

**DEPARTMENT OF FINANCIAL SERVICES  
OFFICE OF INSPECTOR GENERAL**

**SIX-MONTH FOLLOW-UP REPORT  
STATUS OF CORRECTIVE ACTION**

<b>Reviewing Entity</b>	<b>Report</b>	<b>Report Title</b>	<b>Date Published</b>
State of Florida Auditor General	2021-217	Department of Financial Services Office of Inspector General's Internal Audit Activity Quality Assessment Review	6/22/2021
<b>Finding 1</b>	The internal audit activity did not demonstrate compliance with professional auditing standards by appropriately restricting access to engagement working papers, ensuring engagement work programs were approved prior to implementation, and conducting periodic internal assessments to evaluate conformance with the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (IIA Standards).		
<b>Recommendation</b>	<p>We recommend that office management enhance controls to ensure that:</p> <ul style="list-style-type: none"> <li>• Only internal auditors assigned to an engagement have update access privileges to the working papers and that update access to the working papers is promptly removed after the completion of an engagement.</li> <li>• Work programs are approved, and the approvals are documented, prior to implementation of the work programs.</li> <li>• Periodic internal assessments and project quality assurance reviews are conducted in accordance with the IIA Standards of Office policies and procedures.</li> </ul>		
<b>Responsible Division</b>	Department of Financial Services (DFS) Office of Inspector General (OIG)		
<b>Original Response</b>	<p>The Office of Inspector General's Internal Audit Activity is working to implement the following in response to this engagement:</p> <ul style="list-style-type: none"> <li>• We are implementing an electronic working paper environment that will provide access controls consistent with those identified in this engagement and updating access control procedures to restrict access to audit working papers to only internal audit staff assigned to an engagement and OIT staff that require access to perform necessary system administrator duties. Where appropriate, the OIG will restrict access to working papers after completion of an engagement.</li> <li>• We are revising our engagement program and policies and procedures to ensure that engagement work programs for each individual project will be approved by both the Director of Audit and the Inspector General prior to the beginning of fieldwork.</li> <li>• We are updating our policies and procedures on internal assessments and will implement these policies and procedures to ensure that the internal audit section completes periodic internal assessments and project specific quality assurance reviews, as necessary.</li> </ul> <p><b>Expected Completion Date for Corrective Action:</b> December 31, 2021</p>		
<b>Six-month Follow-up:</b>	December 22, 2021		
<b>Reported Status</b>	The Office of Inspector General has implemented the following corrective actions in response to the quality assessment review performed in May 2021:		

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	<ul style="list-style-type: none"><li>• We have implemented an electronic working paper environment that provides the ability to control access to each engagement using a confidential check box. When the check box is utilized only the auditors assigned to the audit may view and edit information within the project. Additionally, once the audit documents are final approved by the supervisor the system turns the document into a read only document in which edit capability can only occur if the final approval is removed by the supervisor.</li><li>• We have revised our engagement process to ensure that engagement work programs for each project will be approved by both the Director of Audit and the Inspector General prior to beginning fieldwork.</li><li>• We have revised our policies and procedures on quality assurance to ensure that the audit section completes periodic internal assessments and project specific assurance reviews for each project.</li></ul>
<b>Expected Completion Date for Corrective Action</b>	<b>Completed</b>