



MEMORANDUM

TO: Dean Colson, Chair, Board of Governors
Jan Ignash, Interim Chancellor
Marshall Criser, III, Chancellor-Designate, Board of Governors

FROM: Joseph K. Maleszewski, Inspector General and Director of Compliance 

DATE: December 6, 2013

RE: Six-month Follow-up Report to Auditor General Quality Assessment
Review, Report No. 2013-188, Issued June 2013

On October 3, 2013, I provided the attached report of corrective actions taken in response to the Auditor General's Quality Assessment Review of the Office of Inspector General and Director of Compliance, Internal Audit Activities (Report No. 2013-188 issued June 2013). As of that date, all required corrective actions are complete.

This submission is to fulfill the requirement of Section 20.055(5)(h), Florida Statutes, to provide a six-month follow-up report to you and the Joint Legislative Auditing Committee.

I would like to thank Lori Clark for her hard work and dedication to the completion of these tasks.

Please contact me if you have any questions or need additional information.

JKM/lc

C: Alan Levine, Chair, Audit and Compliance Committee
Mori Hosseini, Vice Chair, Board of Governors
Randy Goin, Chief of Staff

Attachment: Six-month Follow-up Report



STATE
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December 6, 2013

Representative Lake Ray and Senator Joseph Abruzzo
Alternating Chairs
Joint Legislative Auditing Committee
111 West Madison Street, Room 876
Claude Pepper Building
Tallahassee, FL 32399-1400

Re: Six-month Follow-up to Auditor General Quality Assessment Review, Report No. 2013-188, issued June 2013

Dear Representative Ray and Senator Abruzzo:

Pursuant to Section 20.055, Florida Statutes, attached is the State University System of Florida Board of Governors Office of Inspector General (OIG) written response to the board chair and chancellor regarding the status of corrective actions taken by this office in response to the Quality Assessment Review, Report No. 2013-188. All corrective actions have been implemented.

Please contact me immediately if you have any questions or need additional information.

Respectfully,

A handwritten signature in blue ink that reads "Joseph K. Maleszewski".

Joseph K. Maleszewski, MBA, CIG, CIA, CISA
Inspector General and
Director of Compliance

JM/lc

C: Kathryn H. DuBose, Coordinator, JLAC
Dean Colson, Chair, Board of Governors
Jan Ignash, Interim Chancellor

Representative Ray and Senator Abruzzo

December 6, 2013

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Marshall Criser, III, Chancellor-Designate

Randy Goin, Chief of Staff, Board of Governors

Mori Hosseini, Vice Chair, Board of Governors

Alan Levine, Chair, Board of Governors, Audit & Compliance Committee

David Martin, Auditor General

Attachment: Six-month Follow-up Report



Office of Inspector General and Director of Compliance

Six-month Follow-up to the Quality Assessment Review Report No. 2013-188, June 2013

The purpose of this document is to demonstrate the planned and completed corrective actions resulting from the Auditor General's Quality Assessment Review of the Office of Inspector General and Director of Compliance, Internal Audit Activities (Report No. 2013-188, issued June 2013).

The Auditor General's report contained two findings and recommendations included as Appendix A. As a result of these findings and recommendations, the OIGC developed a six-point Corrective Action Plan (CAP). As of October 2, 2013, all corrective actions were complete. We provide the following summary of issues and associated corrective actions in support of completed corrective actions.

No.	Issue	Recommendation	Actions taken
1A	Lack of Compliance with the <i>IIA Standards</i> : Staff did not receive necessary training to enhance internal audit knowledge, skills and competencies.	"To demonstrate compliance with Section 1230 of the <i>IIA Standards</i> , we recommend that the Inspector General ensure that appropriate training is obtained and documented in accordance with the Office's <i>Policies and Procedures Manual</i> ."	The two current OIGC staff members are in compliance with the training requirements as described in Practice Advisory 1230-1 of the <i>International Professional Practices Framework</i> . For the Calendar year-to-date, the Inspector General has received 41 hours of continuing professional education (CPE) hours and the Compliance Analyst has completed 56 CPE hours. Status: Complete.
1B	Lack of Compliance with the <i>IIA Standards</i> : The OIG did not maintain a listing of continuing education credits for each staff; the Compliance Analyst did not receive any direct training related to the performance of audits or related auditing standards.	(Same as above)	A filing system has been developed for training records. All training is logged and supporting documentation maintained. Status: Complete.
2A	Lack of Compliance with S. 20.055, F.S.: No audits were	AG's Comments: "The conduct of audits and the maintenance of records of the	A systematic risk assessment process has been completed, and a Long-Term

No.	Issue	Recommendation	Actions taken
	issued since the Office's inception (2007) and 2012, except for the Ethics Climate Audit issued August 2, 2012.	Office's work effort would allow the Office to demonstrate a better balance between audit, investigative, and other accountability activities." AG's Recommendation: "We recommend that the Board take actions to enhance Office compliance with statutory requirements related to the conduct of audits and preparation of audit reports, maintenance of an appropriate balance of work effort, and the educational credentials. Additionally, we recommend that the Inspector General ensure that long-term and annual audit plans are developed and submitted to the Board's Audit Committee for review and approval."	and Annual Audit Plan for the 2013-2014 fiscal year developed by the Inspector General and approved by the Audit and Compliance Committee as well as the full board in June 2013. The Plan includes two audit projects each year for the next three years. Status: Complete
2B	Lack of Compliance with S. 20.055, F.S.: The Office had not established a mechanism to track the time and tasks related to each (audit and investigative) project.	(Same as above)	The OIGC has developed a time keeping procedure and associated spreadsheet for tracking staff hours. OIGC staff members are utilizing this procedure and spreadsheet. Status: Complete
2C	Lack of Compliance with S. 20.055, F.S.: The IG must have the appropriate educational background as required in S. 20.055(4), F.S.	AG's Comments: "Our review disclosed that, while the Inspector General had substantial experience working in the role of an Inspector General, Board records did not contain evidence to demonstrate that the educational background of the incumbent Inspector General met the requirements of Section 20.055(4), Florida Statutes." (See AG's Recommendation in 2A above) In response to the finding, the board office response indicated "Regarding the educational and qualification requirements in Section 20.055(4), Florida Statutes for an inspector general or director of auditing, we believe the board's records have established compliance."	The Board of Governors appointed Joseph K. Maleszewski for the State University System effective September 9, 2013. He has more than 20 years - serving primarily within the Offices of Inspector General at four agencies. His education, certification and experience fulfill the requirements contained in Section 20.055(4), Florida Statutes. Status: Complete
2D	Lack of Compliance with S. 20.055, F.S.: No long-term audit plan has been developed, and no annual audit plan was approved until 2011-2012.	AG's Comments: "The development of long-term and annual audit plans that are subjected to the review and approval by the Board's Audit Committee would better ensure the Office's responsiveness to the accountability needs of the Board." (See AG's Recommendation in 2A above)	A Long-Term and Annual Audit Plan for the 2013-2014 fiscal year developed by the Inspector General and approved by the Audit and Compliance Committee as well as the full board in June 2013. Status: Complete

Appendix A – Findings and Recommendations

Finding No. 1: In our opinion, the quality assurance program related to the Office of Inspector General's internal audit activity was adequately designed and complied with during the review period July 2011 through August 2012 to provide reasonable assurance of conformance with applicable professional auditing standards. While not material to overall conformance to professional standards, the internal audit activity can better ensure that Office staff maintain and enhance their professional proficiency and technical competence by requiring and maintaining records of appropriate continuing professional development.

Recommendation: To demonstrate compliance with Section 1230 of the IIA Standards, we recommend that the Inspector General ensure that appropriate training is obtained and documented in accordance with the Office's Policies and Procedures Manual.

Finding No. 2: In addition, in some instances, the Board and the Office did not demonstrate compliance with the provisions of Section 20.055, Florida Statutes, which governs the internal audit activities of the offices of inspectors general. To enhance compliance with Section 20.055, Florida Statutes, Board management and the Inspector General should address matters related to the conduct of audits and preparation of audit reports; maintenance of an appropriate balance between audit, investigative, and other accountability activities; educational credentials; and the development of a long-term audit plan based on periodic risk assessments.

Recommendation: We recommend that the Board take actions to enhance Office compliance with statutory requirements related to the conduct of audits and preparation of audit reports, maintenance of an appropriate balance of work effort, and educational credentials. Additionally, we recommend that the Inspector General ensure that long-term and annual audit plans are developed and submitted to the Board's Audit Committee for review and approval.