

# Florida Office of Financial Regulation

## Administrative Policies & Procedures

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**TITLE:** Office of Inspector General Internal Audit Charter

**NUMBER** OFR AP&P 5-1<sup>1</sup>

**EFFECTIVE DATE:** October 11, 2011

**REVISED:** February 19, 2019

**APPROVED BY:** Deputy Commissioner

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### I. PURPOSE

The purpose of the Office of Inspector General (OIG) is to promote accountability, integrity, and efficiency in the Office of Financial Regulation (OFR). The purpose of this charter is to formally define the authority and responsibility for the internal audit activity within the OIG, as required by International Standards for the Professional Practice of Internal Auditing Nos. 1000 and 1010.

Section [20.055](#), Florida Statutes, serves as the official charter for the entire OIG. Certain characteristics include:

- Reporting directly to the OFR Commissioner;
- Having unrestricted access to all records, properties, functions, and personnel necessary to effectively perform its responsibilities;
- Having complete independence with respect to the units under the internal audit activity, consequently, not subject to restriction in the scope of its work by management; and
- Cannot assume any management type responsibilities that could reasonably be construed to compromise its independence and objectivity.

### II. SCOPE

This policy is applicable to all OFR staff.

### III. REFERENCES

- A. Florida Statutes, Section [20.055](#)

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<sup>1</sup> Previously titled OFR AP&P 2-1

- B. Florida Statutes, Sections [112.311 – 112.326](#) - Florida Code of Ethics for Public Officers and Employees
- C. The Institute of Internal Auditors' (IIA) International Professional Practices Framework, 2017 Edition
- D. [OFR AP&P 1-2](#)<sup>2</sup>, Ethics and Professional Responsibility
- E. Principles and Standards for Offices of Inspector General

#### IV. DEFINITIONS

Internal Auditing - an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control, and governance processes. The services provided by the OIG Internal Audit section are:

- 1. Assurance Services - an objective examination of evidence for the purpose of providing an independent assessment on risk management, control, or governance processes for the organization. Examples may include financial, performance and compliance.
- 2. Consulting Services - an advisory and related client service activity of which the nature and scope are agreed upon with the client and which are intended to add value and improve the governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples may include counsel, advice, facilitation, and training.

#### V. GENERAL GUIDELINES AND PROCEDURES

The OIG has a responsibility to inform and advise management of significant deficiencies or other substantive issues noted in the course of its internal audit activities. The responsibilities of the OIG are provided in Section [20.055](#), Florida Statutes, and include:

- 1. Advise in the development of performance measures, standards, and procedures;
- 2. Assess the reliability and validity of the information provided by the OFR on performance measures and standards, and make recommendations for improvement;
- 3. Review actions taken by the OFR to improve program performance, meet program standards, and make recommendations for improvement, if necessary;
- 4. Provide direction for, supervise, and coordinate audits, management reviews and other accountability activities relating to programs and operations of the OFR;

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<sup>2</sup> Previously titled OFR Guideline Memo – 006

5. Conduct, supervise, or coordinate other activities carried out or financed by the OFR for the purpose of promoting economy and efficiency;
6. Keep the Commissioner informed concerning fraud, abuses, and deficiencies relating to the OFR programs and operations and recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action;
7. Ensure effective coordination and cooperation between the Auditor General staff, federal auditors, and other government bodies with a view to avoiding duplication; and
8. Review, as appropriate, rules relating to the programs and operations of the OFR and make recommendations concerning their impact.

## **VI. PROFESSIONALISM**

The OIG Internal Audit section will follow the International Professional Practices Framework (2017 Edition), developed by the IIA, and the Principles and Standards for Offices of Inspector General developed by the Association of Inspectors General. The OIG will comply with the Code of Ethics published by the IIA, the Florida Code of Ethics for Public Officers and Employees as codified in [Sections 112.311 – 112.326](#), Florida Statutes, and [OFR AP&P 1-2](#)<sup>3</sup>, Ethics and Professional Responsibility. In addition, the OIG Internal Audit section will adhere to the OFR policies and procedures and relevant Department of Financial Services policies and procedures.

## **VII. STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING**

The OIG Internal Audit section will govern itself by adherence to the IIA's Mandatory Guidance, which includes the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The IIA's Mandatory Guidance constitutes the fundamental requirements for the professional practice of internal auditing and the principles against which to evaluate the effectiveness of the internal audit activity's performance.

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<sup>3</sup> Previously titled OFR Guideline Memo – 006