STATE OF FLORIDA AUDITOR GENERAL

Quality Assessment Review

Report No. 2027-002
July 2026

FLORIDA HOUSING FINANCE CORPORATION

Office of Inspector General's Internal Audit Activity

For the Review Period
January 2025 Through December 2025

Sherrill F. Norman, CPA
Auditor General

Inspector General of the Florida Housing Finance Corporation

The Executive Director of the Florida Housing Finance Corporation appointed the Inspector General, with the advice and consent of the Corporation's Board of Directors. Chris Hirst served as the Inspector General during the review period.

The review team leader was Jim Parker, CPA, and the review was supervised by Barry Bell, CPA.

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FLORIDA HOUSING FINANCE CORPORATION

Office of Inspector General's Internal Audit Activity

SUMMARY

In our opinion, the Florida Housing Finance Corporation, Office of Inspector General's internal audit activity generally conformed with applicable professional auditing standards and principles and fully achieved the Purpose of Internal Auditing and performance objectives during the review period January 2025 through December 2025. 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 internal audit activities.

While not material to overall conformance to professional auditing standards, the internal audit activity can improve its audit management and work processes by: improving access controls to working papers; ensuring that periodic self-assessments incorporate current quality ratings and quality conclusions that align with assessment results; enhancing engagement documentation controls; and updating assurance reports to reference the correct applicable professional auditing standards.

BACKGROUND

Section 20.055(2), Florida Statutes, established in each State agency an Office of Inspector General. As defined by Section 20.055(1)(d), Florida Statutes, the term "State agency" includes the Florida Housing Finance Corporation. The Corporation assigned five positions to the Office of Inspector General and used two positions to conduct internal audit activities. The two audit positions performed internal audit activities and other accountability and oversight activities.

Section 20.055(6)(a), Florida Statutes, requires that internal audits be conducted in accordance with applicable professional auditing standards. The *Global Internal Audit 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. The *Global Internal Audit Standards* also provide guidance related to advisory engagements.

The internal audit activity identified one assurance engagement and no advisory engagements that had been completed as part of the Office's internal audit activity during the review period pursuant to the *Global Internal Audit Standards*.

REPORT ON QUALITY ASSESSMENT REVIEW

Pursuant to Section 11.45(2)(i), Florida Statutes, we have reviewed the Office of Inspector General's internal audit activity for the period January 2025 through December 2025. 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.

The Office of Inspector General's internal audit activity encompasses the mandate, charter, strategy, methodologies, processes, risk assessments, internal audit plans, policies and procedures, performance criteria and measures, qualifications and competencies, and organizational governance and other risk management and control processes established to provide management with reasonable assurance that the internal audit activity conforms with applicable professional auditing standards and achieves the principles and Purpose of Internal Auditing and performance objectives. Conformance with applicable professional auditing standards and the achievement of the principles and Purpose of Internal Auditing and performance objectives are the responsibility of the Office of Inspector General's internal audit activity.

In conducting our review, we obtained an understanding of the Office of Inspector General's internal audit activity and performed such tests and other procedures as we considered necessary. Because of inherent limitations in an internal audit activity's quality assurance and improvement program, departures from the program may occur and not be detected. Also, projection of any evaluation of the internal audit activity's 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 Office of Inspector General's internal audit activity generally conformed with applicable professional auditing standards and principles and fully achieved the Purpose of Internal Auditing and performance objectives during the review period. 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 internal audit activities.

As illustrated in Table 1, while not material to overall conformance to professional auditing standards, our review identified opportunities to improve the internal audit activity.

Table 1
Opportunities for Improvement (OFIs)

Reference No.	Applicable *Global Internal Audit Standard(s)*	OFI	Chief Audit Executive's Plans to Address the OFI
OFI - 1	Standard 5.2 – Protection of Information	Internal audit activity access controls over working papers need improvement. Appropriate internal audit activity management were notified of the specific areas needing improvement.	We are in the process of modifying access controls over working papers to incorporate your recommendations for improvement.
OFI - 2	Standard 12.1 – Internal Quality Assessment	The internal audit activity's periodic self-assessment should incorporate the current quality ratings and quality conclusions, as defined in the *Quality Assessment Manual*, 2024 Edition. Additionally, although the most recent self-assessment demonstrated overall full or general conformance, the internal audit activity should ensure that ratings align with assessment results.	Our next periodic self-assessment will incorporate the current quality ratings and quality conclusions.
OFI - 3	Standard 14.6 – Engagement Documentation	Our review of the working papers for the one assurance engagement completed under the *Global Internal Audit Standards* during the review period found that, for certain audit objectives, the working papers did not clearly demonstrate that related procedures were completed or the objective achieved and, for an audit issue that internal audit activity management indicated was to be communicated to management, that such communication had occurred. The internal audit activity should enhance engagement documentation controls to prevent reoccurrence of these documentation gaps.	The internal audit activity will enhance engagement documentation controls to reduce the likelihood of reoccurrence of these documentation gaps.
OFI - 4	Standard 11.2 – Effective Communication Standard 15.1 – Final Engagement Communication	Our review of the report for the one assurance engagement completed under the *Global Internal Audit Standards* during the review period found that the report incorrectly stated that the audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Internal audit activity assurance reports should be updated to reference the correct applicable standards.	We have changed the report template language, used consistently across all our audit reports, from "the audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing"* to "the audit was conducted in conformance with the *Global Internal Audit Standards"*. This administrative error resulted from an oversight during the report review process but did not impact the audit procedures performed, the evidence obtained, or the conclusions reached.

OBJECTIVES, SCOPE, AND METHODOLOGY

We conducted this quality assessment review in accordance with generally accepted government auditing standards and in conformance with The Institute of Internal Auditors' *Quality Assessment Manual*. Generally accepted government auditing 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:

- Assess the internal audit activity's conformance with the *Global Internal Audit Standards*.
- Report on the internal audit activity's achievement of the principles and Purpose of Internal Auditing and performance objectives.
- Determine compliance with those provisions of Section 20.055, Florida Statutes, that relate to the operation of offices of inspectors general internal audit activities.
- Identify opportunities to enhance the internal audit activity's management and work processes, as well as its value to Florida Housing Finance Corporation management.

Our review included an evaluation of the one assurance engagement completed by the Office's internal audit activity during the review period for conformance with the *Global Internal Audit Standards* and the achievement of the principles and Purpose of Internal Auditing. Our review was modeled on the methodology presented in The Institute of Internal Auditors' *Quality Assessment Manual* and was conducted by an independent assessment team.

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 applicable professional 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.

Sherrill F. Norman, CPA
Auditor General