
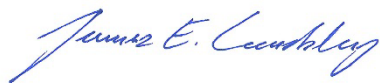


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|  |                                     | <b>Office of Inspector<br/>General Charter</b> | <b>POLICY NUMBER<br/>OIG 001</b> |
| <b>TITLE:</b>   | Office of Inspector General Charter |  |                                  |
| <b>RESPONSIBLE OFFICE:</b>  | Office of Inspector General         |  |                                  |
| <b>EFFECTIVE:</b>   | July 1, 2023                        |  |                                  |

**Approved:**



**James E. Landsberg, Inspector General**

**I. Authority:**

Section 20.055, Florida Statutes (F.S.), establishes an Office of Inspector General (OIG) in each state agency.

**II. Purpose:**

The purpose of this document is to serve as the Office of Inspector General’s Charter. It identifies the authority under which the OIG operates, and specifies its mission, vision, standards of work, code of ethics, access, independence and objectivity, organization, and responsibilities.

Section 20.055, F.S., establishes an OIG in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government and to conduct independent and objective audits, investigations, and reviews relating to the programs and operations of the Florida Department of Commerce (Department).

The **Mission** of the OIG is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

Our **Vision** is to be:

- Championed by our customers,
- Benchmarked by our counterparts, and
- Dedicated to quality in our products and services.

It is our priority to deliver value-added services marked by objectivity, timeliness, and sufficiency.

### III. Standards of Work:

All work in the OIG is conducted in accordance with the *Principles and Standards for Offices of Inspector General*, published by the Association of Inspectors General (AIG). Audit engagements are performed in accordance with the *International Professional Practices Framework* (Standards for the Professional Practice of Internal Auditing), published by the Institute of Internal Auditors (IIA), or, where appropriate, in accordance with generally accepted governmental auditing standards and *Information Systems Auditing Standards* published by the Information Systems Audit and Control Association (ISACA). These standards require that auditors plan and perform the audit to obtain sufficient and appropriate evidence that provides a reasonable basis for findings and conclusions pursuant to the audit objectives. Investigation assignments are to be performed in accordance with the Quality Standards for Investigations included in the *Principles and Standards for Offices of Inspector General*.

### IV. Code of Ethics:

All OIG staff have a responsibility to conduct themselves so that their good faith and integrity are not open to question. All OIG staff shall abide by the *Florida Code of Ethics for Public Officers and Employees* as codified in Sections 112.311-112.326, F.S., Executive Order 19-11, which adopts the Executive Office of the Governor's Code of Ethics and Code of Personal Responsibility, and the Department's Code of Ethics.

### V. Access:

The Inspector General (IG) and his staff shall have access to any records, data, and other information of the Department deemed necessary to carry out his duties consistent with Section 20.055, F.S. This statute provides for free and unrestricted access to all persons, records, properties, businesses, organizations, or agencies needed to accomplish the OIG's duties and responsibilities. Such authority extends to audits, reviews, or investigations of contracts and other agreements or relationships with contractors, consultants, partners, or vendors providing goods or services to the Department as well as to those internal to the Department.

Consistent with the provisions of the Employee Handbook section entitled *Cooperation with Official Department Investigations*, employees of the Department must cooperate with duly appointed investigators from the OIG to uncover the facts surrounding possible violations in an official investigation.

### VI. Independence and Objectivity:

In accordance with Section 20.055(3)(d), F.S., the department head or department staff shall not prevent or prohibit the IG from initiating, carrying out, or completing any audit or investigation.

In accordance with Section 20.055(7)(d), F.S., the IG shall conduct investigations and other inquiries free of actual or perceived impairment to the independence of the IG or staff within the OIG. This

shall include freedom from any interference with investigations and timely access to records and other sources of information.

## VII. Organization:

The IG shall be under the general supervision of the agency head for administrative purposes, shall report to the Chief Inspector General (CIG), and may hire and remove staff within the OIG in consultation with the CIG but independently of the agency. The Department's Secretary shall, through the Department's operational and financial processes, provide all required office space and equipment, funding, and administrative support.

## VIII. Responsibilities:

Certain responsibilities of the OIG are established in Section 20.055, F.S., and Sections 112.3187 – 112.31895, F.S. The OIG is divided into two functional sections: Audit and Investigations. Some responsibilities relate primarily to one section, while others are considered office-wide responsibilities. Those responsibilities, which are office-wide, include:

- Keeping the Secretary of the Department and management informed concerning fraud, abuse, and deficiencies relating to programs and operations administered or financed by the Department; recommending corrective action concerning fraud, abuse, and deficiencies; and reporting on progress made in implementing corrective action; and
- Ensuring that an appropriate balance is maintained between audit, investigative, and other accountability activities.
- When the IG or a member of the staff receives from an individual a complaint or information that falls within the definition provided in Section 112.3187(5), F.S., the name or identity of the individual shall not be disclosed to anyone else without the written consent of the individual, unless the IG determines that such disclosure is unavoidable during the course of the audit, evaluation or investigation.

The responsibilities of each section are described below:

## IX. Audit:

The **Mission** of the Audit Section is to promote integrity, accountability, and process improvement by providing objective, timely, sufficient and value-added audit services.

Internal auditing is 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 the effectiveness of risk management, control, and governance processes.

The internal audit activity offers two types of services:

**Office of Inspector General Charter**  
**OIG 001**

- An Assurance Service is an objective examination of evidence for the purpose of providing an independent assessment of risk management, control, or governance processes for the organization. Examples may include financial, performance, compliance, system security and due diligence engagements; and
- A Consulting Service is an advisory and related client-service activity, the nature and scope of which is agreed upon with the client and is intended to add value and improve an organization's operations. Examples include counsel, advice, facilitation, process design, and training.

The Audit Section provides independent appraisals of the performance of Department programs and processes, including the appraisal of management's performance in meeting the Department's information needs while safeguarding its resources. The Audit Section ensures costs proposed and charged to the Department through contracts and agreements with external entities are accurate, reasonable, and comply with applicable federal and state procurement regulations.

Pursuant to Sections 20.055(2)(a) through (h), F.S., the internal audit activity of the OIG shall be responsible for:

- Advising in the development of performance measures, standards, and procedures for evaluation of Department programs;
- Assessing the reliability and validity of information provided by the Department on performance measures and making recommendations for improvement, if necessary, prior to submission of those measures and standards to the Governor's Budget Office;
- Reviewing actions taken by the Department to improve program performance and meet program standards and, if necessary, making recommendations for improvement;
- Providing direction for, supervising, and coordinating audits, investigations, and management reviews relating to the programs and operations of the Department;
- Conducting, supervising, or coordinating other activities carried out or financed by the Department for the purpose of promoting economy, efficiency, and prevention and detection of fraud and abuse in its programs and operations;
- Ensuring effective coordination and cooperation between the state Auditor General (AG), federal auditors, and other governmental bodies with a view toward avoiding duplication of efforts;
- Reviewing rules, as appropriate, relating to the programs and operations of the Department and making recommendations concerning their impact;
- Complying with the General Principles and Standards for Offices of Inspector General as published and revised by the AIG; and,
- Preparing an annual report, not later than September 30 of each year, summarizing the activities of the office during the immediately preceding state fiscal year.

**Office of Inspector General Charter**  
**OIG 001**

Further, pursuant to Section 20.055 (6)(a) through (i), F.S., the audit function of the OIG shall, in carrying out the auditing duties and responsibilities of Section 20.055, F.S., review and evaluate internal controls necessary to ensure the fiscal accountability of the state agency. The IG shall conduct financial, compliance, electronic data processing, and performance audits of the agency and prepare audit reports of his or her findings. The scope and assignment of the audits shall be determined by the IG; however, the Secretary may at any time request the IG to perform an audit of a special program, function, or organizational unit. The performance of the audit shall be under the direction of the IG.

- Such audits shall be conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* as published by the IIA or, where appropriate, in accordance with generally accepted governmental auditing standards and *Information Systems Auditing Standards* published by the ISACA. All audit reports issued by internal audit staff shall include a statement that the audit was conducted pursuant to the appropriate standards.
- Audit workpapers and reports shall be public records to the extent that they do not include information which has been made confidential or exempt from the provisions of Section 119.07(1), F.S.
- At the conclusion of each audit, the IG shall submit preliminary findings and recommendations to the person responsible for supervision of the program function or operational unit who shall respond to any adverse findings within 20 working days after receipt of the preliminary findings. Such response and the IG's rebuttal to the response shall be included in the final audit report.
- At the conclusion of an audit in which the subject of the audit is a specific entity contracting with the state or an individual substantially affected, if the audit is not confidential or otherwise exempt from disclosure by law, the IG shall, consistent with Section 119.07(1), F.S., submit the findings to the entity contracting with the state or the individual substantially affected, who shall be advised in writing that they may submit a written response within 20 working days after receipt of the findings. The response and the IG's rebuttal to the response, if any, must be included in the final audit report.
- The IG shall submit the final report to the agency head and to the AG.
- The AG, in connection with the independent post-audit of the same agency pursuant to Section 11.45, F.S., shall give appropriate consideration to internal audit reports and the resolution of findings therein. The Legislative Auditing Committee may inquire into the reasons or justifications for failure of the agency head to correct the deficiencies reported in internal audits that are also reported by the AG and shall take appropriate action.
- The IG shall monitor the implementation of the state agency's response to any report on the state agency issued by the AG or by the Office of Program Policy Analysis and Government Accountability (OPPGA). No later than six months after the AG or the OPPGA publishes a report on the state agency, the IG shall provide a written response to the agency head on the status of corrective actions taken. The IG shall file a copy of such response with the Legislative Auditing Committee.
- The IG shall develop long-term and annual audit plans based on the findings of periodic risk

assessments. The plan, where appropriate, should include post-audit samplings of payments and accounts. The plan shall show the individual audits to be conducted during each year and related resources to be devoted to the respective audits. The Chief Financial Officer, to assist in fulfilling the responsibilities for examining, auditing, and settling accounts, claims, and demands pursuant to Section 17.03(1), F.S., and examining, auditing, adjusting, and settling accounts pursuant to Section 17.04, F.S., may utilize audits performed by the IG and internal auditors. The audit plans shall be submitted to the Governor's CIG. The plan shall be submitted to the agency head for approval. A copy of the approved plan shall be submitted to the AG.

**X. Investigations:**

The **Mission** of the Investigative Section is to deter, detect, and investigate internal and external fraud, waste, mismanagement, misconduct, and other abuses in state government.

The Investigations Section detects, deters, and investigates complaints of alleged misconduct impacting the Department. The Investigations Section establishes and maintains close working relationships with key department staff, investigative counterparts, and prosecutive agencies to pursue and resolve these allegations. The section serves as the focal point for whistle-blower allegations. The Investigations Section works closely with agency programs to help identify and counter fraud vulnerabilities.

Pursuant to Sections 20.055(7)(a) through (e), F.S., the investigation function of the OIG shall be responsible for:

- Initiating, conducting, supervising, and coordinating investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses in the Department;
- Receiving complaints and coordinating all activities of the Department as required by the Whistle-blower's Act, pursuant to Sections 112.3187 – 112.31895, F.S.;
- Receiving and considering the complaints which do not meet criteria for an investigation under the Whistle-blower's Act and conducting, supervising, or coordinating such inquiries, investigations, or reviews as the IG deems appropriate;
- Reporting expeditiously to the Florida Department of Law Enforcement or other law enforcement agencies, as appropriate, whenever the IG has reasonable grounds to believe there has been a violation of criminal law;
- Conducting investigations and other inquiries free of actual or perceived impairment to the independence of the IG or the OIG; this shall include freedom from any interference with investigations and timely access to records and other sources of information;
- At the conclusion of each investigation in which the subject of the investigation is a specific entity contracting with the state or an individual substantially affected as defined in Section 20.055, F.S., and if the investigation is not confidential or otherwise exempt from disclosure by law, the IG shall, consistent with Section 119.07(1), F.S., submit findings to the subject that is a

**Office of Inspector General Charter  
OIG 001**

specific entity contracting with the state or an individual substantially affected, who shall be advised in writing that they may submit a written response within 20 working days after receipt of the findings. Such response and the IG's rebuttal to the response, if any, shall be included in the final investigative report; and

- Submitting to the Department in a timely fashion final reports on investigations conducted by the IG, except for whistle-blower's investigations, which shall be conducted and reported pursuant to Section 112.3189, F.S.