



# AUDITOR GENERAL

## WILLIAM O. MONROE, CPA



### DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES OFFICE OF INSPECTOR GENERAL/INTERNAL AUDIT ACTIVITY

#### Quality Assessment Review

#### Summary

In our opinion, the quality assurance program related to the Office of Inspector General and the internal audit activity, as designed and implemented during the review period July 2002 through June 2003, provided 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 and internal audit activities.

#### 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. Section 11.45(2)(j), Florida Statutes, requires that the Auditor General, at least once every three years, 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*.

The Department's Office of Inspector General was assigned 11 positions. As authorized by statute, the Department's Inspector General delegated internal audit responsibilities to the Director of Auditing and four other positions. Three additional positions were dedicated to investigative activities. The Inspector General provided the following information regarding activities performed by these audit and investigative positions during the review period:

#### The Office of Inspector General

Activity Performed	Percentage of Work Effort (1)
Auditing Activities	37
Consulting Activities	12
Investigative Activities	38
PB <sup>2</sup> Activities (2)	13
	100

(1) Direct time charged to engagement activities.

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

The Director of Auditing identified 22 internal audit reports on engagements completed during the review period. Additionally, the Director of Auditing identified two consulting engagements that had also been completed within the Office's quality assurance program. Our review included an evaluation of two of these engagements (one audit report and one consulting report) and the related working papers for compliance with applicable professional auditing standards.

#### Report on Quality Assessment Review

Pursuant to Sections 11.45(2)(j) and 20.055, Florida Statutes, we have reviewed the quality assurance program for the Office of Inspector General/internal audit activity of the Department of Agriculture and Consumer Services in effect for the period July 2002 through June 2003. 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 activities.

A quality assurance program for the 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 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, *Government Auditing Standards*. The *IIA Standards*, as promulgated by the Institute of Internal Auditors, and *Government Auditing Standards*, as promulgated by the United States Comptroller General, generally provide comparable guidance for the conduct of assurance engagements. The *IIA Standards* also provide supplemental guidance for the conduct of consulting engagements.

Our review was modeled primarily on the methodology presented in The Institute of Internal Auditors' *Quality Assessment Manual, Fourth Edition*. 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/internal audit activity of the Department of Agriculture and Consumer Services, 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 those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general and internal audit activities.

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#### Authority

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Pursuant to the provisions of Sections 11.45 and 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

This quality assessment review was made in accordance with applicable *Government Auditing Standards* issued by the Comptroller General of the United States. This review was conducted by Martha B. Parker, CPA, and supervised by L. R. Weathermon, CPA. Please address inquiries regarding this report to L. R. Weathermon, Audit Manager, via E-mail at [lrweathermon@aud.state.fl.us](mailto:lrweathermon@aud.state.fl.us) or by telephone at (850) 488-9113.

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