

Internal Quality Assurance Review Advisory Memorandum 202223-28

June 28, 2023

Background and Introduction

One of the internal audit activity's major assets is its credibility with stakeholders. Delivery of a quality audit function requires both a systematic and disciplined approach. Successful programs have a commitment and balance of the right staff, precise systems, and a commitment to excellence. To provide credible audit work and findings to management, internal auditors must be perceived as professionals. A key element of professionalism within internal auditing requires conforming to a set of professional standards.

Section 20.055(6)(a), Florida Statutes, requires internal audits to be conducted in accordance with the current *International Standards for the Professional Practice of Internal Auditing* (Standards) or, where appropriate, generally accepted government auditing standards. The Standards, as promulgated by the Institute of Internal Auditors (IIA), provide guidance for the conduct of assurance and consulting engagements.

Standard 1300, *Quality Assurance and Improvement Program*, requires the Department's Chief Audit Executive to maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The quality assurance program for the Office of Inspector General's internal audit 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 and the Code of Ethics issued by the IIA. The quality assurance program for the Office of Inspector General is formally described in internal operating procedures, and supports the Office of Inspector General's intent to ensure consistent quality, as well as an ongoing commitment to growth and improvement.

The quality assurance program includes an annual internal quality assessment in years when an external quality assessment is not completed. External quality assessments are conducted by the State of Florida Auditor General once every three years, pursuant to Section 11.45(2)(i), Florida Statutes. The most recent external quality assessment was performed by the Florida Auditor General in March 2021. The report summarized that the "internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance with applicable professional auditing standards and the Code of Ethics issued by the Institute of Internal Auditors. 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 internal audit activities."

Results of Review

The IIA provides a system of rating the level of compliance with its Standards, which consists of three categories: “generally conforms,” “partially conforms,” and “does not conform.” The highest level of compliance is “generally conforms.” A rating of “generally conforms” means that an internal audit activity has policies, procedures, and activities judged to be in accordance with the Standards; however, there may be opportunities for improvement.

It is our opinion that the internal audit activity for the Department’s Office of Inspector General generally conforms to the Standards.

Purpose, Scope, and Methodology

The purpose of this engagement was to assess the Department’s Office of Inspector General’s compliance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the IIA.

The scope of this engagement included the procedures and practices in effect in June 2023.

The methodology included utilization of the 2017 Quality Assessment Manual for the Internal Audit Activity issued by the Internal Auditors Research Foundation, and the Standards effective January 1, 2017.

Distribution, Statement of Accordance, and Project Team

Distribution

Dave Kerner, Executive Director
Jennifer Langston, Chief of Staff
Robert Kynoch, Deputy Executive Director

Statement of Accordance

Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This advisory engagement was conducted in accordance with applicable *The International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and Principles and Standards for Inspectors General published by the Association of Inspectors General.

Project Team

Engagement conducted by:
Calvin Grissett, Auditor

Under the supervision of:
Erin Mook, Audit Director

Approved by:



Mike Stacy, Inspector General