

**AGENCY FOR PERSONS WITH  
DISABILITIES**

**OFFICE OF INSPECTOR GENERAL'S  
INTERNAL AUDIT ACTIVITY**

---

Quality Assessment Review

For the Review Period  
July 2007 Through June 2008



## INSPECTOR GENERAL OF THE AGENCY FOR PERSONS WITH DISABILITIES

The Inspector General was appointed by the Secretary of the Agency for Persons with Disabilities. Chuck Faircloth served as the Inspector General during the review period.

The review team leader was Debra K. Clark, CPA, and the review was supervised by Jennifer Barineau, CPA. Please address inquiries regarding this report to Jennifer Barineau, CPA, Audit Supervisor, by e-mail at [jenniferbarineau@aud.state.fl.us](mailto:jenniferbarineau@aud.state.fl.us) or by telephone at (850) 414-0832.

This report and other reports prepared by the Auditor General can be obtained on our Web site at [www.myflorida.com/audgen](http://www.myflorida.com/audgen); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

**AGENCY FOR PERSONS WITH DISABILITIES**  
Office of Inspector General’s Internal Audit Activity

**SUMMARY**

In our opinion, the quality assurance program related to the Office of Inspector General’s internal audit activity, as designed and implemented during the review period July 2007 through June 2008, 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.

While not material to overall conformance to professional auditing standards, the Office of Inspector General’s annual report did not include required information.

**BACKGROUND**

The Agency for Persons with Disabilities was created as a separate budget entity within the Department of Children and Family Services pursuant to Section 20.197, Florida Statutes. The Agency established an Office of Inspector General, which was assigned three positions. Two positions, excluding the Inspector General position, were dedicated to the internal audit activity. The Inspector General delegated internal audit responsibilities to the Director of Auditing and one other position. The Director of Auditing provided the following information regarding activities performed by these audit positions during the review period:

The Office of Inspector General	
Activity Performed	Percentage of Work Effort (1)
Auditing Activities	63
Other Accountability/Oversight Activities	<u>37</u>
	<u>100</u>
(1) Direct time charged to engagement activities.	

The Director of Auditing identified nine engagements that had been completed as part of internal audit activity during the review period within the Office of Inspector General’s quality assurance program. For engagements completed during the review period, the Office of Inspector General’s internal audit activity had elected to follow the *International Standards for the Professional Practice of Internal Auditing*.

**REPORT ON QUALITY ASSESSMENT REVIEW**

Pursuant to Section 11.45(3)(a), Florida Statutes, we have reviewed the quality assurance program for the Office of Inspector General’s internal audit activity of the Agency for Persons with Disabilities in effect for the period July 2007 through June 2008. The Office of Inspector General elected to use Section 20.055, Florida Statutes, as its charter for its internal audit activity. Therefore, we also reviewed compliance with specific provisions of Section 20.055, Florida Statutes. A quality assurance program for the Office of Inspector General’s 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 generally provide comparable guidance for the conduct of assurance engagements. The *IIA Standards* also provide supplemental guidance for the conduct of consulting engagements.

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's internal audit activity of the Agency for Persons with Disabilities, 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.

---



---

## FINDINGS AND RECOMMENDATIONS

---



---

### Finding No. 1: Annual Report

Section 20.055(7), Florida Statutes, requires that the Inspector General, no later than September 30 of each year, submit to the agency head an annual report summarizing the activities of the office during the immediate preceding state fiscal year. Our review disclosed that the Office of Inspector General's (OIG) annual report for the 2007-08 fiscal year included only a summary of each audit and investigation completed during the reporting period and did not include the following statutorily required information:

- A description of activities relating to the development, assessment, and validation of performance measures. The annual report stated that follow-up audits were performed and provided individual report numbers for each follow-up audit performed; however, no description of the activities relating to development, assessment, and validation of performance measures was provided.
- A description of significant abuses and deficiencies relating to the administration of programs and operations of the agency disclosed by investigations, audits, reviews, or other activities during the reporting period; and a description of the recommendations for corrective action made by the inspector general during the reporting period with respect to significant problems, abuses, or deficiencies identified. For example, during the 2007-08 fiscal year, the OIG completed four audits that included seven findings, and recommended corrective action for each finding. The annual report provided a description of each audit performed, the report release date, and a statement indicating there were findings; however, no description of the findings or the associated corrective action was included with the description.

---



---

**Recommendation:**     **The OIG should ensure that the annual report includes all required information.**

---



---

---

---

**OBJECTIVES, SCOPE, AND METHODOLOGY**

---

---

We conducted this quality assessment review in accordance with applicable generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

The objectives of this review were to evaluate the extent to which the Office of the Inspector General’s internal audit activity’s charter, policies and procedures, quality assurance and improvement program, and work products conform to applicable professional auditing standards; determine compliance with the provisions of Section 20.055, Florida Statutes; assess the Office of the Inspector General’s internal audit activity’s effectiveness in carrying out its mission (as set forth in its charter and expressed in the expectations of agency management); and identify opportunities to enhance the Office of the Inspector General’s internal audit activity’s management and work processes, as well as its value to agency management.

Our review included an evaluation of one of the nine engagements and the related working papers for compliance with applicable professional auditing standards. Our review was modeled primarily on the methodology presented in The Institute of Internal Auditors’ *Quality Assessment Manual, Fifth Edition*.

---

---

**AUTHORITY**

---

---

Pursuant to the provisions of Section 11.45(3)(a), Florida Statutes, I have directed that this report be prepared to present the results of our review.



David W. Martin, CPA  
Auditor General

---

---

**MANAGEMENT’S RESPONSE**

---

---

A written response from the Secretary of the Agency for Persons with Disabilities is included as Exhibit A.

EXHIBIT A  
MANAGEMENT'S RESPONSE



Charlie Crist,  
Governor

January 30, 2009

\*\*  
Jim DeBeaugrine,  
Director  
\*\*  
4030 Esplanade  
Way,  
Suite 380  
Tallahassee,  
Florida  
32399-0950

David W. Martin, CPA  
Florida Auditor General  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Re: *Preliminary and Tentative Findings and Recommendations,  
Quality Assessment Review, Office of Inspector General's Internal  
Audit Activity, for the Review Period July 2007 Through June 2008*

Dear Mr. Martin:

\*\*  
(850) 488-4257  
Fax:  
(850) 922 6456  
Toll Free:  
(866) APD-CARES  
(866-273-2273)

We have reviewed the recommendation in your preliminary and tentative findings report included with your letter dated January 28, 2009. We concur with the recommendation and will ensure that required information is included in the next Office of the Inspector General Annual Report.

Although not required by statute, we appreciate your staff honoring our request to perform the Quality Assessment Review and providing constructive comments to improve the Office of the Inspector General's operations. If further information is needed, please contact the Inspector General, Charles Faircloth, at 414-8334.

Sincerely,

Jim DeBeaugrine  
Director