



# Annual Audit Plan

## Fiscal Year 2017 - 2018

**Office of the County Auditor**

Robert Melton, CPA, CIA, CFE, CIG  
County Auditor

September 27, 2017



**OFFICE OF THE COUNTY AUDITOR**

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Honorable Mayor and Members of the Board of County Commissioners

This Fiscal Year 2017-2018 Annual Audit Plan has been prepared to identify planned audits during the fiscal year and the basis for their selection. We solicited input from the Board of County Commissioners and the County Administrator in determining this plan.

It is important for the County Auditor to have a sound methodology for the selection of audits to ensure maximum benefit to the citizens of Broward County. I believe the process we have established accomplishes this goal.

This plan is prepared to provide a guide for audits to be initiated during the fiscal year and it also provides for management requests and unanticipated projects. Depending on workload and other factors, some of these audits may not be initiated during the year, and other audits may be conducted that are not in this plan.

If you have any questions or would like to discuss any aspect of this plan, please contact me at (954) 357-7590.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton".

Bob Melton  
County Auditor

cc: Bertha Henry, County Administrator  
Joni Armstrong Coffey, County Attorney  
Andrew Meyers, Chief Deputy County Attorney

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# INTRODUCTION

To ensure the most efficient and effective use of audit 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 benefit to Broward County citizens, audits should be conducted which will ultimately result in the most benefit. 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 and used in determining this audit plan. The methodology of selecting audits and the areas selected for audit are presented below.

## Sources of Areas Selected For Audit

Areas selected for audit can come from a variety of sources. These include risk assessment, management and employee requests, and surprise audits. 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. This includes 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 audited with less frequency than the higher risk areas.

As part of the audit selection process, we solicited input from the Board of County Commissioners and the County Administrator. Because one of the goals of the audit function is to be of assistance to management, management suggestions for audit 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, payroll verifications, and some suspected instances of fraud.

## Risk Assessment Methodology

The first step in determining a risk assessment methodology is to determine the auditable entities. An auditable entity may include programs, activities, functions, structures and initiatives which collectively contribute to the effectiveness of the County's operations or the achievement of strategic objectives. We identified auditable entities and established the following risk factors to be assessed for each entity:

1. Budgeted Expenditures
2. Financial Exposure
3. Revenue
4. Number of Staff
5. Public Health
6. Complexity of Operations
7. Public Interface


8. Operational Impact on other County Agencies
9. Compliance – Laws and Regulations
10. Public Exposure
11. History of Audit Issues
12. Years Since Last Audit
13. Inherent Fraud Risk

Each risk factor was weighted by relative importance. Each auditable entity was scored and a total score obtained. The total scores were used to categorize the entities as high, moderate to high, low to moderate, very low to low risk.

# AUDIT PLAN FISCAL YEAR 2018





This audit plan is a planning tool for the use of audit resources. As such, it is subject to change throughout the year as the need arises. Therefore, some audits identified herein may not be conducted this year. Also, audits may be conducted which are not included in this document.

## Audits Planned To Be Initiated During FY 2018

-  Aviation and Port Everglades - Transportation Network Companies
-  Building Code Services - Contractor Licensing Enforcement
-  BCC Funding for Court House Security & Consolidated Dispatch
-  County Administration - E911 Fund
-  Community Partnerships - Child Care Licensing and Enforcement
-  Community Partnerships - Grants
-  Convention and Visitors Bureau - Starmark Contract
-  Cultural Services Division
-  Emergency Management – Disaster Planning
-  Enterprise Technology Services - Kronos Pay Rules
-  Enterprise Technology Services - PeopleSoft Security Administration
-  Records, Taxes, and Treasury - Auto Tag Licensing
-  Parks and Recreation - Quiet Waters Park Renaissance Festival
-  Parks and Recreation - T.Y. Park
-  Planning and Development Management - Code Enforcement
-  Purchasing - CCNA Contracts
-  Transit – Maintenance
-  Transit – Information Technology Operations
-  Waste and Recycling Services - Landfill Operations

## Audits in Progress as of October 1, 2017

-  Accounting - Disaster Pay Payroll Procedures
-  Animal Care Review
-  Aviation - Real Property Lease Review
-  Aviation - Valet Parking Review
-  BARC Information Systems General Controls
-  Employee Benefits Internal Service Fund
-  Enterprise Technology Services - Network Security Assessment
-  Libraries - Nova Library Usage Review
-  Medical Examiner Performance Review
-  Records, Taxes, and Treasury - Tax Deed Sales
-  Records, Taxes, and Treasury - TDT Collections

-  Risk Management - Workers Compensation
-  Purchasing - Pcard Rebates Review
-  Purchasing - Pcard Review - Aviation Department
-  Purchasing - P-card Reviews WWS

## **Continuous Audits and Other Projects**

-  BCC Agenda Reviews
-  Consulting Services
-  Capital Projects Reviews
-  External Audit Contract Administration
-  Follow-up Reviews
-  Purchasing Selection and Negotiation Advisory Services
-  Unanticipated Reviews
-  Aviation Continuous Audits
-  Port Continuous Audits
-  WWS Continuous Audits