

What can I expect of the auditor?

Auditors should be independent and objective in performing their work. Auditors are free of organizational or personal biases and are able to objectively examine the program, activity, or function being audited using an impartial, unbiased attitude and avoid conflicts of interest in all matters relating to the audit work.

Auditors are expected to maintain the highest level of professionalism in their work. Auditors should:

- 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; and
- Apply the care and skill expected of reasonably prudent and competent auditor; however, auditors are not expected to be infallible.

Any questions or concerns can be addressed to:

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**Director of Audit**  
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**Sean.Shrader@commerce.fl.gov**

## Fraud, Program Abuse or Mismanagement

1-850-245-7135

### Online Reporting Form

[www.FloridaJobs.org](http://www.FloridaJobs.org)

Call when you . . .

- think someone is using Department property or people for personal gain;
- think someone is intentionally misleading the Department for financial gain;
- think someone is receiving a benefit to “look the other way;” or
- you’re not sure if you should call to report your suspicions.



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## OIG Audit Section



### Mission

**Promote integrity, accountability and process improvement by providing objective, timely and value-added audit services.**

## What is an audit?

An Office of Inspector General (OIG) audit is part of the department's system of "checks and balances." An audit is designed to complement other management evaluations and to provide constructive recommendations for enhanced operational performance. It is a review of a selected program, activity or function which provides management an independent appraisal of 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 OIG audit staff provides other types of services, an audit is the most comprehensive and provides the highest level of assurance. Audits are conducted in accordance with statutory requirements and internationally recognized audit standards.

## How are audits selected?

Our office works with department employees and managers to develop an annual and long-term work plans that are approved by the Secretary.

Some audits and reports are required by law while some audits included in the plan are requested by management. Others are chosen through a risk assessment process which includes an analysis of where the department spends the most money, likelihood of financial loss, significant organization or program changes and employee or management concerns.

## What is the audit process?

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

### • **Project Research**

Following the entrance conference, auditors conduct additional research to develop an understanding of the area being audited. During this phase, we review laws, policies, procedures, organization charts, position descriptions, performance and financial reports, industry literature, etc. During project research, auditors normally interview some staff members. At the end of this phase, we determine specific objectives for in-depth study.

### • **Entrance Conference**

An entrance conference is a meeting between the OIG and management of the area being audited. The purpose of this meeting is to introduce the audit team and audit participants, to discuss the purpose of the project and to discuss the project's direction, scope and make inquiries regarding fraud, illegal acts and material misstatements.

### • **Fieldwork**

During fieldwork, we review processes, conduct tests and perform other procedures necessary to accomplish our audit objectives. Fieldwork is the most time-consuming part of the process for the auditee, as this phase usually includes activities such as gathering data, reviewing files and asking questions.

### • **Reporting — First Draft**

Once fieldwork is complete, we prepare a draft report of findings. This draft report contains background of the area being audited; audit purpose, scope and methodology; reportable conditions and recommendations. The draft is sent to management of the audited area for review.

### • **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 information provided.

### • **Management Response**

Once the report 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 any findings and recommendations contained in the report. A copy of the management response is included in the final report. In general, a management response should contain the following information:

- A response agreeing with the findings should begin with "We concur" and explain what will be done to correct the issues, including an estimated completion date.
- A response disagreeing with the findings should begin with "We do not concur" and explain the reason for the disagreement.

### • **Final Report Distribution**

Statutorily, audit reports must be sent to the Secretary and the Auditor General. We also distribute reports to appropriate department management and other interested parties unless they contain confidential or sensitive information.

## How long do audits last?

Audits vary in length from a few weeks to several months, depending on the nature, complexity of the project, and the amount of required research. We provide management with periodic updates of our progress and we attempt to minimize disruption to staff and operations during the process.