

**FISH AND WILDLIFE
CONSERVATION COMMISSION**

Office of Inspector General's
Internal Audit Activity

For the Review Period
July 2018 Through June 2019



Sherrill F. Norman, CPA
Auditor General

Inspector General of the Fish and Wildlife Conservation Commission

The Executive Director of the Fish and Wildlife Conservation Commission appointed the Inspector General. Mike Troelstrup served as the Inspector General during the review period.

The review team leader was William Karalius, CPA, and the review was supervised by Melisa Hevey, CPA.

Please address inquiries regarding this report to Matthew Tracy, CPA, Deputy Auditor General, by e-mail at matthewtracy@aud.state.fl.us or by telephone at (850) 412-2922.

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FISH AND WILDLIFE CONSERVATION COMMISSION

Office of Inspector General's Internal Audit Activity

SUMMARY

In our opinion, the quality assurance and improvement program related to the Fish and Wildlife Conservation Commission (Commission), Office of Inspector General's internal audit activity was adequately designed and complied with during the review period July 2018 through June 2019 to provide reasonable assurance of conformance with applicable professional auditing standards and the Code of Ethics issued by the Institute of Internal Auditors.

Although 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 internal audit activities, the Inspector General could enhance compliance by ensuring that written responses regarding the status of corrective actions taken with respect to reports issued by the Auditor General are timely submitted to the Executive Director of the Commission and the Legislative Auditing Committee in accordance with Section 20.055(6)(h), Florida Statutes.

BACKGROUND

Section 20.055(2), Florida Statutes, established in each State agency, as defined by Section 20.055(1)(d), Florida Statutes, the Office of Inspector General. The Executive Director assigned nine full-time positions and three Other Personal Services (OPS) employees¹ to the Office of Inspector General and the Inspector General dedicated two full-time positions (including the Director of Auditing) and two OPS employees to the internal audit activity.² As authorized by statute, the Inspector General delegated internal audit responsibilities to the Director of Auditing. During the review period, the two audit positions and an OPS employee performed internal audit activities and other activities such as investigative, performance measure, and other accountability and oversight activities.

Section 20.055(6)(a), Florida Statutes, requires that internal audits be conducted in accordance with current *International Standards for the Professional Practice of Internal Auditing (IIA Standards)* or, where appropriate, *Government Auditing Standards*. *IIA Standards*, issued by The Institute of Internal Auditors, and *Government Auditing Standards*, issued by the Comptroller General of the United States, generally provide comparable guidance for the conduct of assurance engagements. *IIA Standards* also provide supplemental guidance for the conduct of consulting engagements.

The Director of Auditing identified one engagement that had been completed as part of the Office's internal audit activity during the review period. For this engagement, the Office elected to follow *IIA Standards*.

¹ Pursuant to Department of Management Services Rule 60L-33.005, Florida Administrative Code, OPS employment is a temporary employer-employee relationship used solely for the completion of short-term or intermittent tasks. OPS employees do not fill established positions.

² During the review period, the internal audit activity employed only one OPS employee.

REPORT ON QUALITY ASSESSMENT REVIEW

Pursuant to Section 11.45(2)(i), Florida Statutes, we have reviewed the quality assurance and improvement program for the Office of Inspector General's internal audit activity in effect for the period July 2018 through June 2019. We also reviewed compliance with specific provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general internal audit activities.

A quality assurance and improvement program for the Office of Inspector General's internal audit 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 and the Code of Ethics issued by the Institute of Internal Auditors. The design of the quality assurance and improvement program and compliance with it are the responsibility of the Office of Inspector General.

In conducting our review, we obtained an understanding of the quality assurance and improvement program and performed such tests and other procedures as we considered necessary. Because of inherent limitations in any quality assurance and improvement program, departures from the program may occur and not be detected. Also, projection of any evaluation of the quality assurance and improvement 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 and improvement program related to the Office of Inspector General's internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance to applicable professional auditing standards and the Code of Ethics issued by the Institute of Internal Auditors.

Although 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 internal audit activities, as discussed in Finding 1, the internal audit activity could enhance compliance with the provisions of Section 20.055(6)(h), Florida Statutes.

FINDING AND RECOMMENDATION

Finding 1: Compliance with Statutory Requirements

Our review included an evaluation of the extent to which the Office complied with those provisions of Section 20.055, Florida Statutes, which govern the internal audit activities of the offices of inspectors general. Section 20.055(6)(h), Florida Statutes, requires the Inspector General to monitor the implementation of the Commission's response to any report on the Commission issued by the Auditor General. No later than 6 months after the Auditor General publishes a report on the Commission, the Inspector General is to provide a written response to the Executive Director of the Commission on the status of corrective actions taken. Additionally, the Inspector General is to file a copy of the response with the Legislative Auditing Committee (LAC).

We reviewed Inspector General and other records for the two audit reports for which 6-month written responses on the status of corrective actions taken were due to the Executive Director and the LAC during the period July 2018 through June 2019 to determine whether the Inspector General timely provided the responses in accordance with State law. As summarized in Table 1, we noted that the responses were not timely submitted to either the Executive Director or the LAC and, during the course of our review, we also noted another 6-month written response that was not timely provided to the Executive Director and was provided to the LAC only after our inquiry. According to Office management, the Office's practice was to provide the responses to the Executive Director upon completion and to the LAC upon request. Additionally, Office management indicated that the responses were not timely submitted to the Executive Director or the LAC due to staff turnover and an oversight of the statutory requirements.

**Table 1
Timeliness of Inspector General 6-Month Responses**

Auditor General Report No.	Report Issuance Date	Date 6-Month Response Due to Executive Director and LAC	Date 6-Month Response Submitted to the Executive Director	Months Late	Date 6-Month Response Filed with the LAC	Months Late
2017-201	April 2017	October 2017	February 2018	4	October 2019	24
2018-206	April 2018	October 2018	February 2019	4	February 2019	4
2019-009	August 2018	February 2019	March 2019	1	March 2019	1

Source: Office of Inspector General records and the Auditor General and LAC Web sites.

The timely submittal of written responses to the Executive Director of the Commission and the LAC regarding the status of corrective actions taken with respect to reports issued by the Auditor General is necessary to demonstrate that the results of audits were appropriately monitored by the Office in accordance with State law.

Recommendation: We recommend that the Inspector General ensure that written responses regarding the status of corrective actions taken with respect to reports issued by the Auditor General are timely submitted to the Executive Director of the Commission and the LAC.

OBJECTIVES, SCOPE, AND METHODOLOGY

We conducted this quality assessment review in accordance with 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, work products, and other selected programs, activities, and functions conform to applicable professional auditing standards and the Code of Ethics issued by the Institute of Internal Auditors; determine compliance with those provisions of Section 20.055, Florida Statutes, that relate to the operation of offices of inspectors general internal audit activities; 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 Commission management.

Our review included an evaluation of the one engagement completed as part of the Office's internal audit activity during the review period 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*.

As part of our review, we prepared and submitted for management response the finding and recommendation that are included in the report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45(2)(i), Florida Statutes, requires that the Auditor General, once every 3 years, review a sample of internal audit reports to determine compliance by the Office of Inspector General with the current *International Standards for the Professional Practice of Internal Auditing* or, if appropriate, *Government Auditing Standards*. Pursuant to the provisions of Section 11.45(2)(i), Florida Statutes, I have directed that this report be prepared to present the results of our review.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with a large initial "S" and "N".

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



November 18, 2019

Florida Fish and Wildlife Conservation Commission

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Ms. Sherrill F. Norman
Auditor General, State of Florida
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Response to Quality Assessment Review preliminary and tentative audit finding

Dear Ms. Norman:

Please accept this letter as our response to the preliminary and tentative audit finding and recommendation cited in the State of Florida Auditor General (AG) Quality Assessment Review (QAR) of the Florida Fish and Wildlife Conservation Commission (FWC), Office of Inspector General's (OIG) Internal Audit Activity dated November 13, 2019.

Preliminary and Tentative Finding: Compliance with Statutory Requirements
Section 20.055(6)(h), Florida Statutes, requires the state agency Inspector General to monitor the implementation of the response to any report on the agency issued by the Auditor General. No later than 6 months after the Auditor General publishes a report, the Inspector General is to provide a written response to the agency head on the status of corrective actions taken. Additionally, the Inspector General is to file a copy of the response with the Legislative Auditing Committee (LAC).

Corrective Action: The OIG will take two steps to improve the likelihood of meeting the six-month reporting requirement described in the above Preliminary and Tentative Finding. The OIG will begin six-month AG follow-up reviews earlier (i.e. four to five months after the date the initial AG Report is issued) and include the LAC in the Distribution List for the initial AG six-month follow-up report. In conclusion, we appreciated the professionalism and expertise of the AG team assigned to the FWC QAR and always embrace opportunity for improvement.

Respectfully,

A handwritten signature in black ink, appearing to read "Eric Sutton".

Eric Sutton
Executive Director

cc: Mike Troelstrup, Inspector General
Richard Pearson, Director of Auditing
Donna Whittle, Lead Internal Auditor