



# AUDITOR GENERAL

## DAVID W. MARTIN, CPA



### DEPARTMENT OF STATE

## OFFICE OF INSPECTOR GENERAL/INTERNAL AUDIT ACTIVITY

### Quality Assessment Review

**SUMMARY**

In our opinion, the quality assurance program related to the Office of Inspector General and the internal audit activity, as designed and implemented during the review period July 2006 through June 2007, provided reasonable assurance of conformance to applicable professional auditing standards. Also, the Office of Inspector General generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general and internal audit activities.

**THE OFFICE OF INSPECTOR GENERAL**

Section 20.055, Florida Statutes, requires that each State agency as defined in Section 20.055(1)(a), Florida Statutes, establish an office of inspector general. Section 11.45(2)(k), Florida Statutes, requires that the Auditor General, once every three years, evaluate the extent of compliance by the office of inspector general with the current *International Standards for the Professional Practice of Internal Auditing* or, if appropriate, Generally Accepted Government Auditing Standards.

The Department's Office of Inspector General was assigned two positions, until May 2007 when a third position was added for non-audit activities. One position was dedicated to the internal audit activity during the review period. The Inspector General provided the following information regarding internal audit activities performed during the review period:

**The Office of Inspector General**

Activity Performed	Percentage of Work Effort (1)
Auditing Activities	37
Investigative Activities	27
Other Accountability/Oversight Activities	36
	100

(1) Direct time charged to engagement activities.

The Inspector General identified one assurance engagement that had been completed within the Office of Inspector General's quality assurance program (discussed further below). Our review included an evaluation of this engagement and the related working papers for compliance with applicable professional auditing standards. For engagements completed during the review period, the internal audit activity had elected to follow the *International Standards for the Professional Practice of Internal Auditing*.

**REPORT ON QUALITY ASSESSMENT REVIEW**

Pursuant to Sections 11.45(2)(k) and 20.055, Florida Statutes, we have reviewed the quality assurance program for the Office of Inspector General/internal audit activity of the Department of State in effect for the period July 2006 through June 2007. We also reviewed compliance with specific provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general and internal audit activities.

A quality assurance program for the internal auditing activity encompasses the charter, organizational environment, and policies and procedures established

to provide management with reasonable assurance that the internal audit activity operates in conformity with applicable auditing standards. The design of the quality assurance program and compliance with it are the responsibility of the Office of Inspector General. Section 20.055(5)(a), Florida Statutes, requires that internal audits be conducted in accordance with the current *International Standards for the Professional Practice of Internal Auditing (IIA Standards)* or, where appropriate, Generally Accepted Government Auditing Standards. The *IIA Standards*, as promulgated by The Institute of Internal Auditors, and Generally Accepted Government Auditing Standards, as promulgated by the Comptroller General of the United States, generally provide comparable guidance for the conduct of assurance engagements. The *IIA Standards* also provide supplemental guidance for the conduct of consulting engagements.

Our review was modeled primarily on the methodology presented in The Institute of Internal Auditors' *Quality Assessment Manual, Fifth Edition*. In conducting our review, we obtained an understanding of the quality assurance program and performed such tests and other review procedures as we considered necessary. Because of inherent limitations in any quality assurance program, departures from the

program may occur and not be detected. Also, projection of any evaluation of the quality assurance program to future periods is subject to the risk that the program may become inadequate because of changes in conditions, or that compliance with policies and procedures may deteriorate.

In our opinion, the quality assurance program related to the Office of Inspector General/internal audit activity of Department of State, as designed and implemented during the review period, provided reasonable assurance of conformance to applicable professional auditing standards. Also, the Office of Inspector General generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general and internal audit activities.

#### AUTHORITY

Pursuant to the provisions of Sections 11.45 and 20.055, Florida Statutes, I have directed that this report be prepared to present the results of our review.



David W. Martin, CPA  
Auditor General

This quality assessment review was conducted in accordance with applicable *Generally Accepted Government Auditing Standards*. This review was conducted by Melisa B. Hevey, CPA, and supervised by Jennifer B. Barineau, CPA\*, CISA. Please address inquiries regarding this report to Jennifer B. Barineau, Audit Supervisor, via e-mail at [jenniferbarineau@aud.state.fl.us](mailto:jenniferbarineau@aud.state.fl.us) or by telephone at (850) 414-0832.

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\*Regulated by State of Florida