

Specialty License Plate Audit Embry-Riddle Aeronautical University, Inc. Embry-Riddle Aeronautical University Audit Report 202425-05

October 21, 2024

Introduction and Background

The purpose of this audit was to determine compliance with applicable laws and policies related to the annual reporting by the Embry-Riddle Aeronautical University, Inc., (University) for the Embry-Riddle Aeronautical University (ERAU) specialty license plate. The University is required to submit a Specialty License Plate Revenue, Expenditure, and Compliance Affidavit, or state single audit, to the Department of Highway Safety and Motor Vehicles (Department) within nine months after the end of the University's fiscal year. The single audit submitted by the University for the 2023 Fiscal Year ending June 30, 2023, was used for this audit.

Specialty license plates are license plates available to the general public with unique designs that promote philanthropic and other causes and require payment of an additional annual use fee. Section 320.08056, Florida Statutes (F.S.), authorizes the issuance of all specialty license plates and specifies the annual use fee for the more than 144 specialty license plates Florida offers.

Section 320.08062, F.S., grants the Department the authority to examine all records relating to the use of specialty license plate funds. The Office of Inspector General included the examination of specialty license plate recipient organizations in its annual work plan.

For every ERAU specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to the University.

Section 320.08058(3), F.S., specifies that annual use fees be distributed to the state or independent university foundation designated by the purchaser for deposit in an unrestricted account. These funds may be used only for academic enhancement, including scholarships and private fundraising activities.

The collegiate specialty license plate was established in 1987. There were 1,281 active ERAU specialty license plates as of June 2023. The University reported expenditures of \$49,731 in specialty license plate fees for the 2023 Fiscal Year.



Results of Audit

The University materially complied with applicable laws and policies related to the annual reporting for the ERAU specialty license plate.

Purpose, Scope, and Methodology

The purpose of this audit was to determine the University's compliance with applicable laws and policies related to the annual reporting by the University for the ERAU specialty license plate.

The scope of this audit included specialty license plate expenditures reported on the University's single audit for the 2023 Fiscal Year, and specialty license plate revenue and expenditures reported in the University's financial records for the 2023 Fiscal Year.

The methodology for the audit of the ERAU specialty license plate included:

- Reviewing Florida Statutes, Department policies, and University policies;
- Reconciling the Department's distribution of specialty license plate fees to revenues reported on the affidavit filed by the University;
- Reconciling the expenditures reported on the affidavit to the University's financial records;
- Reviewing the use of funds by the University to ensure there is adequate supporting documentation, and the expenditures are for purposes authorized by statute;
- Reviewing timing, availability, and content of reports such as affidavits or single audits; and,
- Comparing expenditures to statutory requirements for annual allocation limits and reviewing reasonableness of balances.



Distribution, Statement of Accordance, and Project Team

Distribution

Dave Kerner, Executive Director
Robert Kynoch, Deputy Executive Director
Jennifer Langston, Chief of Staff
Stephanie Duhart, Chief Administrative Officer, Division of Motorist Services

Jare Allen Allocco, CPA, Controller, Embry-Riddle Aeronautical University, Inc.
Kathy Jacobs, Interim Director of Shared Services, Sr. Accountant/Analyst, Embry-Riddle Aeronautical University, Inc.

Melinda M. Miguel, Chief Inspector General
Sherrill F. Norman, Auditor General

Statement of Accordance

Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General. Pursuant to Chapter 119, Florida Statutes, public records held by the Department's Inspector General are available upon request for inspection or copying.

Project Team

Engagement conducted by:
Jill Sittig, Auditor

Under the supervision of:
Erin Mook, Audit Director

Approved by:

A handwritten signature in blue ink that reads "Mike Stacy".

Mike Stacy, Inspector General