



# Internal Audit

## 2024 INTERNAL AUDIT PLAN

---

January 4, 2024

Jonathan P. Edwards, CIA, CPFO  
123 West Indiana Avenue DeLand, FL 32720  
[volusia.org/government/internal-auditor](https://volusia.org/government/internal-auditor)

## 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

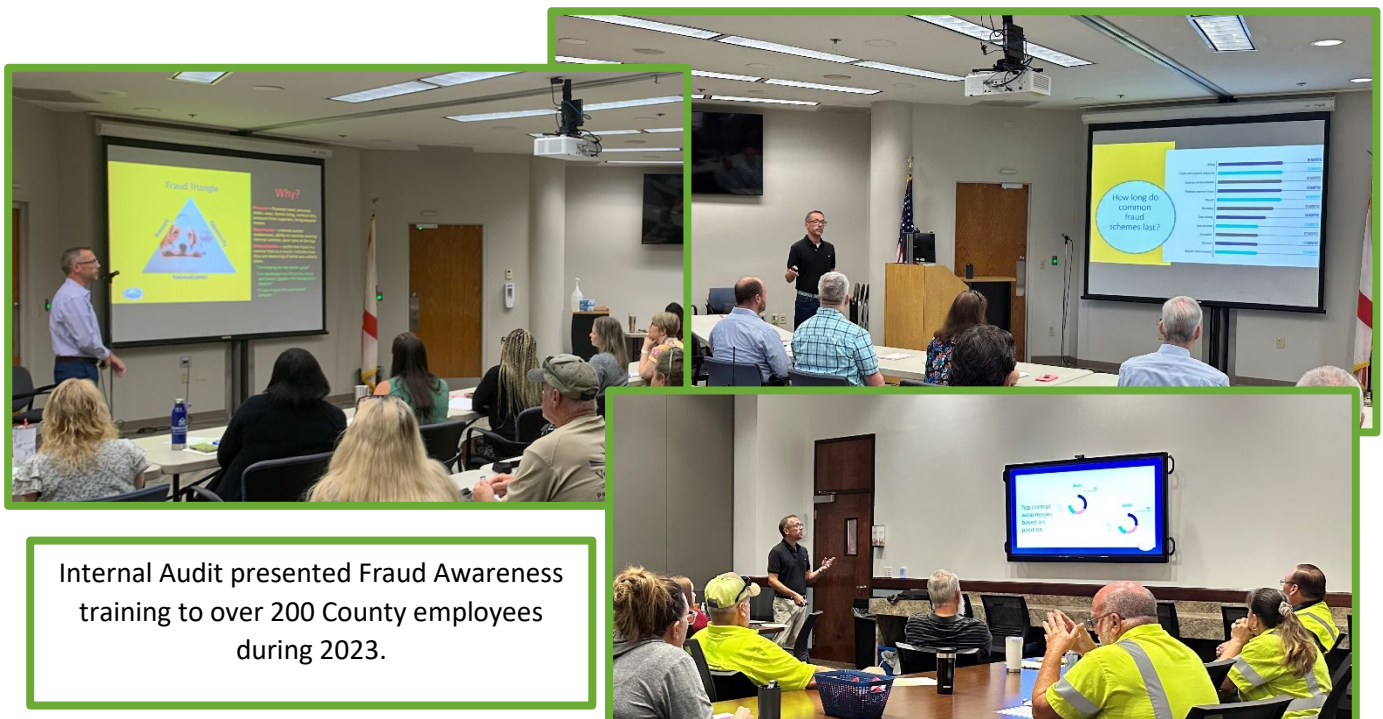
To identify and prioritize potential audit areas posing the greatest possibility for risk and liability to the County, a risk assessment was performed. This process provides a tool to assign priority for the purpose of reducing the risk and liability exposure through observations, testing, analysis, 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 goals established by the County Council on May 10, 2023. These goals, risk categories, and their definitions are located on page 3.

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 and then combined into an overall score reflecting the risk potential.

This is the fifth evaluation of the County's audit risk and will be continuously updated and modified as time goes on.



## 2024 Audit Plan

The recommended audit plan for 2024 considers available audit hours, as detailed below, and the scores of the top-ranked risk areas. These top-ranked areas include:

- Airport Parking Contract
- Solid Waste Billing and Collections
- Utilities Billing and Collections
- Corrections Kitchen Contract

Audits currently in progress, which were approved in the prior plan, include Community Assistance Grants, specifically the Alcohol, Drug, and Mental Health grant ("ADM"), and Impact Fees-Assessments and Collections. These audits will be completed in 2024.

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 and inventory of equipment and assets 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 the Council.

January 1, 2024, thru December 31, 2024		
<b><u>Available Hours</u></b>		4,160
<b><u>Less: Non-Audit Hours:</u></b>		
Holidays		(160)
Personal Days		(240)
Professional Development		( 80)
Administration Hours (Council/Dept. Head Meetings, etc.)		(368)
<b>Total Direct Audit Hours:</b>		<b>3,312</b>
<b><u>Audit Areas:</u></b>	<b><u>Estimated Hours to Complete Audit</u></b>	
Community Assistance- ADM Grants	276	276
Impact Fees-Assessment and Collections	276	276
ECHO / Volusia Forever Programs	276	276
Airport Parking Contract	552	552
Solid Waste Billing and Collections	690	690
Utilities Billing and Collections	690	690
Corrections Kitchen Contract	690	552
<b>Total Budgeted Direct Audit Hours</b>	<b>3,450</b>	<b>3,312</b>

## Audit Risk Categories

Risk Categories	Definitions / Impacts to the County
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
Service disruption exposure	Risk that service levels to citizens and business community is directly impacted
Financial exposure	Risk that expenditures and liabilities will be increased, loss of revenues, impact to County's credit rating, inability to continue future services
Compliance - laws/regulations	Risk of noncompliance with laws/ regulations/ MOUs, loss of future grant funding, future lawsuits, loss of MOUs in the future
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
Extent of pass-through monies	Risk that money owed to or from pass-through partners will be impacted
Management experience	Risk of new management over area and needing time to become proficient in new position, loss of institutional knowledge
Third-party exposure	Risk that contractors, vendors, suppliers will be impacted and/or will impact County operations
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
County Council-enacted initiative	Risk that Council-enacted initiatives are not being carried-out, or have the impact, as intended
Years since last audit *	Risk that operational changes have occurred since activity last audited, significant audit findings contained in the last audit

### County Council Goals, Established May 10, 2023

On May 10, 2023, the County Council met and established the following goals. The Internal Auditor has considered and included these goals when scoring and ranking the audit areas.

- 1) Create a more efficient regulatory framework
- 2) Increase the efficiency and effectiveness of government operations, particularly public safety and economic development
- 3) Develop and implement a plan for expanded recreation and sports tourism activities
- 4) Continue and enhance fiscal stewardship
- 5) Foster and support a solution-oriented culture

# Audit Risk Matrix

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 *		
15%	15%	15%	15%	10%	5%	5%	5%	5%	5%	5%		
4	4	3	3	3	0	4	4	3	0	5	3.20	
4	4	4	3	3	0	3	1	3	0	5	3.15	
4	4	4	3	3	0	3	1	3	0	5	3.15	
4	3	2	4	4	0	4	5	2	0	5	3.15	
4	4	2	3	3	3	4	2	2	0	5	3.05	
4	4	3	3	2	0	3	4	3	0	5	3.05	
4	3	3	3	4	0	3	3	3	0	5	3.05	
4	4	3	3	3	0	3	3	2	0	5	3.05	
3	3	3	3	3	3	4	5	3	0	4	3.05	
3	3	2	4	4	0	4	5	2	0	5	3.00	
3	3	4	3	3	4	2	1	3	0	5	3.00	
3	2	4	4	4	0	3	3	2	0	5	3.00	
4	3	3	2	3	2	3	5	2	0	5	2.95	
4	3	3	3	3	0	3	3	2	0	5	2.90	
3	4	3	2	3	0	4	3	3	0	5	2.85	
3	3	3	2	3	2	2	3	3	3	5	2.85	
3	4	3	3	2	0	3	4	2	0	5	2.85	
3	2	3	5	4	0	4	0	0	0	5	2.80	
3	3	3	3	3	0	3	3	2	0	5	2.75	
3	3	3	4	2	3	5	3	0	0	0	2.70	
3	3	2	3	3	3	2	2	3	0	5	2.70	
3	2	3	4	2	3	4	0	1	0	5	2.65	
3	4	3	3	2	0	3	2	0	0	5	2.65	
3	2	3	4	4	1	2	0	0	0	5	2.60	
3	3	3	3	3	0	0	3	2	0	5	2.60	
3	4	2	2	2	2	2	4	2	0	5	2.60	
3	4	2	3	2	0	2	5	0	0	5	2.60	
3	3	2	2	3	0	4	3	3	0	5	2.55	
3	3	2	3	2	0	2	3	3	0	5	2.50	
4	3	3	3	3	1	1	2	0	0	1	2.50	
3	2	3	4	3	0	3	0	0	0	5	2.50	
3	1	3	4	4	0	4	1	3	0	1	2.50	
2	3	3	2	3	0	3	2	3	0	5	2.45	
2	2	4	3	3	4	3	2	0	0	1	2.45	
3	2	3	2	2	2	2	1	4	0	5	2.40	
4	3	2	4	1	0	2	0	0	0	5	2.40	
4	3	2	4	1	0	2	0	0	0	5	2.40	
3	2	3	2	3	3	3	0	0	0	5	2.35	
2	1	4	3	2	0	3	0	3	0	5	2.25	
3	3	2	2	1	2	3	0	3	0	5	2.25	
2	3	3	2	3	0	2	1	1	0	5	2.25	
3	3	2	2	2	2	1	0	3	0	5	2.25	
2	3	3	2	3	0	2	1	1	0	5	2.25	
3	3	2	2	2	3	1	3	3	0	1	2.25	
2	1	2	4	2	0	4	1	3	0	5	2.20	
3	2	2	3	1	3	1	4	0	0	2	2.10	

# Audit Risk Matrix

		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%	5%	5%	5%	5%	5%	5%	
Advertising Authorities		2	1	3	3	2	3	1	1	3	0	2	2.05
GRM- Impact Fees Assessments & Collections		2	2	2	3	3	0	3	0	3	0	1	2.00
Library- Hot Spot Program		2	4	2	1	1	2	1	1	0	0	5	1.90
Animal Services- Operations		2	2	3	2	1	1	4	0	2	0	1	1.85
Finance- Payroll Audit		2	2	2	2	2	3	1	1	2	0	1	1.80
Parks- Camping Reservations		2	2	1	1	2	0	3	0	3	0	5	1.65
Public Protection- Public Education Initiative Effectiveness		1	3	1	0	1	0	1	3	3	3	5	1.60
Public Works- Public Education Initiative Effectiveness		1	3	1	0	1	0	1	3	3	3	5	1.60
Em. Svcs.- Public Education Initiative		1	3	1	0	1	0	1	3	3	3	5	1.60

## Scoring:

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

## Years since last audit \*

5	Not audited previously
4	7-8 years since last audit, or recommendations from previous audit not implemented timely
3	5-6 years since last audit
2	3-4 years since last audit
1	1-2 years since last audit, or area routinely audited by other assurance providers
0	N/A