



DIVISION OF INSPECTOR GENERAL

Ken Burke, CPA

Clerk of the Circuit Court and Comptroller
Pinellas County, Florida



2018 INSPECTOR GENERAL'S ANNUAL AUDIT PLAN



Hector Collazo Jr.
Inspector General / Chief Audit Executive



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CLERK OF THE CIRCUIT COURT AND COMPTROLLER
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January 19, 2018

The Honorable Ken Burke, CPA
Clerk of the Circuit Court and Comptroller

The Honorable Chairman and Members
of the Board of County Commissioners

This 2018 Inspector General's Annual Audit Plan has been prepared to identify planned audits and projects during calendar year 2018 and the basis for their selection. This audit plan is the result of the development of a risk model to assess risks of various County operations for the purpose of indicating the need for an audit. We also solicited input from the Board of County Commissioners, County Administrator, County Management, County Attorney, Pinellas County Constitutional Officers, the Management of the Clerk's Office, and County Employees.

It is important that the Division of Inspector General has a sound methodology for the selection of its audits and projects. This will ensure an independent, objective analysis and evaluation of County programs and operations. Our audits and projects result in the issuance of public reports containing recommendations to strengthen and improve the delivery of public services to the citizens of Pinellas County. I believe the process we have established achieves that goal.

This audit plan is prepared to provide a core guide for audits to be initiated during the calendar year. The audit plan also provides for management requests, investigations of fraud, waste, and abuse, as well as other projects. Depending on workload and other factors, some of these projects may not be initiated during the year, and other projects may be conducted that are not on this audit plan.

If you have any questions or would like to discuss any aspect of this proposed audit plan, please call me anytime.

Respectfully Submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive
Division of Inspector General



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Inspectors General

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INTRODUCTION

To ensure the most efficient and effective utilization of Inspector General staff resources, it is essential that areas selected for audit be carefully considered. Since the audit function, like other governmental functions, should provide the maximum possible benefit to Pinellas County citizens, audits that will result in the most benefit should be conducted. Because of the large number of possible areas to audit throughout the County, and limited staff resources to audit them, a careful audit selection process should be in place. Such a strategic planning process has been conducted in determining this audit plan. The methodology of selecting audits and those areas selected for audit in 2018 are presented below.

Sources Of Areas Selected For Audit

Areas selected for audit can come from a variety of sources. These include risk assessments, management and employee requests, unannounced audits, and anonymous allegations of fraud, waste, and abuse.

Risk must be one of the primary factors in selecting areas for audit. Risk for some aspects of County operations is higher than others for many reasons, including the type of activities, financial and operational impact to the County if something were to go wrong, strength and attitude of management, and the length of time since the areas have been audited. Those areas of the County, which are high risk, should receive more audit attention than those of lower risk. It should be noted, however, that areas of lower risk should not be ignored; rather, they should be done with less frequency than the higher risk areas.

In addition to risk, management sometimes has concerns about areas or for some other reason believes an audit is desirable. Because one of the goals of the Inspector General function is to be of assistance to management, management requests are seriously considered in the selection of audits to be performed. As a part of the audit selection process, we solicit input from the Board of County Commissioners, County Administrator, County Management, County Attorney, Pinellas County Constitutional Officers, Clerk's Office Management, and County Employees.

In addition, there is a need to conduct some audits on an unannounced basis whenever prior knowledge could compromise the integrity of the audit. These types of audits include cash counts, and some suspected instances of fraud, waste, or abuse.

Our establishment of a fraud, waste, and abuse hotline has also generated areas that have resulted in audits and investigations.

Risk Assessment Methodology

The first step in determining a risk assessment methodology was to prepare a list of auditable entities. These are possible areas that could be audited in the County, if we chose to do so. We used the County's budget primarily to compile this comprehensive list. Using the budget ensures we include all operations involving County funding to provide reasonable assurance that all significant County operations are included in our audit universe. Through this process, we identified over 250 auditable entities.

Once the auditable entities were identified, we assessed the risk associated with each entity based on six risk factors:

1. Operational Impact
2. Complexity of Operations
3. Dollar Impact
4. Degree of Autonomy
5. Number of Years Since the Last Audit
6. Public Perception

Each of the risk factors were weighted with Dollar Impact, Operational Impact, and Number of Years Since the Last Audit together comprising 65% of the weight. Numerical risk scores were assigned for each risk factor for each auditable entity. Total risk scores were then calculated. Auditable entities were grouped into high, medium, and low risk categories based on the total risk score.

The audit plan includes primarily management requests and entities from the high-risk category, but also includes some entities with lower identified risk. The risk assessment methodology is in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*.

Annual Audit Plan Development

The majority of this year's audit plan is a carryover from the 2017 Annual Audit Plan. We did not complete the 2017 planned audits due to unscheduled management requested audits and consultations, and an increased volume in Public Integrity Unit investigations. These unplanned projects utilized most of the Inspector General staff resources during 2017. For example, we were requested to conduct an operational audit of the Pinellas County Construction Licensing Board (PCCLB) that resulted in an audit report containing 114 issues, resulting in 93 Opportunities for Improvement with 235 Recommendations, and an additional three PCCLB investigative reports. We also assisted the State Attorney's Office with their Grand Jury investigation of the PCCLB.

Therefore, identified audits from our 2018 risk assessment, management's suggestions, and the carryover from the 2017 Annual Audit Plan are greater than available 2018 Inspector General staff resources. After careful review of the risk assessment results, audit resource allocation, and management requests for audits, we developed the 2018 Annual Audit Plan.

The Annual Audit Plan is a planning tool for the use of Inspector General resources. As such, it is subject to change throughout the year as the need arises. Inspector General reports will be issued during the year for the audits shown as in-progress as well as those audits and other projects planned.

PLANNED PROJECTS

Annual Audits And Investigations

Audits Planned

Audit of Selected Construction Contract – Jail Infrastructure Project
Audit of Selected County Service & Maintenance Contract – Airport Republic Parking
Audit of Selected County Service & Maintenance Contract – CCC Linebarger
Fleet Management NAPA Contract for Inventory Control
Household Electronics Chemical Collection Center Operations
Internal Controls Over Selected County Applications' Interfaces
Pinellas County CIP/Infrastructure – Public Works Stormwater & Vegetation Division
Pinellas County CIP/Infrastructure – Public Works Transportation Division
Pinellas County Health Program
Traffic Management System Coordination

Continuous Audits

Annual Purchasing Card Usage – BCC/Clerk/County Administrator
Fixed Asset Physical Inventories
Property Appraiser Employees' Use of DAVID Personal Data
Public Integrity Guardianship Audits
Unannounced Imprest Funds Audits
Unannounced Notary Audits

Investigations

Office of Public & Professional Guardians Investigations
Public Integrity Guardianship Investigations
Public Integrity Investigations

Audits And Investigations In Progress As Of December 31, 2017

Existing Bank Accounts
Follow-Up Audits
Office of Public & Professional Guardians Investigations
Pinellas County Capital Improvement/Infrastructure Program – Utilities
Pinellas County Purchasing Card Usage
Pinellas Public Library Cooperative Operations & Internal Controls
Public Integrity Follow-Up Investigations
Public Integrity Guardianship Audits
Public Integrity Investigations
Solid Waste Contract for Waste to Energy Plant

Cooperative Partnerships In Support Of County Operations

In addition to planned annual audits and investigations, the Inspector General's annual projects include the following cooperative partnerships in support of County operations as an independent, objective resource for the County. Examples of our 2017 support include:

Management Requests In Progress As Of December 31, 2017

Other Postemployment Benefits (OPEB) Study
Palm Beach County School District Office of Inspector General Investigation
Pinellas County Tax Deeds Review
Utilities Segregation of Duties Review

Ongoing Projects

Consulting Services
Departmental Education
Special Management Requests

Operational Hotlines

Inspector General's County-Wide Fraud, Waste and Abuse Hotline
Pinellas County Sheriff's Prison Rape Elimination Act (PREA) Hotline
Sixth Judicial Circuit Court's Guardianship Fraud, Waste and Abuse Hotline

Participation On Various Boards And Teams

Security Panel
Technology Steering Committee

Note: This Inspector General's Annual Audit Plan represents a flexible planning document. As such, some audits identified herein may not be conducted this year. Also, audits may be conducted which are not included in this document.



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