



Internal Audit

2023 INTERNAL AUDIT PLAN

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Introduction

Per Ordinance 2-113(j), the Internal Auditor will submit to the County Council an annual internal audit plan for approval. The plan is developed based on prioritization using a risk-based methodology after soliciting input of the County Council, the County Manager, and senior management.

Audit Prioritization and Selection

To identify and prioritize potential audit areas posing the greatest possibility for risk and liability to the County a risk assessment was performed. This process provides a tool to assign priority for the purpose of reducing the risk and liability exposure through observations, testing, analysis, and recommendations. In developing the risk assessment model and audit plan, risk is defined as the potential for loss to a division due to error, fraud, inefficiency, or failure to comply with statutory requirements or actions which may have a negative impact on the County.

A systematic risk assessment approach was performed. The Internal Auditor sorted risks into 11 risk categories, which also correlate to the County's Dynamic Master Plan Bedrocks. These Bedrocks, risk categories, and their definitions are located on page 5.

These risk categories were assigned weights based on the Internal Auditor's professional experience in the public sector. Potential audit areas were identified from the Internal Auditor's knowledge and experience; during one-on-one discussions with Councilmembers, the County Manager, Deputy County Manager, and department heads; and from reviewing the County's audited financial reports.

A score was assigned to each audit area within the 11 risk categories from 1-5 with 5 being the highest risk to the County. A score of 0 meant the audit area was not applicable to the category. Each year, these areas are re-scored and re-evaluated. These potential audit areas were assessed individually, then combined into an overall score reflecting the risk potential.

This is the fourth evaluation of the County's audit risk and will be continuously updated and modified as time goes on. In future risk analysis, a risk category will be scored to evaluate when the area was last audited by the Internal Auditor.

Failure of good audit risk management may lead to liabilities, fines, sanctions, or exposures. Ongoing reviews and risk assessments help the county avoid loss of assets, grant opportunities, citizen trust, transparency, disruption of customer service; due to the occurrence of risk events that could have been prevented, avoided, or mitigated.

-Institute of Internal Auditors

2023 Audit Plan

The recommended audit plan for 2023 considers available audit hours, as detailed below, and the scores of the top-ranked risk areas. These top-ranked areas include:

- Cybersecurity
- Animal Services Operations
- Payroll
- Community Assistance Grants
- Impact Fee Assessment & Collections
- EMS (Emergency Medical Services) Billing

Audits currently in progress, which were approved in the prior plan, include charges and fees. This audit will be completed early in 2023.

Included in the audit plan is an annual audit of the ballot initiatives for the ECHO (Environmental, Cultural, Historical, and Outdoor) and Volusia Forever programs. Both programs were renewed in 2020, which included a requirement for an annual audit of both these programs.

In addition, at any time the Internal Auditor may elect to perform random, unannounced, and surprise audits of cash collections throughout the County. Furthermore, if there are any significant changes to the County's risk, operations, programs, systems, or controls; the auditor will inform the County Council of potential adjustments to this plan. Such an adjustment to the plan will be upon a unanimous vote by Council.

January 1, 2023 thru December 31, 2023		
Available Hours		4,160
<u>Less: Non-Audit Hours:</u>		
Holidays		(160)
Personal Days		(240)
Professional Development		(80)
Administration Hours (Council/Dept. Head Meetings, etc.)		(368)
Total Direct Audit Hours:		3,312
<u>Audit Areas:</u>	<u>Estimated Hours to Complete Audit</u>	
Charges and Fees	69	69
ECHO / Volusia Forever Programs	276	276
Cybersecurity	69	69
Animal Services Operations	552	552
Payroll	828	828
Community Assistance Grants	552	552
Impact Fee Assessment & Collections	690	690
EMS Billing	759	276
Total Budgeted Direct Audit Hours	3,795	3,312

		Risk Categories											Total Score
		Public Exposure	Service Disruption Exposure	Financial Exposure	Compliance - Laws / Regulations	Complexity of Operations	Extent of Pass-Through Monies	Management Experience	Third-Party Exposure	Sustainability of Program	County Council-Enacted Initiative	Years since last audit *	
Potential Audit Areas	Weights	15%	15%	15%	15%	10%	10%	5%	5%	5%	5%	0%	
Info. Technology- Cybersecurity		5	5	5	4	5	3	4	4	0	0	0	4.05
Animal Services- Operations		4	3	4	4	3	4	3	3	3	0	0	3.40
Finance- Payroll Audit		3	3	3	4	5	4	3	1	2	0	0	3.15
Community Assistance Grants		4	3	3	4	2	4	3	3	3	0	0	3.15
Building & Code Admin.- Impact Fees Assessments & Collections		4	4	3	4	3	0	3	0	3	0	0	2.85
Finance-EMS Billing		3	3	3	4	3	2	2	3	2	0	0	2.80
Ocean Center- Parking Garage		3	4	3	3	3	0	4	4	3	0	0	2.80
Airport- Rental Car Agreements		4	3	3	3	4	0	3	3	3	0	0	2.80
Airport- Booth Rentals Airside and Landside		4	3	3	3	4	0	3	3	3	0	0	2.80
GRM- Amanda Software and Processes		4	4	3	3	3	0	3	3	2	0	0	2.80
Fleet- Gas Cards & Fuel Contracts		4	3	3	2	3	2	3	5	2	0	0	2.80
Resource Stewardship- Land Management		3	3	3	3	3	3	3	3	2	0	0	2.80
Public Protection- Use of Force Data		3	2	4	4	4	0	3	3	3	0	0	2.80
Em. Mgt.- Incident Response and Training Plans		3	4	2	3	3	3	2	3	3	0	0	2.80
Ocean Center- Event Incentives		3	4	3	3	4	0	3	2	3	0	0	2.75
Engineering- Master Trail Funds		3	3	3	2	3	2	2	3	4	3	0	2.75
Public Protection- Operative IQ Software and Processes		3	4	2	3	3	3	3	2	2	0	0	2.75
Corrections- Healthcare Contract		2	3	3	4	4	0	4	5	2	0	0	2.75
Corrections- Kitchen Contract		2	3	3	4	4	0	4	5	2	0	0	2.75
Public Protection- Body Cam Compliance		3	2	4	4	3	0	3	3	3	0	0	2.70
Utilities- Billing & Collections		4	4	3	3	3	0	2	1	3	0	0	2.70
Solid Waste- Scale House Operations		4	4	3	3	3	0	2	1	3	0	0	2.70
Coastal- Concessionaire & Beach Toll Contracts		4	5	2	3	2	0	2	5	0	0	0	2.65
Airport- Terminal Advertisement Agreements		3	3	3	3	3	0	3	3	3	0	0	2.55
Airport- Parking Lot Agreement		3	3	3	3	3	0	3	3	3	0	0	2.55
Fire- Inspection Program		4	4	2	3	2	0	3	2	3	0	0	2.55
Comm. Information- Open Records Request		3	2	3	5	4	0	3	0	0	0	0	2.50
Comm. Information- Records Retention		3	2	3	5	4	0	3	0	0	0	0	2.50
Parks- Maintenance Contract Review		3	4	2	2	2	2	2	4	2	0	0	2.45
Public Works- Capital Projects		3	2	3	3	3	2	1	2	3	0	0	2.45
Coastal- Maintenance Contract Reviews		3	4	2	2	2	2	2	4	2	0	0	2.45
Ocean Center- Box Office Revenues & Settlements		3	3	3	3	3	0	3	1	2	0	0	2.40
Public Works- Work Order Processes		4	4	1	2	3	1	2	2	3	0	0	2.40
Road & Bridge- ADA Sidewalk Plans		3	4	1	5	1	0	2	3	2	0	0	2.40
Facilities- Work Order System Utilization		3	4	2	2	4	0	3	1	1	0	0	2.30
Building & Code Admin.- Code Enforcement Processes		3	4	3	3	2	0	3	0	0	0	0	2.30
Beach Safety- Evidence Safeguarding &		4	3	1	4	3	0	3	0	0	0	0	2.25
HR- Health Insurance and Workers Compensation Claims Management		3	2	3	3	4	1	2	0	0	0	0	2.25
Animal Services- Service Level Models		2	4	2	2	2	0	3	0	4	3	0	2.20
Library- Hot Spot Program		2	4	2	1	1	2	1	1	4	4	0	2.15
Public Protection- Training and Certification		2	2	2	4	2	3	2	0	1	0	0	2.15
Solid Waste- Regulatory Compliance Processes		4	3	2	4	1	0	2	0	0	0	0	2.15

	Risk Categories											Total Score
	Public Exposure	Service Disruption Exposure	Financial Exposure	Compliance - Laws / Regulations	Complexity of Operations	Extent of Pass-Through Monies	Management Experience	Third-Party Exposure	Sustainability of Program	County Council-Enacted Initiative	Years since last audit *	
Potential Audit Areas	Weights	15%	15%	15%	10%	10%	5%	5%	5%	5%	0%	
Utilities- Regulatory Compliance Processes		4	3	2	4	1	0	2	0	0	0	2.15
Facilities- Preventative Maintenance		2	3	3	2	3	0	2	1	1	0	2.00
Fleet- Preventative Maintenance		2	3	3	2	3	0	2	1	1	0	2.00
Advisory Boards- Processes		3	2	1	3	2	0	3	0	0	3	1.85
Finance- Travel & Training Expenditures		3	2	1	1	3	3	3	0	0	0	1.80
Medical Examiner- Contract Performance		3	3	1	2	1	0	2	3	2	0	1.80
Public Protection- Public Education Initiative Effectiveness		1	3	1	0	1	0	1	3	3	3	1.35
Public Works- Public Education Initiative Effectiveness		1	3	1	0	1	0	1	3	3	3	1.35
Purchasing- Surplus Property		2	1	1	2	1	0	1	3	0	0	1.20
HR- Employee Evaluation Processes		2	1	1	1	1	1	5	0	0	0	1.20

* to be added in future years' risk analysis

Scoring:

5	High
4	Medium-high
3	Medium
2	Medium-low
1	Low
0	N/A

Audit Risk Categories

Master Plan Bedrocks	Risk Categories	Definitions / Impacts to the County
Thriving Communities , Objective 1.4- Provide safe and security community through prevention, readiness, and professional response	Public exposure	Risk that public will be directly harmed, loss of County reputation, loss of transparency, loss to the business community, confidential data is lost
Excellence in Government , Objective 3.2- Provide high level of customer service	Service disruption exposure	Risk that service levels to citizens and business community is directly impacted
Economic & Financial Vitality , Objective 2.4- Ensure services and decisions are financially sustainable	Financial exposure	Risk that expenditures and liabilities will be increased, loss of revenues, impact to County's credit rating, inability to continue future services
Thriving Communities , Objective 1.1- Engage in infrastructure and regulatory actions that protect and enhance the experience of residents and visitors	Compliance - laws/regulations	Risk of noncompliance with laws/ regulations/ MOUs, loss of future grant funding, future lawsuits, loss of MOUs in the future
Excellence in Government , Objective 3.3- Demonstrate leadership in decisions and actions	Complexity of operations	Risk that all, or most, County departments will be impacted in some manner or that individual segment of department operations is complex
Economic & Financial Vitality , Objective 2.4- Ensure services and decisions are financially sustainable	Extent of pass-through monies	Risk that money owed to or from pass-through partners will be impacted
Economic & Financial Vitality , Objective 2.2- Develop and retain an educated, ready workforce matched to varying job opportunities	Management experience	Risk of new management over area and needing time to become proficient in new position, loss of institutional knowledge
Excellence in Government , Objective 3.1- Maintain and foster productive relationships with public and private partners	Third-party exposure	Risk that contractors, vendors, suppliers will be impacted and/or will impact County operations
Economic & Financial Vitality , Objective 2.4- Ensure services and decisions are financially sustainable	Sustainability of program	Risk to the long-term operations of the service program and the cost recovery, i.e., program is 100% cost recovered, or 100% taxpayer funded
Excellence in Government , Objective 3.3- Demonstrate leadership in decisions and actions	County Council-enacted initiative	Risk that Council-enacted initiatives are not being carried-out, or have the impact, as intended
Excellence in Government , Objective 3.3- Demonstrate leadership in decisions and actions	Years since last audit *	Risk that operational changes have occurred since activity last audited, significant audit findings contained in last audit