

**Florida Department of Juvenile Justice
Office of the Inspector General**

**ANNUAL AUDIT PLAN
FISCAL YEAR
2015 – 2016**

**Robert A. Munson, CIG
Inspector General**


**Michael Yu, CIA, CIG
Director of Auditing**

Christina K. Daly, SECRETARY



STATE OF FLORIDA
DEPARTMENT OF JUVENILE JUSTICE

INTEROFFICE MEMORANDUM

DATE: June 19, 2015
TO: Christina K. Daly, Secretary
FROM: Robert A. Munson, Inspector General 
SUBJECT: Annual Audit Plan for Fiscal Year 2015-2016

The Office of Inspector General, Bureau of Internal Audit, is pleased to present our proposed Annual Audit Plan for Fiscal Year 2015-2016. Our audit plan is risk-based and considers the most effective coverage of the Department's systems, functions, programs, and operations. We developed our audit plan based on the Department's management input and a risk assessment involving input from each of the Department's program and administrative areas, in order to provide a systematic approach for selecting audit projects.

The activities outlined in this plan address management priorities and the most vulnerable areas of the Department. We look forward to working with management to improve the effectiveness and efficiency of our agency's programs and services while achieving our other statutory responsibilities.

With your approval, we will implement the Annual Audit Plan for Fiscal Year 2015-2016.

We appreciate your support.

Approved: 
Christina K. Daly, Secretary

RM/my

Attachment

cc: Fred Schuknecht, Chief of Staff

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Rick Scott, Governor

Christina K. Daly, Secretary

The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.

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Introduction

Statutory Duties and Responsibilities

Section 20.055(5)(i), Florida Statutes (F.S.) requires the Inspector General to develop long-term and annual audit plans based on findings of periodic risk assessments. The Office of the Inspector General's Annual Audit Plan for Fiscal Year 2015-2016 shows individual audits to be conducted during the fiscal year and related resources to be devoted to each audit. We completed our annual risk assessment in June 2015.

The Office of the Inspector General (OIG), Bureau of Internal Audit (BIA), conducts compliance, financial, information technology, operational, and performance audits of the Department. Such audits are conducted in accordance with "*International Standards for the Professional Practice of Internal Auditing*" published by the Institute of Internal Auditors, Inc.

Mission Statement

The OIG's mission is to ensure that the Florida Department of Juvenile Justice, its employees and partners, maintain the highest level of integrity, accountability and efficiency as we work together to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services.

The OIG is committed to assist the Department of Juvenile Justice in accomplishing its vision, mission, and strategic plans; provide independent and reliable audit, investigation, and consulting services; and ensure:

- compliance with statutory mandates pursuant to section 20.055, F.S.;
- integrity, accountability, and efficiency are promoted within the Department;
- quality programs and services are provided to youth;
- resources are used efficiently and consistent with laws, regulations, and policies;
- resources are safeguarded against waste, loss, and misuse; and
- reliable data are obtained, maintained, and fully disclosed.

Goals

The OIG has established four essential goals to accomplish its mission. We will strive to provide for quality audits, reviews, studies, consultations, and investigations; perform audits, reviews, studies, and investigations in a timely manner; use our resources in an efficient manner; and provide adequate audit coverage to mitigate the Department's risks.

We believe the OIG can best achieve its goals by addressing our Department's needs, developing our staff, and emphasizing continuous improvement in the delivery of services.

Risk Assessment and Annual Audit Planning

Purpose

The purpose of developing an annual audit plan is to identify, select, and plan for the review of vulnerable areas of the Department using a risk-based approach. Selection of appropriate projects provides an opportunity to enhance control and operational efficiency. During the development of the audit plan, primary consideration was to provide the greatest possible benefit to the Department using available audit resources.

Methodology

For fiscal year 2015-2016, we prepared a staffing allocation based on 1,596 available hours (estimated hours excluding leave, holidays, training, and administrative tasks) for each auditor. Available audit resources for fiscal year 2015-2016 total 3,830 hours (1,596 hours x 2 audit staff + 40% X 1,596 supervisor review hours).¹

Once available resources were established, results of our risk assessment and concerns of management were used to determine coverage, timing, and intensity of the audit efforts. As part of our planning for future audit coverage, we also considered recent and planned external audits of the Department to prevent audit duplications, to the extent possible.

Systematic risk assessment tools provide an objective basis for identifying areas to be audited. To perform our risk assessment, we used risk exposure analysis to identify audit projects with the greatest risk exposure. Risk exposure analysis provides a systematic approach for selecting audit projects. Steps taken in our risk assessment are described below.

Identification of Major Activities

The first step in the risk exposure analysis was to identify an audit universe consisting of the Department's major activities by program and office areas. The program areas and offices included: Detention Services, Prevention and Victim Services, Probation and Community Correction, Residential and Correctional Facilities, Budget, Education, Staff Development and Training, Office of Administration, Office of Health Services, Office of Program Accountability, and Office of the General Counsel.

Utilizing interviews with senior managers, departmental organizational charts, legislative appropriation, and organizational knowledge, we listed major activities by program and office function. Based on executive management input, we further refined the list and identified 92 activities.²

¹ See Appendix I

² See Appendix II.

Evaluation Framework

In order to capture quantitative and qualitative factors affecting Department activities, we utilized the following list of variables to evaluate each activity in terms of relative significance within a program area or office. Twelve key variables were used:

- | | |
|-----------------------------------|---------------------------------------|
| 1. Safety of Youth or Staff; | 7. Complexity of Operations; |
| 2. Publicity Risk; | 8. Character of the Activity; |
| 3. Mission Critical; | 9. Change in Personnel or Procedures; |
| 4. Deviation from Strategic Plan; | 10. Internal Control Environment; |
| 5. Executive Leadership Interest; | 11. Audit Aging Factor; and, |
| 6. Budgeted Expenditures; | 12. Results of Prior Audits. |

To assign values to each variable, a simple numerical scale was used. Based on input from program offices, audit staff assigned values of 1 to 5 for each variable. The higher the assigned value, the greater the relative risk and, consequently, audit concern.

While key variables considered in this step were assumed to be general indicators of risk exposure, we did not assume them to be of equal significance in evaluating every prospective audit project. To consider these differences in significance, we numerically rank each variable in descending order of significance, based on our experiences and auditing professional practices. In this manner, higher values were consistent with increased significance, such that, with twelve variables, values were assigned ranks from 100% (most significant) to 50% (least significant). Final risk element scores were calculated by multiplying the assigned significance weights and the assigned value for each variable.

In the risk assessment process, we solicited input from the Department's Executive Leadership Team members and program managers. In addition, we evaluated data related to FY 2014-2015 investigations, Quality Improvement reviews, external audits, and last year's proposed annual audit plan. Requests from management are given special consideration as they usually address immediate risks and concerns.

FISCAL YEAR 2015-2016 AUDIT PLAN

We have selected the audit areas, based on our risk assessment, that we believe present the greatest risks to the Department in fiscal year 2015-2016 and that are the greatest concern of management.

An unallocated reserve of 880 audit hours is set aside for possible enterprise audit projects initiated by the Office of the Chief Inspector General; coordinating Department responses to the Auditor General, Office of Program Policy Analysis and Government Accountability (OPPAGA), the Department of Financial Services, and Federal audits and reviews; providing consulting services to program offices upon request; performing special projects requested by the Secretary and executive management; and assisting investigations.

Planned Audit Projects

Prior to audit fieldwork, preliminary surveys will be conducted to gain an understanding of the audit area and assess existing risks. From the preliminary survey and auditor's assessment of risks particular to the subject area, specific audit objectives will be developed. Government auditing standards require all audits include a review and evaluation of the system of internal controls. The internal control review and evaluation includes identifying policies, procedures, practices, and systems used to ensure Department objectives are achieved. For this reason, an internal control objective is not listed in the individual audit description. A table³ listing proposed audit coverage is included after the brief descriptions of planned audits. Our proposed Annual Audit Plan for fiscal year 2015-2016 includes the following audit areas.

AUDIT PROJECTS

I. Probation Intake and Screening

Estimated Hours: 500.....Report Completion Date: Sept. '15

The purpose of the intake and screening process is to assess the youth's needs and risks in order to better determine the most appropriate treatment plan and setting for the youth. The assessment information is collected through interviews, observations, and interactions with the youth, the family, the complainant, victim, school officials, and other individuals and agencies associated with the youth and family. The intake assessment process initially results in a recommendation to the state attorney, and, if necessary, a written report to the court called a predisposition report. This part of the case management process assists the juvenile probation officer in choosing the most appropriate services through a balancing of the interests and needs of the youth and family as well as the victim and the community as a whole.

II. Psychotropic Medication Oversight

Estimated Hours: 550..... Report Completion: Oct.'15

Psychotropic medication oversight includes verification the prescribing Psychiatrists/Psychiatric ARNPs are appropriately licensed; notification of the Designated Health Authority (DHA) and other medical staff of youth currently

³ See Page 6.

prescribed psychotropic medications upon admission with continuation of currently prescribed psychotropic medications; youth receiving psychotropic medication prescribed prior to admission receive medication monitoring/review by the Psychiatrists or Psychiatric ARNPs; medical monitoring of psychotropic medications; appropriate parental/guardian consents have been obtained for the prescribing of psychotropic medications; and all psychotropic medication orders are reviewed by the dispensing pharmacist and pharmacy vendor. Psychotropic medication oversight is an important part of the overall health services provided to youth under the Department's care.

III. Children & Families in Need of Services

Estimated Hours: 550 Report Completion: Mar. '16

Children & Families in Need of Services (CINS/FINS) provides services (residential and non-residential) locally throughout the state to runaways, truant and ungovernable youth and their families. Services include screenings, mental health/substance abuse, case management, intervention, counseling, adjudication, education, temporary shelter, and service plans. The Florida Network of Youth and Family Services (a non-profit organization) administers the program. FY 2015-2016 appropriation for CINS/FINS totaled \$35,690,974.

IV. Department Contract Management

Estimated Hours: 450Report Completion: May '16

The Department provides its major portion of services to youth through contracted service providers. The Bureau of Contract Management under the Office of Program Accountability is responsible for conducting ongoing contract management, coordinating program transitions, and processing the Department's invoices for contracted services. Currently, DJJ's contracting activities are approximately \$320 million per annum.

V. Carry-Forward Project: Mobile Devices

Estimated Hours: 400Report Completion: Aug. '15

VI. 2016–2017 Department Risk Assessment & Audit Planning

Estimated Hours: 250Draft Completion Date: Jun-'16

Internal Audit will identify the Department's auditable units and solicit management input in assessing and prioritizing risks facing the Department. This risk assessment will be used to develop the annual audit plan for fiscal year 2016-2017.

VII. External Audit Follow-up

Estimated Hours: 250 Report Completion: Various

Pursuant to the amended Section 20.055(5)(h), Florida Statutes, the Inspector General is required to submit to the Chief Inspector General a written statement of the implementation status of corrective actions to reports issued by the Auditor General and the Office of Program Policy Analysis and Government Accountability (OPPAGA). These reports are required to be issued no later than six months after the Auditor General or OPPAGA publishes a report on a state Department. Audit staff also act as liaison between external auditors and the Department.

FY 2015-2016 Planned Audit Coverage

Plan Section	Project Title	Coverage	Draft Finish Dates	Est. Hours
I.	Probation Intake and Screening	Probation	09/15	500
II.	Psychotropic Medication Oversight	Agency-wide	10/15	550
III.	Children & Families in Need of Services	Prevention/Provider	03/16	550
IV.	Department Contract Management	Program Accountability	05/16	450
V.	Carry-Forward Project: Mobile Devices	Administration	08/15	400
VI.	2016-2017 Department Risk Assessment & Audit Planning	Agency-wide	06/16	250
VII.	External Audit Follow-up	Agency-wide	Various	250
Total Hours				<u>2,950</u>
Total Available Hours				3,830
Unallocated Hours - Reserve				880

Long Range Audit Planning

Section 20.055(5)(i), F.S., requires the Inspector General to develop long-term and annual audit plans based on the results of periodic risk assessments. Utilizing risk scores from our risk exposure analysis, we considered internal and external audits and reviews in developing the annual and long-term audit plan. Appendix II lists planned audit coverage areas for future periods.

APPENDIX

*Fiscal Year 2015-2016
Available Audit Hours Calculation*

	HOURS	
ACTIVITY		2,080
Training (40h class time + 20h travel and administration)	60	
Annual Leave	176	
Holidays (11 days @ 8 hours)	88	
Sick Leave (Estimate)	56	
General Administration (5% of 2,080 hours)	104	
Less Subtotal		484
Available Hours per Staff		1,596
Number of Audit Staff		2.4
Total Available Audit Hours		<u>3,830</u>

**Office of the Inspector General
Bureau of Internal Audit
2015-2016 Annual Audit Plan Risk Assessment
Annual and Long-Term Projects Plan**

Index	Program	Activity	Four Risk Strata					
			Top 10% = High Risk	Next 30% = Sensitive Risk	Next 40% = Moderate Risk	Lowest 20% = Low Risk		
1	Probation	Intake and Screening	HIGH	36	X			
2	Prevention	CINS/FINS		35	X			
3	OHS	Medical and Mental Health Technical Assistance		34.8				
4	Probation	Independent Living Programs		33.7			X	
5	Probation	Transition Services		33.6				X
6	OHS	Psychotherapeutic Medication Oversight		33.2	X			
7	Adm.	JJIS		32.6			X	
8	Prevention	Community Partnership Coordinators		32.6				
9	Probation	Supervision		32.6		X		
10	Probation	Case Management		32.6				X
11	Detention	Health Services	32.4					
12	Detention	Mental Health Services	32.4			X		
13	OHS	Trauma Informed Practices	32.2					
14	Probation	Respite Care	32.2					
15	Probation	Sex Offender Treatment	32.1		X			
16	Prevention	Faith-Based Network	31.6			X		
17	Prevention	Boards & Councils	31.6					
18	OHS	Oversight and Technical Assistance for M. Services in Residential Programs	31.5				X	
19	OHS	Oversight & T. Assis. for Mental Health, Substance Abuse and Developmental Disability Services in Residential Programs	31.5					
20	OHS	Staffing the Office of Health Services	31					
21	Prevention	Grant Monitoring/Management	31		X			
22	Adm.	Facility Services	30.6				X	
23	Probation	Conditional Release	30.5					
24	Detention	Secure Supervision	30.3		X			
25	Detention	Security	30.3			X		
26	OHS	Technical Assistance Related to Girls Services	30.2					
27	Adm.	Application Development and Support Administration	29.8				X	

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Index	Program	Activity	Top 10% = High Risk Next 30% = Sensitive Risk Next 40% = Moderate Risk Lowest 20% = Low Risk	Weighted Total Risk Score	Current Audit Plan 2015-16	Planned for 2016-17	Planned for 2017-18	Planned for 2018-19
28	Prevention	DMC	Moderate	29.7				
29	Adm.	Personnel		29.5		X		
30	Residential	Behavior Management and Discipline		29.5				
31	Prevention	Gender Specific Programming		29				
32	Probation	Vocational Training		28.1				
33	Probation	Evaluations/Assessments		27.9				
34	Prevention	School Attendance Programs		27.8				
35	Residential	Contract Management		27.75				
36	Detention	Alternative to Secure Detention		27.7				
37	Probation	Day Treatment		27.5				
38	Program Accountability	Monitoring and Quality Improvement		27.1				
39	Residential	Living and Treatment Environment		26.9				
40	Adm.	Information Security		26.6				
41	Detention	Operations		26.6				
42	Detention	Repairs and Maintenance		26.5				
43	Probation	Diversion/Civil Citation		26.2				
44	Adm.	Network Operations		26.1				
45	Residential	Substance Abuse Services		26.1				
46	Residential	Mental Health Services		26.1				
47	Program Accountability	Contract Management		25.8	X			
48	Probation	Counseling		25.7				
49	Detention	Capital Outlay		25.5				
50	Residential	Health Services		25.3				
51	Detention	Contract Monitoring		25.1				
52	Residential	Dual Diagnosis/ Developmental Disabilities		24.6				
53	Detention	Transportation		24.6				
54	Residential	Commitment Management		24.5				
55	Research & Data Integrity	Comprehensive Accountability Report (CAR)		24.2				
56	SD&T	Basic Recruit Training - Direct Care Staff		23.9				
57	OHS	Residential Placement Process for Medically Complex Youth		23.7				
58	Residential	Maximum Risk Programs		23.6				
59	Program Accountability	Risk Management		23.5				
60	Research & Data Integrity	Online Data Reporting		23.5				
61	SD&T	Testing and Evaluation		23.5				
62	Detention	Behavioral Management		23.3				
63	Residential	Gender- Specific Programs		23.25				
64	Program Accountability	Programming and Technical Assistance		23				
65	Adm.	Budget		22.9				
66	Detention	Intake and Release		22.1				
67	Program Accountability	Procurement & Contract Administration		21.7				
68	Research & Data Integrity	Federal Performance Measures Reports		21.5				
69	Residential	Sex Offender Treatment		21.5				
70	Residential	Program Development/ Start-up		21.25				
71	Residential	Capital Outlay		21				
72	Detention	Environmental Health/ Sanitation		20.9				

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2015-2016 Annual Audit Plan Risk Assessment
Annual and Long-Term Projects Plan**

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73	Adm.	Purchasing	LOW	20.5				
74	Detention	Food Services		20.5				
75	SD&T	Curriculum Design		20.5				
76	Education	Education to Youth		20.4				
77	Adm.	Desktop Support		20.3				
78	Residential	Vocational Training		20.2				
79	Research & Data Integrity	Long Range Program Plan (Data Analysis)		19.9				
80	Adm.	Server Operations		19.4				
81	SD&T	On-line Training and Training Tracking System		18.8				
82	SD&T	Advanced & Specialized Training		18.2				
83	SD&T	Employee Training - Non Direct Care Staff		18.2				
84	Adm.	Support Services		18				
85	Adm.	Contracts/Grants		17.9				
86	Research & Data Integrity	Research Services Contract		17.7				
87	Adm.	Cost of Care		17				
88	Prevention	PSA		16.4				
89	G.C.	General Counsel's Office		16.4				
90	Adm.	Accounts Payable		15.5				
91	Adm.	Reconciliation and Reporting		12.4				
92	Adm.	Receipts		12				