



AUDITOR GENERAL

William O. Monroe, CPA



QUALITY ASSURANCE REVIEW
FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
OFFICE OF INSPECTOR GENERAL/INTERNAL AUDIT FUNCTION
For the Period July 1999 through June 2000

SUMMARY

In our opinion, the system of quality control related to the Office of Inspector General and the internal audit function, as designed and implemented during the review period, provided reasonable assurance of compliance with applicable professional auditing standards, Office of Inspector General policies and procedures, and specific provisions of Section 20.055, Florida Statutes, which relate to the operation of State agencies' offices of inspectors general and internal audit functions.

THE OFFICE OF INSPECTOR GENERAL

Section 20.055, Florida Statutes, requires that each State agency as defined in Section 20.055(1)(a), Florida Statutes, establish an office of inspector general. The Department's Office of Inspector General was assigned 11 positions. Six positions, excluding the Inspector General position, were dedicated to the internal audit function. The Inspector General provided the following information regarding

activities performed in the Office of Inspector General during the review period:

The Office of Inspector General	
Activity Performed	Percentage of Work Effort
Auditing Activities:	
Audits of Internal Agency Administration	13
Audits of Direct Support Organizations	7
Investigative Activities	29
PB ² Activities (1)	41
Other Accountability/Oversight Activities	<u>10</u>
	<u>100</u>

(1) Activities Related to Performance Measures, Standards, and Procedures for the Evaluation of State Agency Programs.

Eight of the Office of Inspector General reports on projects completed during the review period were identified as subject to review by the Auditor General in accordance with Section 20.055(5)(f), Florida Statutes. Our review included an evaluation of three of these audit reports and the related working papers for compliance with applicable professional auditing standards.

Summary of Audit and Investigative Reports Issued by the Office of Inspector General For the Period July 1, 1999, Through June 30, 2000					
Type of Report Issued	Projects With Released Report		Selected for Quality Assurance Review		
	Number	IG Hours Applied	Number	IG Hours Applied	Percent of IG Efforts
Audits of Internal Agency Administration Referencing the IIA Standards (1)	5	4,366	2	1,384	32%
Audits of Direct Support Organizations Referencing the GAO Standards (2)	3	380	1	119	31%
Investigations (3)	85	3,370	n/a (4)	n/a (4)	n/a (4)

Notes: (1) The Institute of Internal Auditors, *Standards for the Professional Practice of Internal Auditing*.
(2) *Government Auditing Standards* issued by the Comptroller General of the United States, United States General Accounting Office.
(3) No professional standards are required to be referenced in investigative reports.
(4) Only audit reports identified as subject to review by the Auditor General in accordance with Section 20.055(5)(f), Florida Statutes, are included within the scope of this Quality Assurance Review.

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REPORT ON QUALITY ASSURANCE REVIEW

Pursuant to Section 20.055(5)(f), Florida Statutes, we have reviewed the system of quality control for the Office of Inspector General/internal audit function of the Department of Agriculture and Consumer Services in effect for the period July 1999 through June 2000. We also reviewed compliance with specific provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general and internal audit functions.

A system of quality control encompasses the objectives, organizational structure, and policies and procedures established to provide management with reasonable, but not absolute, assurance that audits will be conducted in accordance with applicable auditing standards. Section 20.055(5)(a), Florida Statutes, requires that internal audits be conducted in accordance with the current *Standards for the Professional Practice of Internal Auditing (IIA Standards)* or, where appropriate, generally accepted government auditing standards. The *IIA Standards* and government auditing standards, as promulgated by the United States Comptroller General, are common in purpose and scope.


Our review was based primarily on the methodology presented in The Institute of Internal Auditors' *Quality Assurance Review Manual for Internal Auditing*. In conducting our review, we obtained an

understanding of the system of quality control and performed such tests and other review procedures as we considered necessary. Because of inherent limitations in any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of the system of quality control to future periods is subject to the risk that the system may become inadequate because of changes in conditions, or that compliance with the policies and procedures may deteriorate.

In our opinion, the system of quality control related to the Office of Inspector General/internal audit function of the Department of Agriculture and Consumer Services, as designed and implemented during the review period, provided reasonable assurance of compliance with applicable professional auditing standards and Office of Inspector General policies and procedures. Also, the Department had generally complied with those provisions of Section 20.055, Florida Statutes, which relate to the operation of State agencies' offices of inspectors general and internal audit functions.

AUTHORITY

Pursuant to the provisions of Section 20.055, Florida Statutes, I have directed that this report be prepared to present the results of our review.


William O. Monroe, CPA
Auditor General

Section 20.055(5)(f), Florida Statutes, requires the Auditor General to review a sample of each agency's internal audit reports at least once every three years to evaluate the extent of compliance by the office of inspector general with the current *Standards for the Professional Practice of Internal Auditing* or, if appropriate, generally accepted government auditing standards.

This review was conducted by Elizabeth B. Smith and supervised by Martha B. Parker. Please address inquiries regarding this report to Dorothy R. Gilbert, Audit Manager, via E-mail at dorothygilbert@aud.state.fl.us or by telephone at (850) 488-5444.

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