Annual Audit Plan

Fiscal Year 2025 - 2026

Office of the County Auditor

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

October 1, 2025

OFFICE OF THE COUNTY AUDITOR
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Honorable Mayor and Members of the Board of County Commissioners

This Fiscal Year 2025 - 2026 Annual Audit Plan has been prepared to identify planned audits during the 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 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,

Bob Melton

Bob Melton
County Auditor

cc: Monica Cepero, County Administrator
Andrew Meyers, County Attorney
Kevin Kelleher, Deputy County Administrator

TABLE OF CONTENTS

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. We also met with Departments/Divisions to gain a better understanding of their perceived risks and to solicit areas for consideration in developing our Audit Plan. 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. Number of Staff
4. Public Health
5. Complexity of Operations
6. Public Interface
7. Operational Impact on other County Agencies
8. Compliance – Laws and Regulations
9. Public Exposure
10. History of Audit Issues
11. Years Since Last Audit
12. 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 2026

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 2026

- Aviation – Baggage Handling System
- Aviation – Concession Revenue
- Aviation and Port – Transport Network Companies
- Construction Management – Project Caseload and Reporting
- Enterprise Technology Services – Selected Information Technology General Control Review(s)
- Finance and Administrative Services – Convention Center ASM Global Contract
- Judicial – County Funding Requirements
- Office of Economic and Small Business Development – Economic Incentive Reviews
- Office of Economic and Small Business Development – Small Business Enterprise and County Business Enterprise Programs
- Office of Management and Budget – Capital Budget
- Office of Regional Communications and Technology – Broward Sheriff's Office 911 Call Center
- Parks and Recreation – Butterfly World Contract
- Parks and Recreation – Event Permitting Costs
- Port Everglades – Cruise Revenues
- Port Everglades – P-Card Audit of Crane Section
- Port Everglades – West Lake Park Construction Project
- Tax Collector – Transition Support Costs
- Water and Wastewater Services – Information Technology Administration and Management

Audits in Progress as of October 1, 2025

- Aviation - Lost and Found
- Consumer Protection - Cashiering Systems
- Human Resources - Donated Leave Program
- Human Resources - Medical and Pharmacy Claims Analysis
- Port Everglades - Crane Section
- Port Everglades - Security Officer Services Contract
- Public Works - Convention Center Headquarters Hotel External Review
- Risk Management – Operational
- Transportation - Paratransit Provider Contract Management & Compliance
- Transit Surtax – Program Objectives
- Water and Wastewater Services - Water Control Districts

Continuous Audits and Other Projects

- Aviation - Dedicated Audit Services
- Aviation - Consultant and Engineer Overhead and Fringe Rate (FAR) Reviews
- BCC Agenda Reviews
- Consulting Services
- External Audit Contract Administration
- Follow-up Reviews
- Litigation Support
- Port - Dedicated Audit Services
- Procurement Audits
- Purchasing Selection and Negotiation Advisory Services - RFP & Draft Agreements
- Quality Control Reviews
- Transit Surtax - Dedicated Audit Services
- Unanticipated Reviews and Investigative Audits
- Water and Wastewater Services - Dedicated Audit Services