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NOVEMBER 2013

DEPARTMENT OF CORRECTIONS

OFFICE OF INSPECTOR GENERAL'S INTERNAL AUDIT ACTIVITY

Quality Assessment Review

For the Review Period
July 2012 Through June 2013

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

INSPECTOR GENERAL OF THE DEPARTMENT OF CORRECTIONS

The Secretary of the Department of Corrections appointed the Inspector General. Jeffery T. Beasley served as the Inspector General during the review period.

The review team leader was Jacqueline Joyner, CPA, and the review was supervised by Mike McCloskey, CPA. Please address inquiries regarding this report to Matthew Tracy, CPA, Audit Manager, by e-mail at matthewtracy@aud.state.fl.us or by telephone at (850) 412-2749.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

DEPARTMENT OF CORRECTIONS

Office of Inspector General's Internal Audit Activity

SUMMARY

In our opinion, the quality assurance program related to the Department of Corrections, Office of Inspector General's internal audit activity was adequately designed and complied with during the review period July 2012 through June 2013 to provide reasonable assurance of conformance with 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 internal audit activities.

BACKGROUND

Section 20.055(2), Florida Statutes, established in each State agency, as defined by Section 20.055(1)(a), Florida Statutes, the Office of Inspector General. The Secretary assigned 197 positions to the Office of Inspector General and the Inspector General assigned 12 of the positions to the internal audit activity. As authorized by statute, the Inspector General delegated internal audit responsibilities to the Chief Internal Auditor. The 12 audit positions performed internal audit activities and other accountability and oversight activities. The Chief Internal Auditor provided information showing that, during the review period, 54 percent of the direct time recorded for the 12 audit positions related to auditing activities.

Section 20.055(5)(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 Chief Internal Auditor identified 15 engagements that had been completed as part of the Office's internal audit activity during the review period. For these engagements, the Office elected to follow *IIA Standards*.

REPORT ON QUALITY ASSESSMENT REVIEW

Pursuant to Section 11.45(2)(i), Florida Statutes, we have reviewed the quality assurance program for the Office of Inspector General's internal audit activity in effect for the period July 2012 through June 2013. 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 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. The design of the quality assurance 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 program and performed such tests and other 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 was adequately designed and complied with during the review period to provide 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 internal audit activities.

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, and work products conform to applicable professional auditing standards; determine compliance with those provisions of Section 20.055, Florida Statutes, that relate to the operation of State agencies' 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 Department management.

Our review included an evaluation of 4 of the 15 engagements 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.*

AUTHORITY

Section 11.45(2)(i), Florida Statutes, requires that the Auditor General, once every three 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.



David W. Martin, CPA
Auditor General