



# **Internal Audit**

## **2025 INTERNAL AUDIT PLAN**

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**January 9, 2025**

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 from the County Council, the County Manager, and senior management.

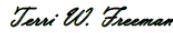
## Audit Prioritization and Selection

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 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 that may harm 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 definitions are 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, the 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 did not apply 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.

 <p>Association of Local Government Auditors</p> <p>August 29, 2024</p> <p>Jonathan Edwards, Internal Auditor, 123 W. Indiana Ave, DeLand, FL 32720</p> <p>Dear Jonathan,</p> <p>We have completed a peer review of the Volusia County Internal Audit Department for January 1, 2020, through December 31, 2023. In conducting our review, we followed the standards and guidelines contained in the <i>Peer Review Guide for Assessing Conformance with International Standards for the Professional Practice of Internal Auditing (the Standards)</i> published by the Association of Local Government Auditors (ALGA).</p> <p>We reviewed the internal quality control system of your audit organization and conducted tests to determine whether your internal quality control system was adequately designed and operating effectively to provide reasonable assurance of conformance with the <i>Standards</i> issued by the Institute of Internal Auditors. Our procedures included:</p> <ul style="list-style-type: none"><li>• Reviewing the audit organization's written policies and procedures.</li><li>• Reviewing internal monitoring procedures.</li><li>• Reviewing a sample of engagements and working papers.</li><li>• Reviewing documents related to independence, training, and development of auditing staff.</li><li>• Interviewing auditing staff, management, and the County Council Chair.</li></ul> <p>Due to variances in individual performance and judgment, conformance does not imply adherence to standards in every case but does imply adherence in most situations. Organizations can receive a rating of generally conforms, partially conforms, or does not conform. The Volusia County Internal Audit Department has received a rating of generally conforms.</p> <p>Based on the results of our review, it is our opinion that the Volusia County Internal Audit Department's internal quality control system was adequately designed and operating effectively to provide reasonable assurance of conformance with the <i>Standards</i> for engagements during the period January 1, 2020, through December 31, 2023.</p> <p>We have prepared a separate letter providing observations and recommendations for strengthening your internal quality control system.</p> <p>Sincerely,</p> <div><div><p>Terri W. Freeman CIA, CISA, CRMA, CPA Inspector General Lake County, Florida Clerk of the Circuit Court and Comptroller</p></div><div><p>Patrick R. Schafer CPA, CIA, CFE Senior Audit Manager City and County of Denver Auditor's Office</p></div></div>	<p><i>The Department received the top rating for our first peer review. The Department is reviewed every 5 years to ensure auditing standards are being met.</i></p> <p><i>This demonstrates our commitment to increasing the efficiency and effectiveness of County operations while enhancing fiscal stewardship.</i></p> <div><p><b>The Association of Local Government Auditors</b> Awards this</p><p><b>Certificate of Compliance</b></p><p>to</p><p><b>Volusia County Internal Audit</b></p><p>Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with the <i>International Standards for the Professional Practice of Internal Auditing</i> for engagements during the period January 1, 2020 through December 31, 2023.</p><div><p>Corrie Stokes ALGA Peer Review Committee Chair</p></div></div>
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## 2025 Audit Plan

The recommended audit plan for 2025 considers available audit hours, as detailed below, and the scores of the top-ranked risk areas. These top-ranked areas include:

- Corrections Kitchen Contract
- Ocean Center Parking Operations
- Building Division Inspection Program
- Fire Division Inspection Program
- Airport Rental Car Agencies
- Public Protection Inventory

Audits currently in progress, which were approved in the prior plan, include Utilities Billing and Collections. This audit will be completed in early 2025.

The department may utilize a co-source model approach to assist with subject matter expertise and manpower to achieve the plan. A co-sourcing solicitation will be released in 2025 with potential multiple service providers covering multiple years. The selected provider(s) will work under the direction of the Internal Auditor and be accountable for delivering high-quality reports. The solicitation will be presented to the County Council for approval. The rental car agency audit is planned for this co-source model.

The audit plan includes 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, equipment inventory, 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, 2025, through December 31, 2025		
<b>Available Hours</b>		4,160
<b>Less: Non-Audit Hours:</b>		
Holidays		(160)
Personal Days		(240)
Professional Development		( 80)
Administration Hours (Council/Dept. meetings, etc.)		(368)
<b>Total Direct Audit Hours:</b>		<b>3,312</b>
	Estimated Hours to Complete	
<b>Audit Areas:</b>	<b>Audit</b>	
Utilities Billing and Collections	276	276
Corrections Kitchen Contract	690	690
ECHO / Volusia Forever Programs	276	276
Ocean Center Parking Operations	552	552
Building Inspections	621	621
Fire Inspections	621	621
Airport Rental Car Agencies	207	207
Public Protection Inventory	690	69
<b>Total Budgeted Direct Audit Hours</b>	<b>3,933</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
Potential Audit Areas	Weights	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 *	
Corrections- Kitchen Contract		4	4	3	4	4	0	4	5	2	0	5	3.45
Ocean Center- Parking Operations		4	4	4	3	3	0	4	4	3	0	5	3.35
Building- Inspections		4	4	3	4	3	0	3	4	3	0	5	3.30
Fire- Inspections		4	4	3	4	3	0	3	4	3	0	5	3.30
Airport- Rental Car Agreements		4	4	3	3	4	0	4	3	3	0	5	3.25
Public Protection- Inventory		4	4	3	3	4	1	3	3	3	0	5	3.25
Em. Svcs.- Inventory		4	4	3	3	4	1	3	3	3	0	5	3.25
Coastal- Beach Parking		4	3	3	3	2	0	4	4	3	3	5	3.10
Airport- Booth Rentals Airside and Landside		4	3	3	3	4	0	3	3	3	0	5	3.05
Fleet- Gas Cards & Fuel Contracts		4	3	3	2	3	3	3	4	4	0	5	3.05
Fleet- Parts Inventory Contract		3	4	3	3	3	2	3	4	2	0	5	3.05
Corrections- Healthcare Contract		3	3	2	4	4	0	4	5	3	0	5	3.05
Transform 386 Program		3	3	2	4	4	4	4	4	0	0	5	3.05
Info. Technology- General Controls		4	3	3	3	4	2	3	3	0	0	5	3.00
Ocean Center- Box Office Revenues		3	4	3	3	3	0	4	3	3	0	5	3.00
Public Prot.- Training & Certification		4	3	3	3	3	3	4	0	3	0	5	3.00
Em. Svcs.- Training & Certification		4	3	3	3	3	3	4	0	3	0	5	3.00
Transit Svcs.-Votran		3	3	3	3	3	3	4	5	2	0	2	2.90
Building Admin.- Code Enforcement Processes		4	4	3	3	3	0	3	2	0	0	5	2.90
Comm. Information- Open Records Processes		4	4	3	4	2	0	3	0	0	0	5	2.85
Corrections- Use of Force Data & Body Cams		3	2	3	4	4	0	3	3	2	0	5	2.85
Community Assistance- CDBG Grants		2	3	3	3	4	4	2	1	3	0	5	2.80
Community Assistance- CFAB Services		2	3	3	3	4	4	2	1	3	0	5	2.80
Info. Technology- Cybersecurity		4	3	4	3	4	1	1	2	0	0	1	2.75
GRM- Planning and Permitting Efficiencies		3	3	3	3	3	0	3	3	2	0	5	2.75
Em. Svcs- Patient Care Reporting		4	4	2	3	1	1	3	1	3	0	5	2.70
Engineering- Master Trail Funds		3	2	3	2	3	2	2	3	3	3	5	2.70
Parks- Maintenance Contracts Review		3	4	2	2	2	2	2	4	3	0	5	2.65
Resource Stewardship- Land Management		3	3	3	3	3	0	3	1	2	0	5	2.65
HR- Claims Management		3	2	3	4	4	1	2	0	0	0	5	2.60
Airport- Grant Compliance and Reporting		2	2	4	3	3	4	4	2	0	0	2	2.55
Parks- Lucy Usage		3	2	3	2	3	2	3	1	4	0	5	2.55
Em. Mgt.- Incident Response Training Plans		2	3	2	3	3	3	2	2	3	0	5	2.55
Corrections- Inmate Welfare Fund		2	1	3	4	4	0	4	1	3	0	5	2.55
Comm. Information- Records Retention		3	2	3	4	3	0	3	0	0	0	5	2.50
Ocean Center- Event Incentives		3	2	2	3	3	0	4	3	2	0	5	2.50
Solid Waste- Regulatory Compliance Process		3	2	2	4	2	0	2	3	2	0	5	2.45
Utilities- Regulatory Compliance Processes		3	2	2	4	2	0	2	3	2	0	5	2.45
Corrections- Inmate Trust Fund		3	1	3	4	3	0	4	1	3	0	2	2.45
GRM- Fee Collections		2	3	3	3	2	0	3	0	3	0	5	2.40
Airport- Terminal Advertisement Agreements		3	2	2	3	2	0	3	2	3	0	5	2.35
Econ Devl- Grow Volusia		3	2	3	3	2	0	3	2	0	3	2	2.35
Finance- Travel & Training Expenditures		3	2	3	2	3	3	3	0	0	0	5	2.35
Facilities- Preventative Maintenance		2	2	3	2	2	2	2	3	3	0	5	2.30
Fleet- Preventative Maintenance		2	2	3	2	2	2	2	3	3	0	5	2.30
Public Works- Work Order System Utilization		3	2	3	2	2	2	2	0	3	0	5	2.30

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%	
Facilities- Work Order System Utilization		2	2	3	2	3	1	3	1	3	0	5	2.30
EMS- Special Events Recoupment of Costs		2	1	4	3	2	0	3	0	3	0	5	2.25
Purchasing- Purchasing & P-cards		3	2	2	3	1	3	1	4	0	0	2	2.10
Fire- Training Center Cost Recoupment		1	2	4	1	2	3	2	0	4	0	5	2.10
Advertising Authorities		2	1	3	3	2	3	1	1	3	0	2	2.05
Finance- Payroll Audit		2	2	3	2	2	2	2	2	2	0	1	2.00
Airport- Parking Contract		2	3	2	2	2	0	2	3	0	0	1	1.85
GRM- Impact Fees Assessments & Collections		2	2	2	3	2	0	3	1	1	0	1	1.85
Animal Services- Operations		2	2	2	3	1	1	3	1	2	0	1	1.85
Public Works- Solid Waste Billing & Collections		2	2	2	2	2	0	2	1	3	0	1	1.75
Public Works- Utilities Billing & Collections		2	2	2	2	2	0	2	1	3	0	1	1.75
Parks- Camping Reservations		3	2	1	1	1	0	3	0	3	0	5	1.70
Em. Svcs.- Public Education Effectiveness		1	3	1	0	1	0	1	3	3	3	5	1.60
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

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 time
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