



Fiscal Year 2023 Annual Audit Plan

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FISCAL YEAR 2023 ANNUAL AUDIT PLAN

What is the Audit Unit of the Office of the Inspector?

The City of Jacksonville Office of Inspector General (OIG) is an independent, nonpartisan oversight agency created to:

1. Provide increased accountability, integrity, and oversight of the entire consolidated government of Jacksonville.
2. Improve the government's economy and efficiency.
3. Deter and identify fraud, waste, and abuse.

To accomplish this, the OIG is separated into two units: Investigations and Audit. The Audit Unit supports the OIG mission by providing independent, objective assurance and consulting services with the purpose of adding value and improving the operations of the City of Jacksonville (COJ) and its affiliated agencies, offices, and authorities. This is accomplished by utilizing a systematic, disciplined approach to address and improve risk management, control, and governance processes. All work is done with integrity, objectivity, confidentiality¹, and competency.

Why Do an Audit Plan?

The Audit Unit follows the *International Professional Practices Framework of Internal Auditing* published by the Institute of Internal Auditors. These standards require the Audit Unit develop a risk-based audit plan which determines the Unit's priorities for the upcoming fiscal year.

What is an Audit Plan?

The audit plan is created to identify potential and required projects for the upcoming fiscal year. The plan includes new projects (based on a risk assessment²), carryover audits, follow-up audits, and special projects assigned by the Inspector General (IG). The plan is a guiding document and is subject to change due to unforeseen circumstances.

¹ Confidentiality is only to the extent allowed by the Sunshine Law, F.S. Ch. 286

² See *Fiscal Year 2023 Risk Assessment*



What are the Types of Audits?

Planned Audits: The Audit Unit selects potential audit areas and then conducts a risk assessment. The highest risk areas are selected to audit.

Carryover Audits: The audits that were started during the previous fiscal year that will not be completed by the end of that year.

Follow-Up Audits: Approximately six months after issuing an audit report, the Unit follows up on the audited area to monitor if corrective action has occurred.

Special Projects: Special Projects are unplanned audits and other activity that the IG requests. These cannot be predicted and are addressed as needed.

How Does the Audit Unit Select What to Audit?

The Audit Unit must deploy audit resources appropriately, sufficiently, and effectively. Therefore, the experience, expertise, and availability of staff limits the scope of the audits undertaken. Currently, the Audit Unit has one full-time auditor³ and one Director of Audit (Director). The annual available hours were calculated by taking the number of work hours per auditor minus COJ holidays, annual leave, trainings, and non-audit administrative time. For the purposes of this calculation, the Director's total hours were calculated separately as one third of available work hours after subtracting holidays, leave, and trainings.

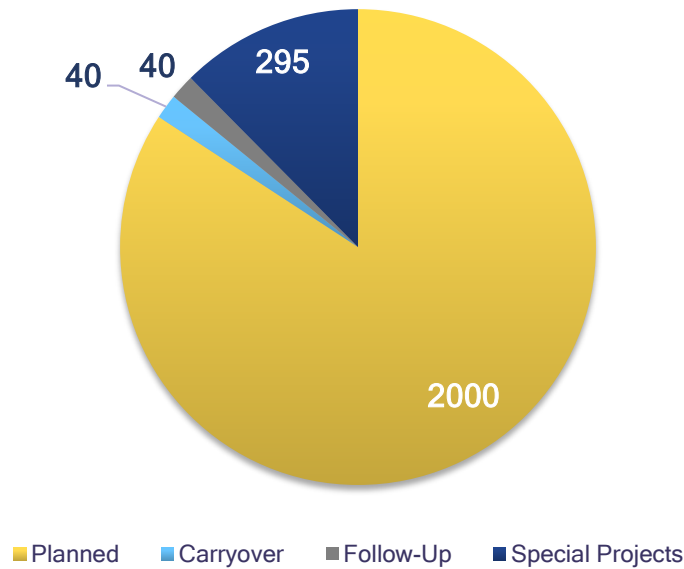
³ The OIG will be seeking to add another full-time auditor to the staff in the upcoming fiscal year.

There are currently 2,375 available hours for audit projects (there would be 4,156 available with a second auditor).

Total Annual Available Hours	
Annual Totals	Hours
Total Work Hours (52 Weeks * 40 Hours)	2,080
Holiday Hours (13 Days * 8 Hours)	(104)
Personal Holiday (1 Day * 8 Hours)	(8)
Required Continuing Professional Education	(40)
Administrative/Miscellaneous (14 days * 8 hours)	+ (147)
Available Project Hours for Auditor	1,781
Available Project Hours for Director	+ 594
Total Available Project Hours	2,375

The available 2,375 hours are divided as follows:

Hour Allocation



PLANNED AUDITS

Multiple Entities • Federal COVID Funds (1,000 Hours Allocated)

- Are there adequate controls in place to ensure eligibility of fund recipients?

Potential

Objectives:

- Are control procedures adequate to ensure funds are operating as intended?
- Are the expenditures properly documented and reviewed to avoid fraud, waste, or abuse?

Rationale:

During the COVID-19 Pandemic the Federal Government distributed hundreds of millions of dollars to the City of Jacksonville. Most of the funding came from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and American Rescue Plan Act (ARPA)—\$167 million and \$343 million, respectively. The CARES Act funds were received mid-fiscal year and there were few procedures in place to regulate the distribution of those funds.

Office of Grants and Compliance • Public Service Grants Program (480 Hours Allocated)

- Are there adequate controls in place to ensure eligibility of fund recipients?

Potential

Objectives:

- Are the expenditures properly documented and reviewed to avoid possible fraud, waste, or abuse?
- Is the program managed according to legal requirements?

Rationale:

Public Service Grants Program (PSGP) is managed by Office of Grants and Contract Compliance (OGCC). PSGP distributes City allocated funds to qualifying local non-profits. The grant allocation for the next fiscal year is

\$6,000,000—nearly double than that of last year. Due to the elimination of other direct grants, the application deadline was extended, and more applicants than usual are expected to apply.

Kids Hope Alliance • Early Learning Services (480 Hours Allocated)

- Are there adequate controls in place to ensure eligibility of fund recipients?

Potential
Objectives:

- Are the expenditures properly documented and reviewed to avoid possible fraud, waste, or abuse?
- Is program managed according to appropriate regulations and requirements?

Rationale:

Kids Hope Alliance (KHA) funds local non-profits that serve youth in the areas of early learning, special needs, pre-teens and teens, juvenile justice, and out-of-school time. Early Learning Services (ELS) handles the area of early childhood learning. This includes young children’s literacy, school readiness, and preparing parents to help their children succeed at school. This fiscal year ELS is scheduled to receive \$6,137,626. They are partnering with Episcopal Children’s Services, Inc. and Early Learning Coalition of Duval, Inc. among other potential partners.

CARRYOVER AUDITS

Duval County Property Appraiser Internal Control and Data Security Compliance Review Audit (20 Hours Allocated)

Description: In August 2022 the Duval County Property Appraiser (Property Appraiser) requested the OIG conduct a Compliance Review Audit. This is a requirement of the Memorandum of Understanding (MOU) between the Property Appraiser and the Florida Department of Highway Safety and Motor Vehicles (FLHSMV) for the Property Appraiser's use of the FLHSMV Residency Webservice.

- Objectives:**
- Evaluate internal controls regarding the FLHSMV Residency Webservice and verify compliance with the requirements of the MOU and applicable laws.
 - Determine if proper policies and procedures are in place regarding data security and personnel expectations while accessing the FLHSMV Residency Webservice System.
 - Verify that all required documents have been approved by the appropriate professionals.

FOLLOW-UP AUDITS AND IG SPECIAL PROJECTS

Follow-Up Audits

2020-AR-0001 JEA Limited Scope Travel and Business Expense Audit (40 Hours Allocated)

Description: This audit was originally published on February 18, 2022. The audit discovered internal control deficiencies related to reimbursements and purchase card use. JEA agreed to a Corrective Action Plan on June 22, 2022. The Follow-Up Audit is anticipated to occur in January 2023.

IG Special Projects

2022-0010 Emergency Financial Assistance Program (40 Hours Allocated)

Description: The Investigations Unit is seeking an assist from the Audit Unit regarding the Social Services Division's Emergency Financial Assistance Program distributions.

Audit Policy and Procedures Manual and Charter Update (80 Hours Allocated)

Description: The Audit Unit will review and edit its Policy and Procedures Manual and Charter to better align with the *International Professional Practices Framework of Internal Auditing*. The review will also seek to improve the Audit Unit's efficiency and effectiveness.

To Report Fraud, Waste, and Abuse contact OIG at:

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