

October 29, 2014

Mr. Steve Auger, Executive Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, FL 32301

Dear Mr. Auger:

Section 20.055(5)(h), Florida Statutes(F.S.), and Office of Inspector General (OIG) Audit Procedures require that this office monitor the implementation of Florida Housing Finance Corporation's (Florida Housing) response to reports issued by the Auditor General. No later than six months after the report is published, the OIG shall provide a written response to the agency head on the status of corrective actions taken.

In April 2014, the Auditor General issued Report No. 2014-189, *Quality Assessment Review of the Internal Audit Activity of Florida Housing Finance Corporation's Office of Inspector General*. As indicated on the attached spreadsheet, the OIG's review disclosed that corrective actions have been fully implemented to address all of the audit recommendations.

Pursuant to Section 20.055(5)(h), F.S, a copy of this response will also be provided to the Joint Legislative Auditing Committee.

We are available to answer any questions you may have.

Sincerely,



Christopher T. Hirst
Inspector General

cc: Kathy Dubose, Coordinator, Joint Legislative Auditing Committee
Brian Katz, Chair, Florida Housing Finance Corp. Audit Committee
Matthew Tracy, Audit Manager, Auditor General
Melinda Miguel, Chief Inspector General, Executive Office of the Governor

Rick Scott, Governor

Board of Directors: Bernard "Barney" Smith, Chairman • Natacha Munilla, Vice Chairman
Ray Dubuque • John David Hawthorne Jr. • Brian Katz • Leonard Tylka • Howard Wheeler
Bill Killingsworth, Florida Department of Economic Opportunity

Executive Director: Stephen P. Auger

Florida Housing Finance Corporation, Office of Inspector General
Six-Month Status Report on Corrective Actions Taken for
Auditor General Report No. 2014-189
Quality Assurance Review of the Internal Audit Activity
Issued April 2014

AUDITOR GENERAL FINDING	AUDITOR GENERAL RECOMMENDATION	STATUS AS OF OCTOBER 2014
No. 1: Compliance IIA Standards		
<i>Planning:</i>		
(1) The Review disclosed no evidence of the Office's [OIG's] consideration of significant risks, internal control, and risk management in planning the engagement.	No. 1 (Overall): We recommend that the Inspector General ensure that <i>IIA Standards</i> are followed during engagement planning, field work, and reporting. To promote and demonstrate the Office's compliance with the <i>IIA Standards</i> , we recommend that the Inspector General ensure that all <i>IIA Standards</i> are addressed in the Office's policies and procedures, engagement documentation is properly prepared and retained, and the documentation supporting staff member CPE hours is maintained.	The Internal Audit policies have been revised and approved and address all <i>IIA Standards</i> . Audit working papers now include documentation of consideration of significant risks, internal control and risk management performed in the planning stage of the audit.
(2) Records did not demonstrate that the probability of significant errors, fraud, noncompliance and other exposures were considered in developing the engagement objectives.		Audit working papers now include documentation of compliance with this requirement.

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(3)The Review disclosed no evidence of the Office's resource allocation to the engagement.	See Page 1	Audit working papers now include documentation of compliance with this requirement.
<i>Field Work:</i>		
(1) The Office was unable to locate the hardcopy working papers for the engagement and electronic engagement files did not demonstrate compliance with all applicable <i>IIA Standards</i> . Also, the Office had not established a record retention policy for engagement files.		Audit working papers now include documentation of compliance with this requirement. The current policies include a record retention policy for engagement files.
(2) The Office's engagement file records contained only limited evidence of supervision.		Audit working papers now include evidence of supervisory review as required by the <i>IIA Standards</i> .
<i>Reporting:</i>		
(1) While the objectives, scope, conclusions, and recommendations were included in the engagement report, the action plan was not included.		Final Internal Audit reports now include the auditee's response to the audit findings and the corrective action plan.
(2) The final audit report had not been submitted to the Auditor General.	Final Internal Audit reports are now submitted to the Auditor General.	

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<i>Proficiency and Due Care:</i>	See Page 1	
The Office did not maintain records documenting the continuing professional education (CPE) hours obtained by the former staff.		Revised Internal Audit procedures now require that copies of documented proof of course completion be maintained in the OIG files.
No. 2: Compliance with Statutory Requirements		
Contrary to the requirements of Section 20.055(5)(e), F.S., the Office did not include the response submitted by the auditee in the final audit report.	No. 2 (Overall): We recommend that the Inspector General ensure that audit reports are prepared and distributed as required by Section 20.055, F.S.	Final Internal Audit reports now include the auditee's response.
While a copy of the final report was submitted to the Corporation's Executive Director, contrary to the requirements of Section 20.055(5)(f), F.S., a copy of the report was not submitted to the Auditor General.		Final Internal Audit reports are now submitted to the Auditor General.