



AUDITOR GENERAL

William O. Monroe, CPA



QUALITY ASSURANCE REVIEW
FLORIDA DEPARTMENT OF EDUCATION,
DIVISION OF UNIVERSITIES, OFFICES OF INSPECTORS GENERAL/
INTERNAL AUDIT FUNCTION
FOR THE PERIOD JULY 2000 THROUGH JUNE 2001

SUMMARY

In our opinion, the system of quality control related to the internal audit function of the Office of Chief Inspector General and universities' Inspectors General, as designed and implemented under the organizational structure applicable to the review period, provided reasonable assurance of compliance with applicable professional auditing standards; Office of Chief 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.

OFFICES OF INSPECTORS 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. During the review period, pursuant to Section 240.2011, Florida Statutes, the State University System (SUS) of the State of Florida consisted of the Board of Regents (Board) of the Division of Universities of the Florida Department of Education and ten State universities. Board of Regents Rule 6C-1.014, Florida Administrative Code, provided that the Chief Inspector General of the SUS

and the Inspector General at each university shall be responsible for implementing the requirements of Section 20.055, Florida Statutes. The Rule further provided that the primary duties of the Chief Inspector General at the Board's Central Office shall include: establishing policy and direction for the SUS Inspector General function; developing, publishing, and maintaining a SUS Operations Manual for the Offices of Inspectors General of the State universities; and monitoring the implementation of each university's Office of Inspector General annual work plan and reporting to the Chancellor and the Board on the results of those plans. The Chief Inspector General was organizationally established under the Chancellor, while the Inspectors General at the State universities were organizationally established under the university presidents.

Effective July 1, 2001, subsequent to the review period, the Board was abolished by Section 3, Chapter 2001-170, Laws of Florida. The Governor appointed separate 12-member boards of trustees to govern and operate each university.

The Chief Inspector General and each university's Inspector General provided the following information regarding positions dedicated to the internal audit function during the review period:

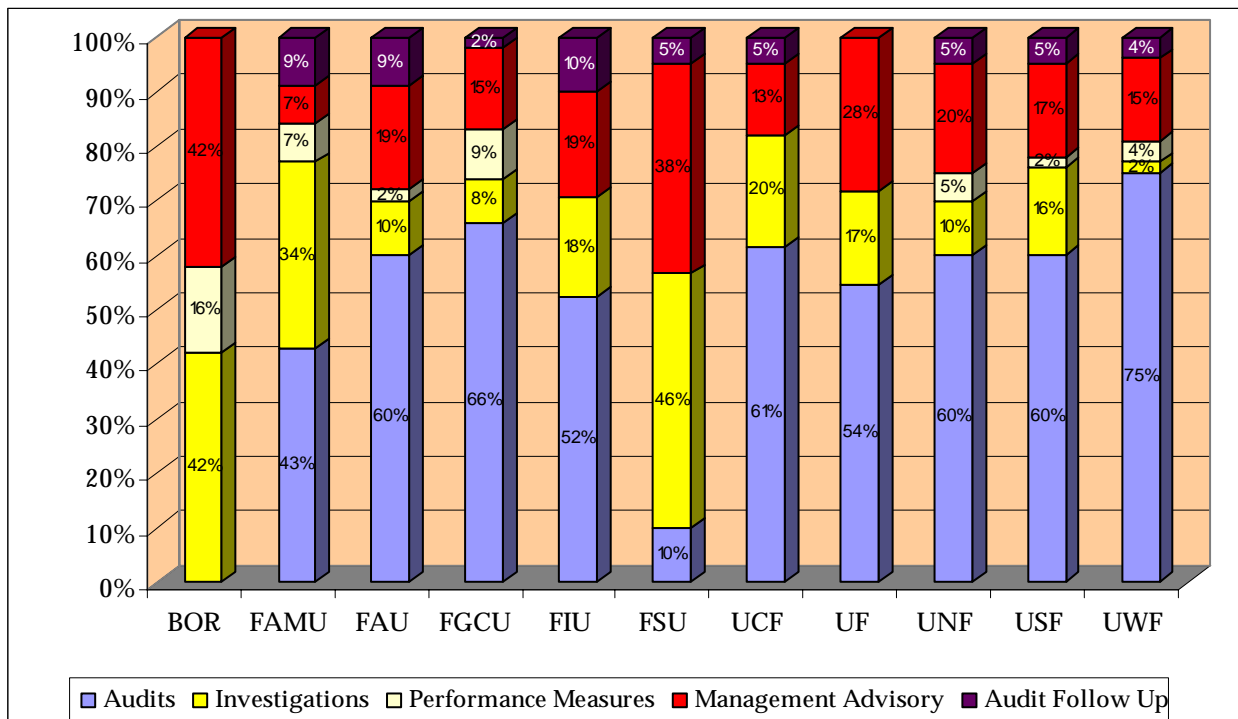
QUALITY ASSURANCE REVIEW
FLORIDA DEPARTMENT OF EDUCATION, DIVISION OF UNIVERSITIES,
OFFICES OF INSPECTORS GENERAL/INTERNAL AUDIT FUNCTION

Summary of Positions Assigned and Filled Offices of Inspectors General As of June 30, 2001		
	Assigned	Filled
Board of Regents (BOR)	3	1
Florida A&M University (FAMU)	6	6
Florida Atlantic University (FAU)	5	4
Florida Gulf Coast University (FGCU)	1	1
Florida International University (FIU)	7	7
Florida State University (FSU)	13	13
University of Central Florida (UCF)	7	6
University of Florida (UF)	10	10
University of North Florida (UNF)	4	4
University of South Florida (USF)	7.5	7
University of West Florida (UWF)	6	4
Total	69.5	63

The Chief Inspector General and each university's Inspector General provided an allocation of their direct time among the following activities: Audits, Investigations, Performance Measures, Management

Advisory, and Audit Follow Up. The following chart presents the percent of each activity to total direct time during the review period:

**Summary of Direct Time Activities
Offices of Inspectors General
For the Period July 1, 2000, Through June 30, 2001
(Does not Include Activities of 1 Percent or Less)**



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Forty-two 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 11.45(2)(j), Florida

Statutes. Our review included an evaluation of 18 of these audit reports and the related working papers for compliance with applicable professional auditing standards, as shown in the following chart:

Summary of Audit Reports Issued by the Offices of Inspectors General For the Period July 1, 2000, Through June 30, 2001					
Audit of Internal Agency Administration Referencing the IIA Standards (1)	Projects With Released Report		Selected for Quality Assurance Review		
	Number	IG Hours Applied	Number	IG Hours Applied	Percent of IG Efforts
BOR	0	0	0	0	0%
FAMU	4	1,582	2	1,049	66%
FAU	4	3,010	2	1,527	51%
FGCU	0	0	0	0	0%
FIU	8	4,016	3	1,509	38%
FSU	2	1,456	1	374	26%
UCF	6	4,794	3	1,497	31%
UF	9	5,656	3	1,836	32%
UNF	2	(2)	1	(2)	(2)
USF	4	3,589	2	1,854	52%
UWF	3	1,038	1	424	41%
Notes: (1) The Institute of Internal Auditors, <i>Standards for the Professional Practice of Internal Auditing</i> .					
(2) IG hours not available.					

REPORT ON QUALITY ASSURANCE REVIEW

Pursuant to Sections 11.45(2)(j) and 20.055, Florida Statutes, we have reviewed the system of quality control of the internal audit function for the Florida Department of Education, Division of Universities, Board of Regents, Office of Chief Inspector General and universities' Inspectors General in effect for the period July 2000 through June 2001. 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 effect for the period reviewed. 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.

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OFFICES OF INSPECTORS GENERAL/INTERNAL AUDIT FUNCTION

In our opinion, the system of quality control related to the internal audit function for the Florida Department of Education, Division of Universities, Board of Regents, Office of Chief Inspector General and universities' Inspectors General, 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 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our quality assurance review.



William O. Monroe, CPA
Auditor General

Section 11.45(2)(j), 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, government auditing standards.

This review was conducted by Katherine L. Stich, CPA. Please address inquiries regarding this report to James E. Raulerson, CPA, Audit Manager, via E-mail at jimraulerson@aud.state.fl.us or by telephone at **(850) 487-4468**.

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 at **(850) 487-9024**; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.