

## What Is An Audit?

Office of Inspector General (OIG) audits are part of the Department's system of "checks and balances." Audits provide management with independent objective assessments of activities and recommendations for improvements in



operations. They are a review of a selected program, activity, or function which, depending on the scope and objectives of the audit, can determine whether:

- ◇ Desired results and objectives are achieved efficiently and effectively;
- ◇ Systems are in place to ensure compliance with laws, policies, procedures and regulations; and
- ◇ Financial and operating information is accurate, complete and reliable.

Although the OIG provides other types of services, an audit is the most comprehensive. Audits are conducted in accordance with statutory requirements and internationally recognized professional auditing standards.

## How Are Audits Selected?

Our office works with Department employees and managers to develop an annual audit plan that is approved by the Commissioner of Education. Some audits are required by law; other projects included in the plan are requested by management. Most audits are chosen through a risk assessment process which evaluates DOE activities using the following factors: where the Department spends the most money, impacts on education, time since last audit, results of previous audits, complexity and geographic dispersion of operations, and employee or management concerns.

### What if This is a Bad Time?

We try to minimize the impact of being audited and accommodate an office's work schedule.

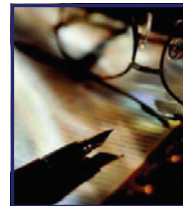
## What Is the Audit Process?

The audit process is a logical series of steps that help ensure the objectives of the audit or review are properly addressed and results are supportable and reasonable. The process is generally divided into three phases - planning, fieldwork and reporting.

### ◆ Planning

Before an audit begins, we notify management through an "engagement letter." This communication includes a general description of the planned audit work, who will be involved and when the audit will start.

Then, an entrance conference is scheduled. This is a meeting between the OIG and management of the area being audited. Its purpose is to introduce the audit team, discuss the purpose of the project, seek input about the project's direction and scope, and solicit comments and concerns from management.



Following the entrance conference, auditors conduct research to gain an understanding of the area(s) being audited. During this phase, we review laws, policies, procedures, organization charts, position descriptions, industry literature, and other relevant information. We also normally interview management and staff members. At the end of this phase, specific audit work steps are established in an audit program used to guide the audit team.

### ◆ Fieldwork

The fieldwork phase typically involves data collection, review of existing procedures and processes, and analysis of information. Testing and other procedures are performed to accomplish our audit objectives. Fieldwork is the most time-consuming part of the process for Department staff, as this phase usually includes activities such as providing data, pulling files and answering questions. We strive to keep management aware of any potential audit issues arising during the course of the fieldwork phase.

### ◆ Reporting - First Draft

Once fieldwork is complete, we prepare a draft report that identifies potential audit findings and recommendations for corrective action. This report is sent to management of the audited area for review before the exit conference is scheduled.

### ◆ Exit Conference

The exit conference is an opportunity to discuss the draft report and make certain the information in the draft report is accurate. Minor issues encountered during the audit but not significant enough to include in the report may also be discussed at this meeting. The draft report may be modified based on discussions in this meeting and/or additional information provided to the audit team.

### ◆ Reporting - Management Response

After the exit conference, a report of preliminary and tentative findings is issued for management response. The manager of the program, function or operational unit has, by statute, 20 working days to respond in writing to findings and recommendations contained in the report. Management responses are included in the final report. A management response should be provided for each finding and include a statement indicating whether management concurs with the findings, an explanation of what will be done to implement the recommendations and an anticipated completion date for corrective action.

### ◆ Reporting - Final Report Distribution

After management responses are received, a final report is sent to the Commissioner, the Governor's Office and the Legislature. We also distribute reports to appropriate Department management and other interested parties. Unless they contain confidential or sensitive information, reports are posted to our web site.



## How Long Do Audits Last?

Audits vary in length from a few weeks to several months, depending on the complexity of the project and the amount of required research. We strive to keep management informed about our progress and attempt to minimize disruption to staff and operations during the process.

## Client Survey

In order to improve the services provided by the OIG, we send a client survey to management at the conclusion of the project. This survey offers the client an opportunity to evaluate the work of our staff and the usefulness of the report's conclusions and recommendations.

## What Can I Expect of the Auditor?

Auditors should be independent and objective and have an impartial, unbiased attitude in performing their work. Auditors also should avoid conflicts of interest in all matters relating to the audit work.

Auditors are expected to exhibit the highest level of professionalism in all of their work. Auditors will:

- ◆ Maintain the highest degree of integrity, objectivity and independence in applying professional judgment to all aspects of their work;
- ◆ Use professional judgment in planning and performing audits and in reporting the results;
- ◆ Exercise reasonable care and diligence;
- ◆ Apply the care and skill expected of reasonably prudent and competent auditors; and
- ◆ Show courtesy and respect in all contacts with DOE employees and persons outside the Department.



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## What Does Internal Audit Do?

Florida statutes require each state agency to have an Office of Inspector General (OIG). The purpose of the OIG is to perform activities that promote accountability, integrity and efficiency in government. The Internal Audit section within the OIG focuses on accountability and efficiency.

When most people hear “auditing,” they think of a financial audit or verifying accounts. While this is an important aspect of auditing, our focus is much broader. We help the Department accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control compliance and governance processes. We provide value to the Department by assuring that risk exposures are understood and managed. In addition to audits, our services include:

- ◆ Consulting Services
- ◆ Performance Measure Validation
- ◆ Procedure Reviews
- ◆ Risk Assessment

To report waste, fraud and abuse or provide suggestions on how the state can save money, please call the Office of Inspector General at the number below. You may also call the Department of Financial Services Get Lean Line at 800-438-5326.

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Department of Education  
Office of Inspector General

## Internal Audit



## What To Expect During An Audit

*Information in this document explains the OIG audit process. We hope it will be of value to you in better understanding our activities.*

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