

## MEMORANDUM

Date: March 30, 2009  
To: Commissioners  
From: Heather Woods, MSM, CIA, CISA, Director of Compliance and Internal Audit  
Subject: 2009 Risk Assessment and Audit Plan

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The Compliance and Internal Audit Department has compiled and completed the 2009 Annual Risk Assessment and Audit Plan. This process includes both qualitative and quantitative data to provide an objective basis for the selection of audits. The risk assessment ranks potential audit areas based on financial operations, known internal controls, and potential risks.

Attached are the “2009 Annual Audit Plan” and the supporting risk assessment documentation. The risk assessment documentation provides the basis for the 2009 Annual Audit Plan and is noted below.

- The “2009 Risk Assessment - Dollar Volume/Materiality” document is based upon financial data from BOCC approved budgets, revenue summary and transactions from the finance system.
- The “2009 Risk Assessment - Prior Audit Results” document is based upon results of prior audits.
- The “2009 Risk Assessment - Management Feedback/Concerns” document is based upon feedback from BOCC and Clerk Business Services management.
- The “2009 Risk Assessment Summary” document is an aggregate of the above documents.

If you would like to discuss in greater detail or have any questions please feel free to contact our office.

### Attachments

cc: Robert W. Germaine, Clerk of Courts (without attachments)  
Tasha Morgan, Internal Auditor, Compliance and Internal Audit (without attachments)  
Michael Wright, County Administrator (without attachments)  
Rick Helms, Assistant County Administrator (without attachments)

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**Highlands County Clerk of Courts  
2009 Annual Audit Plan  
Compliance and Internal Audit Division**

Number	Audit Entity	Risk Factor	Priority	Tentative Schedule	
				Start	End
1	Asphalt Plant	71.03%	H	Qtr 3 2009	Qtr 1 2010
2	Road and Bridge	64.49%	H	Qtr 2 2009	Qtr 3 2009
3	Parks Department	60.75%	H	Qtr 1 2010	Qtr 3 2010
4	Building Department	57.01%	H	Qtr 3 2010	Qtr 4 2010
5	Facilities Maintenance	57.01%	H	TBD	TBD
6	Communications Program	56.07%	H	TBD	TBD
7	Utilities - Water (Placid Utilities)/Sewer	56.07%	H	TBD	TBD
8	Local Emergency Management	55.14%	H	TBD	TBD
9	Recycling Operations	55.14%	H	TBD	TBD
10	Emergency Medical Services	54.21%	H	TBD	TBD
11	Engineering	52.96%	H	TBD	TBD
12	Traffic Operations	51.40%	H	TBD	TBD
13	Agri & Home Economics/County Extension	50.47%	H	TBD	TBD
14	Animal Control	49.53%	H	TBD	TBD
15	Healthy Families	49.53%	H	TBD	TBD
16	General Services/Purchasing/Central Services	49.53%	M	TBD	TBD
17	County Planning/Development	49.22%	M	TBD	TBD
18	Intergovt Radio Comm Program	48.60%	M	TBD	TBD
19	Judicial Technology	48.60%	M	TBD	TBD
20	Zoning	48.60%	M	TBD	TBD
21	Natural Resources	46.73%	M	TBD	TBD
22	Weed Control/Cooperative Plant	46.73%	M	TBD	TBD
23	Housing	45.79%	M	TBD	TBD
24	Maintenance Shop	45.79%	M	TBD	TBD
25	Mowing Right of Ways	45.79%	M	TBD	TBD
26	Human Resources	45.48%	M	TBD	TBD
27	Home Investment Partnership	43.93%	M	TBD	TBD
28	Refuse Collection Program	43.93%	M	TBD	TBD
29	County Fire Coordinator	42.06%	M	TBD	TBD
30	Court House Facilities	42.06%	M	TBD	TBD
31	Office of Management and Budget	41.12%	M	TBD	TBD
32	Board of County Commissioners	40.19%	M	TBD	TBD
33	Hurricane Housing	40.19%	M	TBD	TBD
34	Human Services	39.25%	M	TBD	TBD
35	Carpentry Shop	38.32%	M	TBD	TBD
36	County Administrator	38.32%	M	TBD	TBD
37	Avon Park Library	35.51%	M	TBD	TBD
38	Utilities - Water (Highway Park)	35.51%	M	TBD	TBD
39	Board Attorney	34.58%	L	TBD	TBD
40	Information Technology Dept	34.58%	L	TBD	TBD
41	Childrens Advocacy	33.64%	L	TBD	TBD
42	Non - Ad Valorem Assessments	33.64%	L	TBD	TBD

43	Operations Dept.	33.64%	L	TBD	TBD
44	Veterans Services	33.64%	L	TBD	TBD
45	Fuel Management and Utilization	32.71%	L	TBD	TBD
46	Fire Departments - VFD 1	31.78%	L	TBD	TBD
47	Highlands Beautiful/Litter	30.84%	L	TBD	TBD
53	Countywide Library	29.91%	L	TBD	TBD
54	Historic Preservation	29.91%	L	TBD	TBD
55	Public Information	29.91%	L	TBD	TBD
56	Fire Safety Inspections	28.04%	L	TBD	TBD
57	Work Study Program	26.17%	L	TBD	TBD
58	Lake Placid Library	25.23%	L	TBD	TBD
59	Heartland Library Coop	23.36%	L	TBD	TBD
Continuous Audits		Coverage Period		Tentative Schedule	
				Start	End
Cell Phones	Qtr 1 2009*	Qtr 4 2009	Qtr 3 2009	Ongoing	
Internet Access	Qtr 2 2009*	Qtr 4 2009	Qtr 3 2009	Ongoing	
Email	Qtr 1 2009	Qtr 4 2009	Qtr 3 2009	Ongoing	
P-Cards	Qtr 1 2009	Qtr 4 2009	Qtr 3 2009	Ongoing	
Travel	Qtr 3 2009	Qtr 4 2009	Qtr 3 2009	Ongoing	
Timesheets	Qtr 3 2009	Qtr 4 2009	Qtr 3 2009	Ongoing	
Fuel Utilization	Qtr 3 2010	Qtr 4 2010	Qtr 3 2010	Ongoing	

**Priority (based upon risk factor percentage)**

Low (L): Bottom 25% of population

Medium (M): Middle 50% of population

High (H): Top 25% of population

\* Note: Will only cover a portion of the quarter due to process changes and/or new policy implementation.

**Highlands County Clerk of Courts  
2009 Risk Assessment Summary  
Compliance and Internal Audit Division**

Cost Center	Audit Entity	Variable			Risk Evaluation Score	Maximum Score	Risk Factor
		A	B	C			
		Maximum Score					
44	27	36					
6302	Agri & Home Economics/County Extension	11	27	16	54	107	50%
5106	Animal Control	17	27	9	53	107	50%
4230	Asphalt Plant	30	27	19	76	107	71%
6209	Avon Park Library	16	15	7	38	107	36%
2103	Board Attorney	10	27	0	37	107	35%
2101	Board of County Commissioners	13	27	3	43	107	40%
3440A	Building Department	24	27	10	61	107	57%
4103	Carpentry Shop	11	27	3	41	107	38%
3995	Childrens Advocacy	6	27	3	36	107	34%
3998B	Communications Program	16	27	17	60	107	56%
2104	County Administrator	11	27	3	41	107	38%
3213	County Fire Coordinator	15	27	3	45	107	42%
2700	County Planning/Development	16	27	10	53	107	49%
6212	Countywide Library	12	15	5	32	107	30%
1031	Court House Facilities	15	27	3	45	107	42%
3998	Emergency Medical Services	26	27	5	58	107	54%
5105	Engineering	20	27	10	57	107	53%
4101	Facilities Maintenance	28	27	6	61	107	57%
2672	Fire Departments - VFD 1	4	27	3	34	107	32%
3211	Fire Safety Inspections	0	27	3	30	107	28%
3215	Fuel Management and Utilization	12	15	8	35	107	33%
2558 2111	General Services/Purchasing/Central Services	20	27	6	53	107	50%
5229	Healthy Families	7	27	19	53	107	50%
6208	Heartland Library Coop	10	15	0	25	107	23%
6308	Highlands Beautiful/Litter	3	27	3	33	107	31%
6213	Historic Preservation	5	27	0	32	107	30%
5345	Home Investment Partnership	20	27	0	47	107	44%
5344	Housing	9	27	13	49	107	46%
2107	Human Resources	13	27	9	49	107	45%
5220	Human Services	11	27	4	42	107	39%
5352	Hurricane Housing	16	27	0	43	107	40%
3998C	Information Technology Dept	2	27	8	37	107	35%
3994	Intergovt Radio Comm Program	9	27	16	52	107	49%
1000B	Judicial Technology	12	27	13	52	107	49%
6211	Lake Placid Library	9	15	3	27	107	25%
3991	Local Emergency Management	21	27	11	59	107	55%
4104	Maintenance Shop	17	27	5	49	107	46%
4106	Mowing Right of Ways	19	27	3	49	107	46%
6303	Natural Resources	16	27	7	50	107	47%
2108	Non - Ad Valorem Assessments	6	27	3	36	107	34%
2106	Office of Management and Budget	11	27	6	44	107	41%
6104	Operations Dept.	6	27	3	36	107	34%
6102	Parks Department	24	27	14	65	107	61%
2109	Public Information	2	27	3	32	107	30%
4211	Recycling Operations	24	27	13	64	107	60%
4218	Refuse Collection Program	19	27	0	46	107	43%
4102A 4102	Road and Bridge	34	27	8	69	107	64%
6210	Sebring Library	16	15	12	43	107	40%
4108	Shell Pit	17	27	3	47	107	44%
4212	Solid Waste Admin	12	27	3	42	107	39%
4210	Solid Waste/Refuse Disposal (Landfill)	40	27	3	70	107	65%
5301	Tourist Development	15	27	7	49	107	46%
4105	Traffic Operations	19	27	9	55	107	51%
7102A	Utilities - Water (Highway Park)	8	27	3	38	107	36%

7102							
7103	Utilities - Water (Placid Utilities)/Sewer	30	27	3	60	107	56%
2991	Veterans Services	6	27	3	36	107	34%
6304	Weed Control/Cooperative Plant	20	27	3	50	107	47%
5310	Work Study Program	1	27	0	28	107	26%
3439	Zoning	16	27	9	52	107	49%

**Criteria Legend:**

A - Dollar Volume/Materiality

B - Prior Audit Results

C - Management Feedback/Concerns

**Highlands County Clerk of Courts  
Audit Entity 2009 Risk Assessment  
Dollar Volume/Materiality**

<b>Audit Entity</b>	<b>Budget</b>	<b>Revenue</b>	<b>Assets</b>	<b>Expenditures</b>	<b>Total Score</b>	<b>Total Possible Score</b>
Agri & Home Economics/County Extension	5	1	0	5	11	44
Animal Control	7	0	3	7	17	44
Asphalt Plant	9	9	9	3	30	44
Avon Park Library	5	1	7	3	16	44
Board Attorney	5	0	0	5	10	44
Board of County Commissioners	5	0	3	5	13	44
Building Department	9	9	3	3	24	44
Carpentry Shop	5	0	1	5	11	44
Childrens Advocacy	1	1	1	3	6	44
Communications Program	5	1	3	7	16	44
County Administrator	5	0	1	5	11	44
County Fire Coordinator	7	0	1	7	15	44
County Planning/Development	7	1	1	7	16	44
Countywide Library	5	1	1	5	12	44
Court House Facilities	5	0	5	5	15	44
Emergency Medical Services	9	1	7	9	26	44
Engineering	9	1	5	5	20	44
Facilities Maintenance	9	1	9	9	28	44
Fire Departments - VFD 1	1	1	1	1	4	44
Fire Safety Inspections	0	0	0	0	0	44
Fuel Management and Utilization	1	1	1	9	12	44
General Services/Purchasing/Central Services	9	1	1	9	20	44
Healthy Families	3	1	0	3	7	44
Heartland Library Coop	3	3	1	3	10	44
Highlands Beautiful/Litter	1	1	0	1	3	44
Historic Preservation	0	0	5	0	5	44
Home Investment Partnership	9	5	1	5	20	44
Housing	3	0	3	3	9	44
Human Resources	7	0	1	5	13	44
Human Services	5	0	1	5	11	44
Hurricane Housing	5	5	1	5	16	44
Information Technology Dept	1	0	0	1	2	44
Intergovt Radio Comm Program	3	3	0	3	9	44
Judicial Technology	3	3	3	3	12	44
Lake Placid Library	3	0	3	3	9	44
Local Emergency Management	7	0	7	7	21	44
Maintenance Shop	7	0	3	7	17	44
Mowing Right of Ways	7	0	5	7	19	44
Natural Resources	9	1	1	5	16	44
Non - Ad Valorem Assessments	3	1	1	1	6	44
Office of Management and Budget	5	0	1	5	11	44
Operations Dept.	3	0	0	3	6	44
Parks Department	7	1	7	9	24	44
Public Information	1	0	0	1	2	44
Recycling Operations	7	5	5	7	24	44
Refuse Collection Program	9	0	1	9	19	44
Road and Bridge	11	1	11	11	34	44
Sebring Library	5	1	5	5	16	44
Shell Pit	7	0	5	5	17	44
Solid Waste Admin	7	0	0	5	12	44
Solid Waste/Refuse Disposal	9	11	11	9	40	44
Tourist Development	5	5	0	5	15	44
Traffic Operations	7	0	5	7	19	44
Utilities - Water (Highway Park)	1	3	1	3	8	44
Utilities - Water (Placid Utilities)/Sewer	7	7	9	7	30	44
Veterans Services	3	0	0	3	6	44

Weed Control/Cooperative Plant	9	1	3	7	20	44
Work Study Program	1	0	0	0	1	44
Zoning	7	1	1	7	16	44

**Rank**

**1 = Low risk to 9 = High risk**

**Dollar Thersholds**

- 0. \$24,999 to \$0
- 1. \$25,000 to \$99,999
- 3. \$249,000 to \$100,000
- 5. \$499,999 to \$250,000
- 7. \$749,999 to \$500,000
- 9. \$750,000 or greater
- 11. \$10,000,000 or greater

**Highlands County Clerk of Courts  
Audit Entity 2009 Risk Assessment  
Prior Audit Results**

<b>Audit Entity</b>	<b>Audit Findings</b>	<b>Follow-up</b>	<b>Time since Last Audit</b>	<b>Total Score</b>	<b>Total Possible Score</b>
Agri & Home Economics/County Extension	9	9	9	27	27
Animal Control	9	9	9	27	27
Asphalt Plant	9	9	9	27	27
Avon Park Library	7	5	3	15	27
Board Attorney	9	9	9	27	27
Board of County Commissioners	9	9	9	27	27
Building Department	9	9	9	27	27
Carpentry Shop	9	9	9	27	27
Childrens Advocacy	9	9	9	27	27
Communications Program	9	9	9	27	27
County Administrator	9	9	9	27	27
County Fire Coordinator	9	9	9	27	27
County Planning/Development	9	9	9	27	27
Countywide Library	7	5	3	15	27
Court House Facilities	9	9	9	27	27
Emergency Medical Services	9	9	9	27	27
Engineering	9	9	9	27	27
Facilities Maintenance	9	9	9	27	27
Fire Departments - VFD 1	9	9	9	27	27
Fire Safety Inspections	9	9	9	27	27
Fuel Management and Utilization	5	9	1	15	27
General Services/Purchasing/Central Services	9	9	9	27	27
Healthy Families	9	9	9	27	27
Heartland Library Coop	7	5	3	15	27
Highlands Beautiful/Litter	9	9	9	27	27
Historic Preservation	9	9	9	27	27
Home Investment Partnership	9	9	9	27	27
Housing	9	9	9	27	27
Human Resources	9	9	9	27	27
Human Services	9	9	9	27	27
Hurricane Housing	9	9	9	27	27
Information Technology Dept	9	9	9	27	27
Intergovt Radio Comm Program	9	9	9	27	27
Judicial Technology	9	9	9	27	27
Lake Placid Library	7	5	3	15	27
Local Emergency Management	9	9	9	27	27
Maintenance Shop	9	9	9	27	27
Mowing Right of Ways	9	9	9	27	27
Natural Resources	9	9	9	27	27
Non - Ad Valorem Assessments	9	9	9	27	27
Office of Management and Budget	9	9	9	27	27
Operations Dept.	9	9	9	27	27
Parks Department	9	9	9	27	27
Public Information	9	9	9	27	27
Recycling Operations	9	9	9	27	27
Refuse Collection Program	9	9	9	27	27
Road and Bridge	9	9	9	27	27
Sebring Library	7	5	3	15	27
Shell Pit	9	9	9	27	27
Solid Waste Admin	9	9	9	27	27
Solid Waste/Refuse Disposal	9	9	9	27	27
Tourist Development	9	9	9	27	27
Traffic Operations	9	9	9	27	27
Utilities - Water (Highway Park)	9	9	9	27	27
Utilities - Water (Placid Utilities)/Sewer	9	9	9	27	27
Veterans Services	9	9	9	27	27



Weed Control/Cooperative Plant	9	9	9	27	27
Work Study Program	9	9	9	27	27
Zoning	9	9	9	27	27

**Rank**

**1 = Low risk to 9 = High risk**

Note: Departments that have never been audited default to a rank of 9 (since risk is unknown) in the "Audit Findings" and "Follow-up" categories

**Audit Findings**

Measure of the results of prior audits (based on report classification) and any know weaknesses of the unit.

- 1. No audit findings.
- 3. Low risk audit findings only.
- 5. No audit findings above medium risk.
- 7. No audit findings above high risk.
- 9. A high risk audit finding was discovered (material).

**Follow-up**

Measures the commitment of management to address audit issues.

- 1. No audit findings or all findings were corrected within target completion date.
- 3. Action taken to address findings is reasonable although some target dates may have been missed.
- 5. Some action taken and intermediate fixes reduce the level of risk.
- 7. Procedures were developed to address findings, but were not enforced.
- 9. No action was taken to address the findings. Circumstances have not changed and the findings still exist.

**Time since Last Audit**

Measure of the time period (in years) since the last audit was performed on the unit.

- 1. Less than one year since last audit.
- 3. One to two years since last audit.
- 5. Two to three years since last audit.
- 7. Three to four years since last audit.
- 9. Greater than four years since last audit or never audited.

**Highlands County Clerk of Courts  
Audit Entity 2009 Risk Assessment  
Management Feedback/Concerns**

<b>Audit Entity</b>	<b>Employee Turnover</b>	<b>Management Interest</b>	<b>Compliance with Regulations</b>	<b>Significant Changes</b>	<b>Total Score</b>	<b>Total Possible Score</b>
Agri & Home Economics/County Extension		8	7	1	16	36
Animal Control		3	3	3	9	36
Asphalt Plant		7	5	7	19	36
Avon Park Library		3	3	1	7	36
Board Attorney					0	36
Board of County Commissioners		1	1	1	3	36
Building Department		3	3	4	10	36
Carpentry Shop		1	1	1	3	36
Children's Advocacy		1	1	1	3	36
Communications Program		7	5	5	17	36
County Administrator		1	1	1	3	36
County Fire Coordinator		1	1	1	3	36
County Planning/Development		4	3	3	10	36
Countywide Library		3	1	1	5	36
Court House Facilities		1	1	1	3	36
Emergency Medical Services		3	1	1	5	36
Engineering		4	3	3	10	36
Facilities Maintenance		2	3	1	6	36
Fire Departments - VFD 1		1	1	1	3	36
Fire Safety Inspections		1	1	1	3	36
Fuel Management and Utilization		4	3	1	8	36
General Services/Purchasing/Central Services		1	1	4	6	36
Healthy Families	7	5	4	3	19	36
Heartland Library Coop					0	36
Highlands Beautiful/Litter		1	1	1	3	36
Historic Preservation					0	36
Home Investment Partnership					0	36
Housing	2	5	5	1	13	36
Human Resources		4	4	1	9	36
Human Services		2	1	1	4	36
Hurricane Housing					0	36
Information Technology Dept		3	1	4	8	36
Intergovt Radio Comm Program		6	5	5	16	36
Judicial Technology		5	3	5	13	36
Lake Placid Library		1	1	1	3	36
Local Emergency Management		3	3	5	11	36
Maintenance Shop		3	1	1	5	36
Mowing Right of Ways		1	1	1	3	36
Natural Resources		3	3	1	7	36
Non - Ad Valorem Assessments		1	1	1	3	36
Office of Management and Budget		4	1	1	6	36
Operations Dept.		1	1	1	3	36
Parks Department		5	4	5	14	36
Public Information		1	1	1	3	36
Recycling Operations		5	5	3	13	36
Refuse Collection Program					0	36
Road and Bridge	1	2	2	3	8	36
Sebring Library	5	3	1	3	12	36
Shell Pit		1	1	1	3	36
Solid Waste Admin		1	1	1	3	36
Solid Waste/Refuse Disposal		1	1	1	3	36
Tourist Development		3	3	1	7	36
Traffic Operations		5	3	1	9	36
Utilities - Water (Highway Park)		1	1	1	3	36
Utilities - Water (Placid Utilities)/Sewer		1	1	1	3	36
Veterans Services		1	1	1	3	36
Weed Control/Cooperative Plant		1	1	1	3	36

Work Study Program					0	36
Zoning		3	3	3	9	36

**RANK**

**1 = Low risk to 9 = High risk**

**Management Interest**

Measures the level of interest expressed by Management to have Internal Audit review or audit the activity.

- 1 No management interest.
- 3 Interest by management expressed through casual conversation.
- 5 Interest by direct management expressed as a concern.
- 7 Interest by multiple managers or a senior manager.
- 9 Request or interest by a senior manager, Clerk of Courts, County Administration, BOCC, or Commissioner.

**Compliance with Regulations**

Compliance with Regulations: Measure of the exposure due to complexity and volume of regulations or penalties for noncompliance.

- 1 No regulations and no risk for noncompliance.
- 3 Few regulations and little risk for noncompliance
- 5 Either substantial regulations or penalties.
- 7 Substantial volume of transactions with substantial penalty.
- 9 Heavily regulated with serious ramifications for noncompliance.

**Significant Changes**

Measure of exposure relating to past and future changes impacting the department.

- 1. No significant changes experienced and minimal change is anticipated within the next year.
- 5. Significant changes have occurred in the past year but are not anticipated within the next year.
- 9. Department will significantly change within the year.