand the institution's educational programs that include secondary school field experiences, college degree programs, and intensive courses in order to further the objective of increasing aquaculture's contribution to the state's economy.

The Aquaculture specialty license plate was established in 2004. There were 13,909 active Aquaculture specialty license plates as of June 2022. The Foundation reported receipts of \$334,404 in specialty license plate fees for the 2022 Fiscal Year.

Results of Audit

The Foundation materially complied with applicable laws and policies related to the annual reporting for the Aquaculture specialty license plate.

Purpose, Scope, and Methodology

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

The scope of this audit included specialty license plate expenditures reported on the Foundation's single audit for the 2022 Fiscal Year, and specialty license plate revenue and expenditures reported in the Foundation's financial records for the 2022 Fiscal Year.

The methodology for the audit of the Aquaculture specialty license plate included:

- Reviewing Florida Statutes, Department policies, and Foundation policies;
- Reconciling the Department's distribution of specialty license plate 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 the expenditures are for purposes authorized by statute;
- Reviewing timing, availability, and content of reports such as affidavits or single audits; and
- Comparing expenditures to statutory requirements for annual allocation limits, and reviewing reasonableness of balances.



Distribution, Statement of Accordance, and Project Team

Distribution

Dave Kerner, Executive Director
Robert Kynoch, Deputy Executive Director
Jennifer Langston, Chief of Staff
Stephanie Duhart, Chief Administrative Officer, Division of Motorist Services

Michael O'Reilly, Chair, Harbor Branch Oceanographic Institute Foundation, Inc.
Michael Toner, Vice Chair, Harbor Branch Oceanographic Institute Foundation, Inc.
Marjorie D. Raines, Treasurer, Harbor Branch Oceanographic Institute Foundation, Inc.
William J. Stewart, Esquire, Secretary, Harbor Branch Oceanographic Institute Foundation, 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:
Erin Mook, Audit Director

Approved by:

Mike Stacy, Inspector General