



DIVISION OF INTERNAL AUDITING
ANNUAL RISK ASSESSMENT AND AUDIT PLAN FOR FY 2021-2022

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INTRODUCTION

The Division of Internal Auditing (IA) is a chartered, independent, objective, and comprehensive auditing program, established within the Leon County Clerk of the Circuit Court & Comptroller (Clerk) by authority of the Constitution of the State of Florida. IA provides assurance and consulting services for the Clerk's Office and for the Leon County Board of County Commissioners (BoCC).

The purpose of the IA activity is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight to the Clerk and to BoCC. Furthermore, we work proactively with the Clerk and the Board senior management in identifying risks, evaluating controls, and making recommendations that promote economical, efficient, and effective delivery of services.

The definition of internal auditing states its fundamental purpose, nature, and scope:

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

IA performs its audits in conformance with the Institute of Internal Auditor's (IIA) International Standards for the Professional Practices of Internal Auditing (Red Book), and the United States Government Accountability Office's (GAO) Generally Accepted Government Auditing Standards (Yellow Book).

ANNUAL PLAN DEVELOPMENT

IIA Standard 2010 – Planning requires the internal audit activity establish a risk-based plan, at least annually, to determine the priorities of the internal audit activity consistent with the organization’s goals.

The Internal Audit Manager is responsible for developing a risk-based plan. The Internal Audit Manager consults with the Clerk, Board County Administrators, and senior management to obtain an understanding of the organization’s strategies, key business objectives, associated risks, and risk management processes. The Internal Audit Manager must review and adjust the plan, as necessary, in response to changes in the organization’s business, risks, operations, programs, systems, and controls.

The goal of an annual audit plan is to prioritize and allocate limited resources efficiently to those areas considered to present the greatest risk, where the work of internal audit can provide the greatest amount of value.

The audit plan is flexible and may be amended during the year as determined by the Internal Audit Manager with the concurrence of the Clerk and the Audit Committee. Completion of the audit plan may be affected by additional and/or critical audits requested by the Clerk, Board, and/or senior management, special projects, and unforeseen circumstances.

Accordingly, IA has developed Fiscal Year 2021-2022 Annual Audit Plan to provide adequate audit coverage and specific management requests for audits and management reviews.

RISK ANALYSIS

Risk Assessment is a process of systematically scoring (or rating) the relative impact of a variety of risk factors. A risk factor is a measurable (objective) or observable (subjective) indicator of conditions or events that can impact an organization's ability to achieve its objectives.

The steps taken in creating the Clerk and Board risk assessments were as follows:

1. We identified auditable entities by listing Clerk and Board significant departments and divisions, using fiscal years 2020 and 2021 approved budgets and information provided, respectively.
2. Each Department was assessed and rated on a weighted scale of 1 to 5 using the following criteria:
 - **Dollar Expense**
An objective measure of the potential impact of risk due to loss. The rating is based on the actual and total projected operating expenditures for the organizational units from the Clerk and Board budgets.
 - **Employee Factor (Full Time Equivalent/Vacancies)**
An objective measure of each sub-division's full-time positions needed to fulfill its objectives and the number of vacant positions. This factor utilizes objective data to perform a subjective analysis of the potential operational impact on each of the identified sub-groups to fulfill their duties given the current vacancies.
 - **Operational Impact**
A subjective measure of the impact of risk to the Clerk, Board, and other departments within the organization, due to the nature of the activity. This factor also considers the impact of the failure of the process or program on business continuity.
 - **Public Concern**
A subjective measure of the likelihood of a loss of public confidence caused by the level of visibility and/or public interest. The nature of the operations, physical environment and security of facilities, data, and records are considered.
3. The scores were derived as indicated in Table 1 below. Ratings for the subjective measures are based on the professional judgment of Internal Audit. Each factor was weighted based on relative importance

as determined by input from Clerk and Board senior management. The total risk score was totaled for each auditable entity by adding weighted scores for all risk factors.

Table 1- Risk Rating

Risk Factor	Risk Rating	Clerk's Range	Board's Range
Dollar Expense	1	< \$250,000	< \$2,500,000
	2	\$250,000 - \$500,000	\$2,500,000 - \$5,000,000
	3	\$500,001-\$750,000	\$5,000,001-\$7,500,000
	4	\$750,001-\$1,000,000	\$7,500,001-\$10,000,000
	5	>\$1,000,000	>\$10,000,000
Employee Factor (Vacancies/Full Time Equivalent) Measured in %	1	<5	<5
	2	5 - 9	5 - 9
	3	10 - 14	10 - 14
	4	15 - 20	15 - 20
	5	>20	>20
Operational Impact	1	Insignificant	Insignificant
	2	Minor	Minor
	3	Moderate	Moderate
	4	Major	Major
	5	Incapacitating	Incapacitating
Public Concern	1	Not interested	Not interested
	2	Slightly interested	Slightly interested
	3	Moderately interested	Moderately interested
	4	Very interested	Very interested
	5	Extremely interested	Extremely interested

4. The rating score is based on a weighted scale which places more value on measurable risk factors and less value on risk factors of a subjective nature. We stratified the assessment results and identified the following:

Rating Scale 175 - 875	# of Auditable Entities	Risk Score Range
Leon County Clerk & Comptroller	10	295 - 835
Leon County Board of Commissioners	25	255 - 755

ANNUAL AUDIT PLAN

In preparing FY 2022 Annual Audit Plan, we considered:

1. The risk rankings of all Clerk and Board departments and divisions (**Appendix A**). A high-risk score identifies departments and divisions deemed by nature high-risk because of factors such as large expenditures, a great number of vacant positions, elevated degree of public concern, or a great likelihood of a significant impact on the operations of the Clerk and/or Board. High-risk areas may indicate opportunities to address activities that are mission critical, provide substantial support for both Clerk and Board, reflect high public need, or consume significant financial resources. These activities may warrant and benefit most from additional management action or audit services.
2. We also included in our plan recurring engagements required to comply with previously established agreements.

As a result of this process, the proposed audits for FY 2022 are as follows.

FY 2022 Proposed Audits (See Appendix B for the Annual Audit Schedule)

LEON COUNTY CLERK OF THE CIRCUIT COURT AND COMPTROLLER						
DIVISION OF INTERNAL AUDITING						
ANNUAL AUDIT PLAN FOR FY 2021 -2022						
Project Number	Project Name	Clerk/Board	Estimated Budget Hours Auditor	Estimated Budget Hours Manager	Total Estimated Hours	
Audits/Reviews						
1	21SP-01	CARES Act, Individual Assistance Program	Clerk/Board	0	10	10
2	21SP-02	Solid Waste - Collection Process	Clerk/Board	0	40	40
3	22A-01	The Guardianship Audit Process	Clerk	400	50	450
4	22A-02	The DAVID Access Controls Audit	Clerk	50	350	400
5	22A-03	Disbursement Cycle-Accounts Payable	Clerk	300	200	500
6	22A-04	The Purchasing Process - Board	Board	400	50	450
Follow-up Project Name						
1	22F-01	1Q Outstanding Issues Follow Up	Clerk/Board	0	25	25
2	22F-02	2Q Outstanding Issues Follow Up	Clerk/Board	0	25	25
3	22F-03	3Q Outstanding Issues Follow Up	Clerk/Board	0	25	25
4	22F-04	4Q Outstanding Issues Follow Up	Clerk/Board	0	25	25
Special Requests						
1	22-SP	Consulting/Special Project	Clerk	98	208	306
Other Audit Activities						
1	Annual Report	2022 Annual Report	Clerk/Board	25	25	50
2	Risk Assessment/Audit Plan	2022 Ongoing Risk Assessment	Clerk/Board	50	100	150
3	External Audits	Assist External Auditors	Clerk/Board	20	30	50
4	Cash Counts	Surprise Cash Counts	Clerk/Board	70	10	80
5	Hotline	Fraud, Waste, and Abuse	Clerk/Board	25	25	50
		Total Audit Hours Allocated		1,438	1,198	2,636
Other Administrative Activities						
1	General Administration	Admin General	DIA	210	450	660
2	Professional Development	Professional Development	DIA	240	240	480
		Total Administrative Hours		450	690	1,140
		Total Hours Allocated		1,888	1,888	3,776

* The CARES Act, Individual Assistance Program and the Solid Waste-Collection Process were special projects requested during the course of FY 2020-2021. Both engagements are in the reporting phase. The CARES Act, Individual Assistance Program is pending issuance of final version of the report, while the Solid Waste Collection Process is pending issuance of the first draft of the report.

1. The Guardianship Audit Process

As the legislature increased Clerks’ responsibility over the guardianship process, the IA activity will conduct a recurring annual level 3 guardianship audit. Civil court has historically performed all 3 audit levels, and this year IA will select a level 3 audit to assess the effectiveness of the audit performed by the civil staff.

2. The David Access Controls Audit

To fulfill the attestation requirement described in the Memorandum of Understanding (MOU) between the Leon County Clerk of the Circuit Court and Comptroller (Clerk) and the Florida Department of Highway Safety and Motor Vehicles (DHSMV), the Division of Internal Auditing (IA) will conduct an audit of the Clerk’s internal controls over access to the Driver And Vehicle Information Database (DAVID). The purpose of this audit is to determine the adequacy of the Clerk’s internal controls used to protect personal data in DAVID.

3. Disbursement Cycle – Accounts Payable

The purpose of this engagement is to assess governance, risk management, and internal controls over the Accounts Payable process. This engagement has been included in the annual audit plan due to:

- It was rated high in importance during the previous year. It is part of the Disbursement Cycle which started with the Purchasing Process last fiscal period.
- Financial Services rated high during the annual risk assessment.
- External financial audit noted deficiencies associated with the accrual and payments within the accounts payable processes.

4. The Purchasing Process - Board

To evaluate governance, risk management, and internal controls over the purchasing process within the Board's operations. IA performed a similar engagement for the Clerk and Comptroller's Office noting multiple deficiencies in the process. As the purchasing process for both the Clerk and Board are similar including the use of similar system modules, IA will assess the existence of similar risks around this process.

Additionally, IA continues to assist management in addressing audit recommendations. When appropriate, additional audits may be added during the year. The Audit Plan is subject to change as management priorities change and new risks are identified. Special requests may be added to the Audit Plan.

AUDIT RESOURCES

One of our top priorities is to build and maintain a quality audit team. We measure this by the quality of the work performed the training we receive each year and the relevant, professional certifications we hold.

IIA Standard 1210 – Proficiency: Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.

The Internal Audit Division is comprised of two permanent positions, the Internal Audit Manager, and a Staff Auditor on a full-time basis.

Internal Audit Manager

Luis Camejo holds a bachelor's degree in Accounting, Political Science, and a minor in Economics. Luis Camejo's prior experience includes Internal Audit/Process Improvement positions at Marsh and McLennan Companies, CBS Outdoor, and Trinity Industries. Mr. Camejo has also held positions outside of Internal Audit roles at Trinity Industries, Project Manager, and at CBS Outdoor, Mexico, Financial Controller. Mr. Camejo has also obtained experience in the public sector by serving as an auditor at the Florida Department of Transportation for over two years.

Mr. Camejo became a Certified Fraud Examiner in New York around 2003 where he also completed all four parts of the Certified Public Accountant examination. Mr. Camejo became a Certified Internal Auditor (CIA) in 2019.

Staff Auditor

Natalie Hill holds a master's degree in Business Administration and bachelor's degrees in Accounting and Finance. Ms. Hill's prior experience includes governmental external auditing for the State of Florida. She is actively pursuing the Certified Internal Auditor credential. She continues to further her auditing and accounting knowledge as a member of the IIA, ACFE, AGA, and ISACA.

Audit Committee

The work of the internal audit activity is overseen by an Advisory Audit Committee comprised of five members, two of which are appointed by the County and three by the Clerk and Comptroller. The main objective of the audit committee is to assist the internal audit function in achieving independence and objectivity in the work we perform while providing professional guidance and oversight.

APPENDIX A – RISK ASSESSMENT RESULTS

Leon County Clerk of the Circuit Court and Comptroller

Ranking	Department	Dollar Expense		FTE's		Operational Impact		Public Concern		Score	Proposed
		Rating	Wt. Score	Rating	Wt. Score	Rating	Wt. Score	Rating	Wt. Score	Rating	2022
1	CRIMINAL COURT	5	250	5	225	4	160	5	200	835	Δ
2	CIVIL COURT	5	250	4	180	5	200	4	160	790	Δ
3	FINANCE	5	250	3	135	5	200	5	200	785	Δ
4	CIS	5	250	3	135	5	200	4	160	745	I
5	CLERK ADMINISTRATION	4	200	5	225	4	160	3	120	705	I
6	HUMAN RESOURCES	2	100	5	225	5	200	3	120	645	I
7	RECORDS	2	100	4	180	5	200	4	160	640	I
8	OFFICIAL RECORDS	3	150	5	225	2	80	4	160	615	I
9	CENTRAL FILING	1	50	5	225	3	120	3	120	515	I
10	INTERNAL AUDIT	1	50	1	45	3	120	2	80	295	I

- Δ Selected for Review
- I Not Selected
- A Audited in Prior years

Leon County Board of County Commissioners

Ranking	Department	Dollar Expense		FTE's		Operational Impact		Public Concern		Score	Proposed
		Rating	Wt. Score	Rating	Wt. Score	Rating	Wt. Score	Rating	Wt. Score	Rating	2022
1	Solid Waste	5	250	5	225	4	160	3	120	755	A
2	Public Works Operations	5	250	1	45	4	160	5	200	655	I
3	Fleet Management	2	100	5	225	5	200	2	80	605	I
4	Facilities Management	5	250	1	45	4	160	3	120	575	I
5	Library Services	3	150	5	225	2	80	2	80	535	I
6	Engineering Services	2	100	3	135	3	120	4	160	515	I
7	Parks and Recreation	2	100	2	90	5	200	2	80	470	I
8	County Administration	1	50	4	180	2	80	4	160	470	I
9	Human Services	4	200	1	45	2	80	3	120	445	I
10	Management Information Services	3	150	2	90	1	40	4	160	440	I
11	County Attorney	1	50	4	180	2	80	3	120	430	I
12	Environmental Services	1	50	3	135	3	120	3	120	425	I
13	Building Plans Review & Inspection	1	50	2	90	3	120	4	160	420	I
14	DS Service	2	100	1	45	3	120	3	120	385	I
15	County Probation	1	50	3	135	2	80	3	120	385	I
16	Supervised Pretrial Release	1	50	2	90	2	80	4	160	380	I
17	Emergency Medical Services	5	250	1	45	1	40	1	40	375	I
18	Animal Control	1	50	1	45	5	200	2	80	375	I
19	Geographic Information Systems	1	50	2	90	3	120	2	80	340	I
20	Emergency Management	1	50	1	45	3	120	3	120	335	I
21	Human Resources	1	50	1	45	4	160	2	80	335	I
22	Tourism Development	2	100	1	45	2	80	2	80	305	I
23	County Commission	1	50	1	45	1	40	4	160	295	I
24	Planning Development	1	50	1	45	2	80	3	120	295	I
25	Strategic Initiatives/CMR	1	50	1	45	1	40	3	120	255	I

Δ Selected for Review
I Not Selected
A Audited in Prior years

APPENDIX B – 2022 ANNUAL AUDIT SCHEDULE

LEON COUNTY CLERK OF THE CIRCUIT COURT AND COMPTROLLER			
DIVISION OF INTERNAL AUDITING			
Annual Audit Schedule for Fiscal Year 2021 - 2022			
Plan is Subject to change with the concurrence of the Clerk and the Audit Committee			
Audit Project Name	Initiation	Final Report	Hours
1 CARES Act, Individual Assistance Program	4/21/2021	10/31/2021	10
2 Solid Waste - Collection Process	3/15/2021	10/31/2021	40
3 The Guardianship Audit Process	10/01/21	01/31/22	450
4 The DAVID Access Controls Audit	10/01/21	12/31/21	400
5 Disbursement Cycle-Accounts Payable	02/01/22	06/30/22	500
6 The Purchasing Process - Board	04/01/22	07/29/22	450
Outstanding Audit Issues Quarterly Follow-up	Initiation	Final Report	Hours
1 1Q Outstanding Issues Follow Up	10/01/21	12/31/21	25
2 2Q Outstanding Issues Follow Up	01/01/22	03/31/22	25
3 3Q Outstanding Issues Follow Up	04/01/22	06/30/22	25
4 4Q Outstanding Issues Follow Up	07/01/22	09/30/22	25
Special Requests	Initiation	Final Report	Hours
1 Requests from Clerk or Board Administration	TBA	TBA	306
Other Audit Activities	Initiation	Final Report	Hours
1 Annual Report	09/01/22	09/30/22	50
2 Risk Assessment/Audit Plan	07/01/22	09/30/22	150
3 External Audits	10/01/21	06/30/22	50
4 Cash Counts	10/01/21	09/30/22	80
5 Hotline	10/01/21	09/30/22	50
Other Administrative Activities	Initiation	Final Report	Hours
1 General Administration	10/01/21	09/30/22	660
2 Professional Development	10/01/21	09/30/22	480