

2. REPORTS TO BE RECEIVED FOR FILING

- a. Division of Inspector General, Audit Services, Clerk of the Circuit Court and Comptroller, 2013 Annual Audit Plan dated January 7, 2013.
- b. Division of Inspector General, Audit Services, Clerk of the Circuit Court and Comptroller, Report No. 2013-01 dated January 10, 2013 – Audit of Convention & Visitors Bureau – Operations/Controls.
- c. Pinellas Planning Council Basic Financial Statements and Regulatory Reports dated September 30, 2012.
- d. Dock Fee Report for the month of December 2012.
- e. Quarterly Report of Routine Dock Permits issued from October 1, 2012 to December 31, 2012.



## **DIVISION OF INSPECTOR GENERAL**

**KEN BURKE, CPA**

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
PINELLAS COUNTY, FLORIDA**

# **2013 ANNUAL AUDIT PLAN**



**Hector Collazo, Jr., Director  
Inspector General/Chief Audit Executive**

**JANUARY 7, 2013**



## **Ken Burke, CPA**

CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
PINELLAS COUNTY, FLORIDA

Clerk of the County Court  
Recorder of Deeds  
Clerk and Accountant of the Board of County Commissioners  
Custodian of County Funds  
County Auditor

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January 7, 2013

The Honorable Chairman and Members  
of the Board of County Commissioners

The Honorable Ken Burke  
Clerk of the Circuit Court and Comptroller

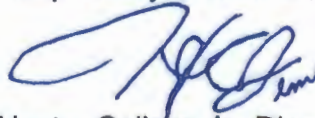
This 2013 Annual Audit Plan has been prepared to identify planned audits during calendar year 2013 and the basis for their selection. This audit plan is the result of the development of a risk model to assess risks of various county operations for the purpose of indicating the need for audit. We also 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 to ensure maximum benefit to the citizens of Pinellas County. I believe the process we have established obtains that goal.

This plan is prepared to provide a core guide for audits to be initiated during the fiscal year. The plan also provides for management requests and investigations of fraud, waste and abuse. 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 on this 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., Director  
Inspector General – Chief Audit Executive  
Division of Inspector General





# TABLE OF CONTENTS

	<b>Page</b>
<b>Introduction</b>	4
<b>Annual Audit Plan</b>	
1. Sources of Areas Selected for Audit	4
2. Risk Assessment Methodology	5
3. 2013 Annual Audit Plan	6

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# INTRODUCTION

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To ensure the most efficient and effective utilization 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 possible benefit to Pinellas 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 in determining this audit plan. The methodology of selecting audits and those areas selected for audit in 2013 are presented below.

## ***SOURCES OF AREAS SELECTED FOR AUDIT***

Areas selected for audit can come from a variety of sources. These include risk, management and employee requests, surprise 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.

As a part of the audit selection process, 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.

In addition to risk, management sometimes has concerns about some areas or for some other reason believes an audit is desirable. Because one of the goals of the audit function is to be of assistance to management, these management requests 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 distributions, 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. The hotline tips have resulted in various investigative audits and guardianship audits.



## **RISK ASSESSMENT METHODOLOGY**

The first step in determining a risk assessment methodology is to prepare a list of auditable entities. These are possible entities that could be audited in the county, if we chose to do so. In arriving at this comprehensive list, we used the county's budget. By making sure all operations involving county funding were in some fashion included on the list of auditable entities, we have reasonable assurance that all significant county operations are included in our audit universe. Through this process, we identified over 300 auditable entities.

Once the auditable entities were identified, we determined how to assess the risk associated with each entity. We established six risk factors to be assessed for each entity:

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 total risk score. The audit plan includes primarily management requests and entities from the high-risk area, 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 *Standards for Offices of Inspector General*.

## **2013 ANNUAL AUDIT PLAN**

Using the risk model, audit source allocation, and management requests for audits, we developed the 2013 Annual Audit Plan. The Annual 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. Audit reports will be issued during the year for the audits shown as in-progress as well as those audits planned.

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# 2013 ANNUAL AUDIT PLAN

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## **Audits Planned**

Animal Services Operations & Internal Controls  
Audits of Selected County Construction Contracts  
Audits of Selected County Service & Maintenance Contracts  
DEI Electric Motor Repair Contract Audit  
DEI Transportation & Stormwater Division Ditch & Drainage Maintenance  
Follow-Up Audits  
Fort De Soto Park Operations & Internal Controls  
Homeless Prevention & Self Sufficiency Programs  
Housing Finance Authority Land Trust Program  
Justice Coordination Programs  
Maximo Application Usage  
Post Implementation Review of OPUS  
Public Integrity Guardianship Audits  
Public Integrity Investigations  
Public Safety Facilities and Central Communications Center Construction Contract Audit

## **Continuous Audits**

ACL Continuous Audit Work  
Bond Reconciliation  
Fixed Asset Inventory  
Imprest Funds  
Property Appraiser Homestead Employees' Use of DAVE

## **Audits in Progress December 31, 2012**

Automated Copy Request System  
Cell Phone Stipend Program  
Certificates Key Monitoring  
Convention & Visitors Bureau  
DEI GMD Contract With Ferguson Waterworks  
Economic Development Incentive Grants/Contracts  
Family Medical Leave Act  
Health & Human Services CHEDAS Application  
Mosquito Control  
Real Estate Management Inventory Control  
Self-Help Service Revenue Collection  
Service & Maintenance Contracts for County Parks

## **Management Requests in Progress December 31, 2012**

Pinellas County Housing Authority Section 8  
Property Appraiser Review Homestead Exemption

### **Ongoing Projects**

Auditee Education/Assistance  
Consulting Services  
External Audit Assistance  
Special Management Requests

Note: This 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.





# DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
PINELLAS COUNTY, FLORIDA

## SERVICES PROVIDED

AUDIT SERVICES

INVESTIGATIONS

GUARDIANSHIP SERVICES

CONSULTING

TRAINING

GUARDIANSHIP FRAUD HOTLINE

COUNTY FRAUD HOTLINE



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*by the Commission for Florida Law Enforcement Accreditation*

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