



Office of
Nikki Alvarez-Sowles, Esq.
Pasco County Clerk & Comptroller

2025 Annual Audit Plan

Department of
Inspector General
12/23/2024

Christine Calianno, CGAP, CFE, CIGA
Inspector General

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Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller

December 23, 2024

Michael Carballa
County Administrator
8731 Citizens Drive
New Port Richey, FL 34654

Re: 2025 Annual Audit Plan

Dear Mr. Carballa:

The Department of Inspector General has completed the annual risk assessment process and developed the Annual Audit Plan (Plan) for calendar year 2025. The following document provides a summary of the risk assessment process and planned projects to be initiated during the calendar year.

Depending on staffing level, workload, and other factors, some of these projects may not be initiated during the year, and other projects may be conducted that are not on this audit plan. Any material changes to the Plan will be communicated to you in advance, and the Plan will be edited and redistributed.

Respectfully submitted,

Christine Calianno, CFE, CGAP, CIGA
Inspector General
Deputy Clerk
Office of Nikki Alvarez-Sowles, Esq.
Pasco County Clerk & Comptroller

cc: Nikki Alvarez-Sowles, Esq., Pasco County Clerk & Comptroller
Ron Oakley, County Commissioner, District 1
Seth Weightman, County Commissioner, District 2 – 2nd Vice Chair
Kathryn Starkey, County Commissioner, District 3 – Chair
Lisa Yeager, County Commissioner, District 4
Jack Mariano, County Commissioner, District 5 – Vice Chair
Jeffrey Steinsnyder, County Attorney

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INTRODUCTION

Professional audit standards¹ require an annual internal audit plan based on a documented assessment of an organization's strategies, objectives, and risks.

Standard 9.4, Internal Audit Plan – *The chief audit executive must create an internal audit plan that supports the achievement of the organization's objectives.*

The 2025 Annual Audit Plan (Plan) was developed using a risk assessment process that was driven by input from senior management as well as the chief audit executive's (CAE's)² understanding of the organization's governance, risk management, and control processes.

Risk Assessment

A risk assessment was performed to identify and rank potential audit areas by risk. The Department of Inspector General (Department) used organizational charts and online resources to compile a comprehensive list of auditable areas within Clerk and County operations. Information obtained from the County's online interactive budget document³ and Clerk & Comptroller's website⁴ identified over 200 auditable areas.

The following quantitative and qualitative risk categories were used to assess risk in each auditable area, and each risk category was assigned a weighted value:

1. Prior Audit (0.25)
2. Financial Impact (0.15)
3. Public Perception (0.15)
4. Regulatory Involvement (0.25)
5. Complexity of Operations (0.15)
6. Departmental Dependence (0.05)

For each auditable area, these risk categories were scored. The risk scores ranged from one, which was the lowest risk score, to three, which was the highest risk score. In addition, input from collaborative discussions with senior management was taken into account, which impacted the total score. Finally, auditable areas were ranked from highest to lowest according to the total score.

¹The International Professional Practices Framework® (IPPF®) organizes the authoritative body of knowledge, promulgated by The Institute of Internal Auditors, for the professional practice of internal auditing. The Global Internal Audit Standards™ are included in the IPPF®. These standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function.
<https://www.theiia.org/en/standards/2024-standards/future-of-the-ippf-evolution/the-international-professional-practices-framework/>

² The chief audit executive is the leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with the Global Internal Audit Standards. The Inspector General is the CAE for the Department of Inspector General.

³ <https://stories.opengov.com/pascocountyfl/published/RHoWBXgORB>

⁴ <https://www.pascoclerk.com/>

Audit Selection & Annual Audit Plan Development

Determining what to audit considers a variety of sources:

- Assessments of operations and controls from previous internal and external audit reports, including the County's Annual Comprehensive Financial Report
- Input from external auditors
- Input obtained during risk assessment interviews
- Consideration of risks identified in other local governments' audits that could also emerge in Pasco County
- Management requests

The Plan includes allocating resources for:

- Assurance Services⁵
- Advisory Services⁶
- Required Activities
- Other Activities

A minimum of 50% of the Plan is allocated to areas of high-risk that were identified during the annual risk assessment. This percentage was established for the 2024-2026 Department of Inspector General Strategic Plan to achieve key performance measures and satisfy the strategic objective of performing risk-based engagements.

Required activities include compliance-related internal audit activities such as the Annual Risk Assessment and Annual Audit Plan, quality assurance, and corrective action plan monitoring. Other activities include hotline complaints, external coordination for outsource projects, training, and Department initiatives.

Project hours were estimated using historical data and auditor's judgment. Available staff hours were identified for the year and applied to the projects selected for the Plan. As of December 2024, the Department has three filled positions: an Auditor I, Auditor III, and Inspector General. In addition, the Department has two vacant auditor positions and one vacant management position. The Department's limited resources for the audit plan have been considered and outsourcing will be used, where needed.

The Plan guides the Department's activities but can be adjusted and is subject to change as management's priorities evolve and new risks are identified. Significant changes will be communicated to the Clerk & Comptroller and Board of County Commissioners as appropriate. Actual scheduling of selected projects may be affected by personnel turnover, special audits, and unforeseen circumstances in a scheduled audit.

⁵ Services through which internal auditors perform objective assessments to provide assurance. Examples of assurance services include compliance, financial, operational, and technology engagements.

⁶ Services through which internal auditors provide advice to an organization's stakeholders without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. Examples include advising on the design and implementation of new policies, processes, systems, and products; providing training, and facilitating discussions about risks and controls.

PLANNED PROJECTS

The following tables outline the selected projects for the 2025 Annual Audit Plan:

Assurance Services	Background/Objective
BCC: Information Technology- Cybersecurity Incident Response Process	<p>Incident response plans limit the damage caused by the loss or compromise of critical data and hasten a return to normal operations.</p> <p>This audit will examine the cybersecurity policies, procedures, activities, and processes related to incident response, reporting, and recovery to determine if they are in compliance with Florida Statute 282.3185.</p>
BCC: Human Resources- Hiring Process	<p>The hiring process includes a series of steps to gather necessary information for making hiring decisions that are vital to long-term organizational growth.</p> <p>This audit will examine the procedures and controls in place to determine if they support a consistent and efficient hiring process.</p>
BCC: Fire & Rescue- Ambulance Billing (Accounts Receivable)	<p>The accounts receivable balance should agree to the subsidiary ledger for accounts that have not been turned over to collections.</p> <p>This audit will examine Pasco County Fire Rescue (PCFR) accounts receivable reconciliation process to determine if the procedures and controls in place support agreement of the billing system to the financial system.</p>
CCC: Driver and Vehicle Information Database (DAVID) Internal Control Attestation	<p>The Memorandum of Understanding (MOU) for Governmental Entity Access to Driver and Vehicle Information Database System (DAVID) requires an Internal Control Attestation for the upcoming anniversary date of May 29, 2025.</p>
CCC: Criminal Courts- Warrants Status	<p>Managing the status of active warrants and issuance of recalls is critical to protecting the civil liberty of citizens.</p> <p>This audit will examine the procedures and controls in place to determine if they support consistent, accurate, and timely status updates for warrants.</p>

Advisory Services	
BCC: Villages of Pasadena Hills (VOPH) Fee Credit Registry	<p>In the VOPH District, a Fee Credit Registry was established by BCC Resolution #21-21, Jan 26, 2021, and subsequently updated (Sept 28, 2021) to allow VOPH Entitled Developers to buy and sell their credits at par. A consultant was hired to create, manage, operate, and maintain the VOPH Fee Credit Registry which includes handling and recording all transactions of sales and purchases of the following credits at par:</p> <ul style="list-style-type: none">• Transportation Credits (mobility fee credits and transportation surcharge credits)• Utility Surcharge Credits• Review and Administration Fee (VOPH RAF) Credits <p>This advisory service will review processes and procedures for transactions of sales and purchases of credits for the VOPH Fee Credit Registry and identify control weaknesses.</p>

REQUIRED & OTHER ACTIVITIES

The following table outlines activities also included in the budget for available resources:

Required Activities	
Prior Audit Recommendations: Corrective Action Plan Items	All recommendations resulting from prior audits are tracked in one schedule. Auditors periodically follow up with management to verify corrective actions were implemented.
Annual Risk Assessment & Audit Plan	Agency-wide (BCC & CCC) risk assessment to identify risk areas for the upcoming annual audit work plan.
New Global Audit Standards Implementation	In January 2024, the IIA issued the new Standards, which reflected major revisions to the previous version, issued in 2017. As a result, the Department must: <ul style="list-style-type: none"> • revise internal policies and procedures to reflect the new Standards, and; • integrate the new Standards into our processes.
Quality Assurance and Improvement Program – Internal Assessment	An internal assessment to determine the Department of Inspector General’s compliance with professional auditing standards. Prepare for upcoming external peer review in 2026.
Other Activities	
Inquiries/Investigations from Hotline Reports	Respond to reports received from the Hotline.
External Coordination Efforts	Coordinate resources for outsource engagements.
Training	Provide training related to internal controls, fraud/ethics, audit process, and responses to audit recommendations.

Two projects from the 2024 Annual Audit Plan are in progress and will be carried forward for completion:

2024-02: CCC – Unannounced Cash Verification	Verification of proper accounting and safeguarding of change funds.
2024-05: BCC – Utilities Rates Implementation	Verification of approved utilities rates in the County utility billing system.



For additional information contact the Public Records Liaison.

publicrecordsrequest@pascoclerk.com

(352) 523-2411 or (727) 847-2411; ask for the Public Records Liaison

Public Records Liaison, P.O. Box 338, New Port Richey, FL 34654-0338

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