



Annual Audit Plan
Board of County Commissioners
Fiscal Year 2019

Division of Inspector General

Gary J. Cooney, Clerk of the Circuit Court & Comptroller

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Inspector General**

February 25, 2019



Division of Inspector General

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Board of County Commissioners
Lake County, Florida

The enclosed Audit Plan for Fiscal Year 2019 was prepared based on input from the County Manager and his leadership team and was approved by Gary Cooney, Clerk of the Circuit Court and Comptroller.

The plan provides a guide for engagements to be initiated during the fiscal year. However, if prolonged investigations of fraud, waste, or abuse arise or special requests are made by management, some of the engagements in the plan may not be initiated during this fiscal year and others may be conducted that are not in the plan.

If you have any questions or would like to discuss any aspect of the plan, please contact me at 352-253-4937.

Respectfully submitted,

Terri W. Freeman

Inspector General

cc: The Honorable Gary Cooney, Clerk of the Circuit Court & Comptroller
Jeff Cole, County Manager

Know of Fraud, Waste, or Abuse?
Contact our hotline at (352) 742-4429 or
email fwa@lakecountyclerk.org

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INTRODUCTION

To ensure efficient and effective use of resources, a systematic approach must be used to create an audit plan that will cover the most significant risks to the goals and objectives of the County's operations.

Sources of Areas Selected For Audit

Areas selected for audit were identified using a variety of sources including contracts and agreements, laws and regulations, risk assessments, and discussions with management.

Risk must be the primary factor in selecting areas for audit. Risk for some aspects of County operations is higher than others for many reasons including the type of activities performed, financial and operational impact, management experience and staff size, legal and regulatory requirements, and the length of time since an area was last audited.

As part of the audit selection process, we solicited input from the County Manager and his leadership team. Because one of the goals of the audit function is to be of assistance to management, their suggestions are seriously considered in the selection of audits to be performed.

In addition, there is a need to conduct some audits on a surprise basis whenever prior knowledge could compromise the integrity of the audit. These types of audits include cash counts and suspected instances of fraud, waste, or abuse. Allegations of fraud, waste, or abuse generally come from our fraud, waste, and abuse hotline that provides a means for employees or citizens to report possible issues.

Risk Assessment Methodology

The first step in the audit planning process is to conduct a risk assessment. To assist in this process, management rated the level of risk for the factors below for each area they oversee.

1. Public Exposure
2. Financial Exposure
3. Compliance – Laws and Regulations
4. Complexity of Operations
5. Management Experience
6. Number of Staff
7. Budgeted Expenditures
8. Years Since Last Audit
9. Extent of Pass-through Funds
10. Cybersecurity/Service Disruption Exposure
11. Third Party Exposure

We weighted each of the risk factors by relative importance in calculating the risk score and categorized each of the auditable entities as high, medium/high, medium, medium/low or low risk. We then held meetings with various County management to gain a better understanding of the high and medium/high risks to their goal and objectives. This risk assessment methodology is in accordance with the International Standards for the Professional Practice of Internal Auditing.

FISCAL YEAR 2019 AUDIT PLAN

This audit plan is subject to change throughout the year as the need arises. Therefore, some engagements identified below may not be conducted this year and others may be conducted that are not included in this document. This plan does not include engagements planned for areas in the Office of the Clerk of Circuit Court and Comptroller.

Audits Planned To Be Initiated During The Fiscal Year

Supervisor of Elections Office Financial Management Transition

Procurement Cards

HIPAA Risk Assessment

Office of Human Resources and Risk Management –
Self-Insured Health Plan, Property & Liability Programs, Worker’s Compensation, Benefits Program

Emergency Operations Center

Solid Waste – Landfill Operations

Cybersecurity/Service Disruption

Third Party Management

Continuous Audits and Other Projects

External Audit Assistance – Inventories

Investigations relating to Fraud, Waste, and Abuse

Cash Counts

Continuous Audit Projects

Consulting Services

Auditee Education & Training

Follow-up on the remediation of prior years’ audit observations