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**STATE OF FLORIDA  
AUDITOR GENERAL**

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**QUALITY CONTROL REVIEW OF THE OFFICE  
OF INSPECTOR GENERAL/INTERNAL AUDIT  
FUNCTION OF THE FLORIDA PAROLE  
COMMISSION**

**FOR THE PERIOD JANUARY 1, 1998,  
THROUGH DECEMBER 31, 1998**



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**STATE OF FLORIDA  
AUDITOR GENERAL  
POST OFFICE BOX 1735  
TALLAHASSEE, FLORIDA 32302-1735**

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**REPORT NUMBER: 13433**

**APRIL 13, 1999**

The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

Pursuant to the provisions of Sections 11.45 and 20.055, Florida Statutes, and as part of the Legislature's oversight responsibility for operation of State agencies, I have directed the performance of a **QUALITY CONTROL REVIEW OF THE OFFICE OF INSPECTOR GENERAL/INTERNAL AUDIT FUNCTION OF THE FLORIDA PAROLE COMMISSION FOR THE PERIOD JANUARY 1, 1998, THROUGH DECEMBER 31, 1998**. This report presents the results of our review.

Respectfully submitted,



Charles L. Lester, CPA  
Auditor General

Review Coordinator:  
Martha B. Parker

Review Team Leader:  
Jane Johnston

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QUALITY CONTROL REVIEW OF THE  
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FOR THE PERIOD JANUARY 1, 1998, THROUGH DECEMBER 31, 1998

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**AG****QUALITY CONTROL REVIEW OF THE OFFICE OF INSPECTOR  
GENERAL/INTERNAL AUDIT FUNCTION OF THE FLORIDA  
PAROLE COMMISSION FOR THE PERIOD JANUARY 1, 1998,  
THROUGH DECEMBER 31, 1998**

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**This brief summary presents, in a condensed manner, the findings detailed in this report on the Quality Control Review of the Office of Inspector General/Internal Audit Function of the Florida Parole Commission for the period January 1, 1998, through December 31, 1998. The entire report, including the Exhibits, should be read for a comprehensive understanding of the background; scope, objectives, and methodology; and findings related to this report. The scope, objectives, and methodology are included in this report as Exhibit A.**

In our opinion, the system of quality control related to the Office of Inspector General and the internal audit function of the Florida Parole Commission was generally adequate to reasonably ensure 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 for the period January 1, 1998, through December 31, 1998.

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**QUALITY CONTROL REVIEW  
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Paragraph  
Number

**BACKGROUND**

- (1) 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. Sections 20.055(3)(a) and (3)(b), Florida Statutes, require that the inspector general be appointed by, report to, and be under the general supervision of the agency head.
- (2) Pursuant to Section 20.055(4), Florida Statutes, to ensure that State agency audits are performed in accordance with applicable auditing standards, the inspector general, or the director of auditing within the inspector general's office, must satisfy certain education and experience requirements. Section 20.055(5), Florida Statutes, requires that the performance of internal audits be under the direction of the inspector general, except that if the inspector general does not possess the qualifications specified in Section 20.055(4), Florida Statutes, the performance of internal audits shall be under the direction of the director of auditing. Section 20.055(5), Florida Statutes, further requires such audits to be conducted in accordance with the current *Standards for the Professional Practice of Internal Auditing* and subsequent Internal Auditing Standards or Statements on Internal Auditing Standards published by The Institute of Internal Auditors, Inc., or, where appropriate, in accordance with generally accepted government auditing standards.
- (3) 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*

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*Auditing* or, if appropriate, generally accepted government auditing standards. The *Standards for the Professional Practice of Internal Auditing* consist of five general standards common in purpose and scope to standards promulgated by the United States Comptroller General as generally accepted government auditing standards. For purposes of our review, we were guided by the following categorization of standards established by The Institute of Internal Auditors, Inc., in its *Standards for the Professional Practice of Internal Auditing*:

- Independence – Internal auditors should be independent of the activities they audit.
- Professional Proficiency – Internal audits should be performed with proficiency and due professional care.
- Scope of Work – The scope of internal auditing should encompass the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control and the quality of performance in carrying out assigned responsibilities.
- Performance of Audit Work – Audit work should include planning the audit, examining and evaluating information, communicating results, and following up.
- Management of the Internal Auditing Department – The director of internal auditing should properly manage the internal auditing department.

- (4) During the review period the Honorable Edward M. Spooner served as Chairman of the Florida Parole Commission to October 2, 1998, and the Honorable Jimmie L. Henry served as Chairman from October 3, 1998. The Chairman delegated various responsibilities for the internal audit function to the Commission's Office of Inspector General and the employee designated as the Inspector General.

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- (5) Stanley J. Behmke served as Inspector General during the review period. As of December 31, 1998, there were two professional positions assigned to the Office of Inspector General, of which one was filled. The one position filled at December 31, 1998, was the Inspector General position.
- (6) The Inspector General issued one internal audit report and two investigative reports during the review period. The reports on these projects include one report 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 this audit report and the supporting working papers for compliance with applicable professional auditing standards.
- (7) Section 20.055(2)(i), Florida Statutes, effective October 1, 1994, provides that it shall be the duty and responsibility of each inspector general to ensure that an appropriate balance is maintained in the office of inspector general between audit, investigative, and other accountability activities. Upon our request, the Inspector General provided the following schedule estimating the percentage of work effort devoted to the activities performed during the review period:

Activity	Office of Inspector General Percentage of Work Effort
Audit Activities:	
Audits of Internal Agency Administration	49
Audits of External Contractor Performance	1
Investigative Activities	27
Activities Related to Performance Measures, Standards, and Procedures for the Evaluation of State Agency Programs	10
Special Projects	13
Total	100

## FINDINGS

<p style="text-align: center;"><b>Compliance With Professional Auditing Standards</b></p>
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- (8) Section 20.055, Florida Statutes, requires adherence to the current *Standards for the Professional Practice of Internal Auditing* or, where appropriate, generally accepted government auditing standards. Accordingly, management is responsible for establishing and maintaining a system of quality control which provides management with reasonable, but not absolute, assurance that audits will be conducted in accordance with professional auditing standards. The design of such a system should include consideration of the Office of Inspector General's and the internal audit function's objectives, policies and procedures, and organization and an assessment of the expected benefits and related costs of quality control policies and procedures.
- (9) Because of inherent limitations in any system of quality control, instances of procedural noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.
- (10) In our opinion, the system of quality control related to the Office of Inspector General and the internal audit function of the Florida Parole Commission was generally adequate to reasonably ensure compliance with professional auditing standards and Office of Inspector General policies and procedures during the period January 1, 1998, through December 31, 1998.

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**Compliance With Specific Provisions of  
Section 20.055, Florida Statutes**

- (11) We have reviewed the Florida Parole Commission's compliance with specific provisions of Section 20.055, Florida Statutes, governing the operation of the Office of Inspector General and the internal audit function. As part of our review, we performed such tests and other review procedures as we considered necessary. Our review indicated that for the period January 1, 1998, through December 31, 1998, the Commission 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.

**PRIOR REVIEW  
FINDINGS**

- (12) The Commission has corrected the deficiencies noted in report No. 12932, dated March 31, 1997.

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**AUTHORITY**

- (13) Pursuant to the provisions of Sections 11.45 and 20.055, Florida Statutes, and as part of the Legislature's oversight responsibility for operation of State agencies, this report, including all Exhibits thereto, presents the results of the **QUALITY CONTROL REVIEW OF THE OFFICE OF INSPECTOR GENERAL/INTERNAL AUDIT FUNCTION OF THE FLORIDA PAROLE COMMISSION FOR THE PERIOD JANUARY 1, 1998, THROUGH DECEMBER 31, 1998.**

Respectfully submitted,



Charles L. Lester, CPA  
Auditor General

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FOR THE PERIOD JANUARY 1, 1998, THROUGH DECEMBER 31, 1998

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**EXHIBITS**

[Exhibit A](#) Scope, Objectives, and Methodology

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[Exhibit B](#) Organizational Chart

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[Exhibit C](#) Summary of Audit and Investigative Reports

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EXHIBIT A  
SCOPE, OBJECTIVES, AND METHODOLOGY

Pursuant to Section 20.055(5), Florida Statutes, the inspector general is responsible for conducting financial, compliance, electronic data processing, and performance audits of the agency and preparing reports of the findings. During the review period, the Florida Parole Commission's Office of Inspector General completed various projects as directed by the Commission Chairman and determined by the Inspector General.

The reports on these projects, as summarized in Exhibit C, include one internal audit report and two investigative reports during the review period. The reports on these projects include one audit report 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 the one audit report and the supporting working papers for compliance with applicable professional auditing standards.

The objectives of our review were: (1) to study and evaluate the policies, procedures, and practices of the Office of Inspector General, including the internal audit function, to determine the extent to which management's system of quality control provides reasonable assurance that established policies and procedures and applicable auditing standards are being followed; (2) to determine the extent of compliance with

specific provisions of Section 20.055, Florida Statutes, governing State agencies' offices of inspectors general and the internal audit functions; and (3) to provide recommendations for improving the Commission's Office of Inspector General and the internal audit function.

The selection of reports for review was guided by the policies and procedures for performing quality control reviews approved by The Institute of Internal Auditors, other authoritative organizations, and the Auditor General. Audit reports selected for review were selected from a listing provided by the Inspector General which represents all audit reports issued during our review period.

Section 20.055(5)(a), Florida Statutes, requires that all audit reports issued by the internal audit staff include a statement that the audit was conducted in accordance with the *Standards for the Professional Practice of Internal Auditing* issued by The Institute of Internal Auditors, Inc., or generally accepted government auditing standards, as appropriate. Our review was limited to an audit which referenced applicable standards and which is required to be reviewed by law or professional auditing standards. Our review of this audit report enabled us to examine the quality of work employed during the period under review. A table

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EXHIBIT A (Continued)  
SCOPE, OBJECTIVES, AND METHODOLOGY

summarizing the audit and investigative reports issued by the Office of Inspector General during our review period and the percentage of reports included in our review is included in this report as Exhibit C.

Our review of the Commission's Office of Inspector General and the internal audit function was based primarily on the methodology presented in *The Institute of Internal Auditors' Quality Assurance Review Manual for Internal Auditing*. Our review included

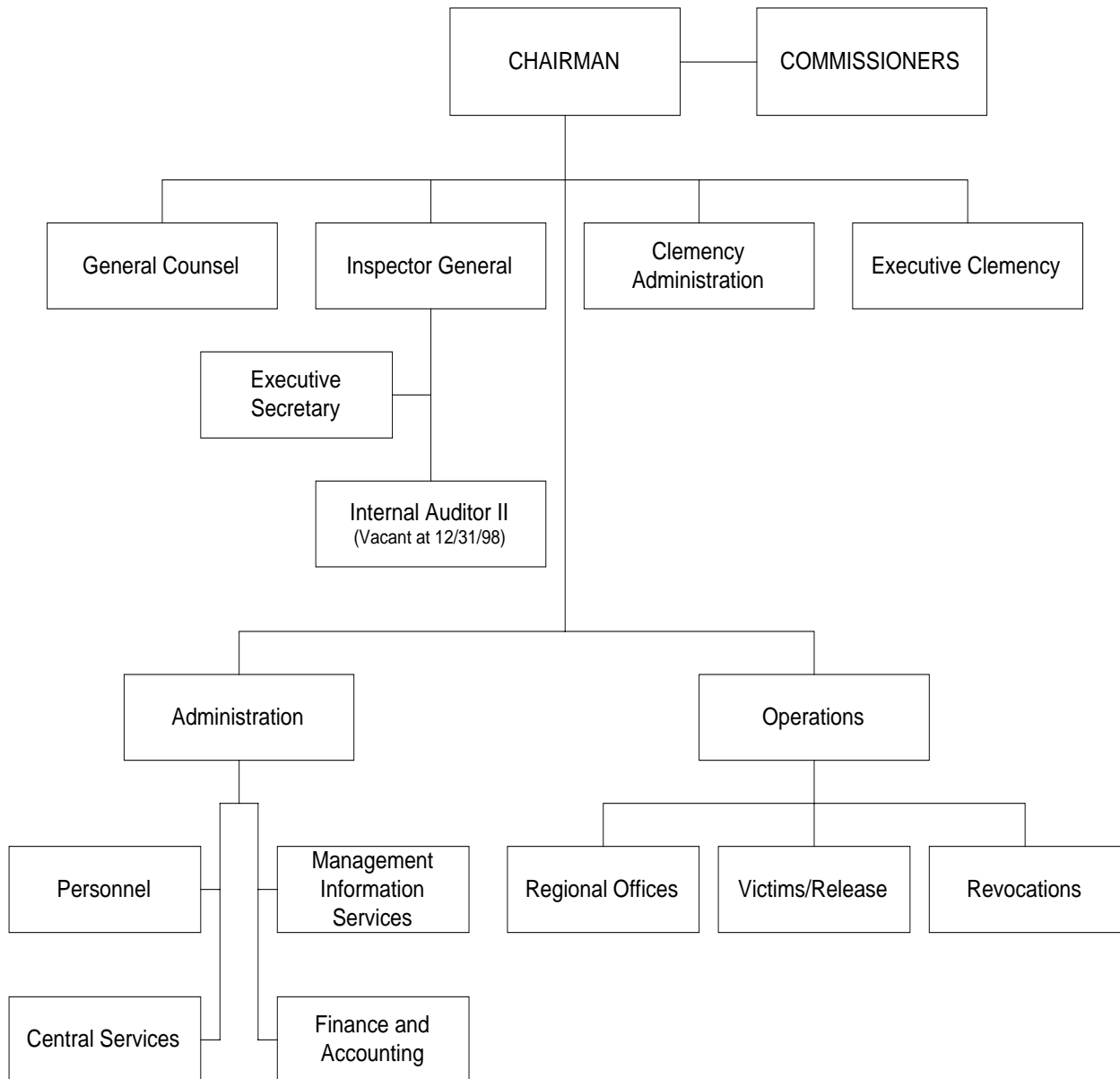
the evaluation of Office of Inspector General policies and procedures in effect for internal audit work completed during the period January 1, 1998, through December 31, 1998; interview of a selected agency manager; review of a questionnaire completed by the Commission's Inspector General; a review of one internal audit report and the related working papers; and such other review procedures as we considered necessary in the circumstances.

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EXHIBIT B  
ORGANIZATIONAL CHART  
As of December 31, 1998



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**EXHIBIT C  
 SUMMARY OF AUDIT AND INVESTIGATIVE REPORTS  
 For the Period January 1, 1998, Through December 31, 1998**

Type of Project Completed	Number of Reports Issued	Total Hours Applied to Projects	Number of Audit Reports Reviewed	Total Hours Reviewed	Percentage of Audit Effort Reviewed
Audits of Internal Agency Administration Referencing IIA Standards (1) and Generally Accepted Government Auditing Standards (2)	1	800	1	800	100
Investigations (4)	2	730	N/A (3)	N/A (3)	N/A (3)

- Notes: (1) The Institute of Internal Auditors, Inc., *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) Not Applicable. Reports on investigations are not subject to review by the Auditor General for compliance with Section 20.055(5)(f), Florida Statutes.  
 (4) No professional standards are required to be referenced in investigative reports.