

**AGENCY FOR WORKFORCE
INNOVATION**

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

Quality Assessment Review

For the Review Period
July 2008 Through June 2009



INSPECTOR GENERAL OF THE AGENCY FOR WORKFORCE INNOVATION

The Inspector General was appointed by the Director of the Agency for Workforce Innovation. James F. Mathews served as the Inspector General during the review period.

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

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AGENCY FOR WORKFORCE INNOVATION
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 2008 through June 2009, provided reasonable assurance of conformance to applicable professional auditing standards. Also, the Office of Inspector General generally complied with provisions of Section 20.055, Florida Statutes.

BACKGROUND

The Agency for Workforce Innovation (Agency) was created as a separate budget entity within the Department of Management Services pursuant to Section 20.50, Florida Statutes. The Agency established an Office of Inspector General, which was assigned nine positions. Four positions, excluding the Inspector General position, were dedicated to the internal audit activity. The Agency’s Inspector General delegated internal audit responsibilities to the Director of Auditing and three other positions. 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	97
Investigative Activities	1
Performance Measure Activities	<u>2</u>
	<u>100</u>

(1) Direct time charged to engagement activities.

The Director of Auditing identified two 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 generally accepted government auditing standards.

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 Workforce Innovation in effect for the period July 2008 through June 2009. The Office of Inspector General elected to use Section 20.055, Florida Statutes, as the basis for 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 professional 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 Workforce Innovation, 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 the provisions of Section 20.055, Florida Statutes.

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 both of the engagements completed as part of 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, 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