



Florida Division of Emergency Management



Office of Inspector General Annual Report Fiscal Year 2021-2022





STATE OF FLORIDA

DIVISION OF EMERGENCY MANAGEMENT

Ron DeSantis
Governor

Kevin Guthrie
Director

August 25, 2022

Melinda Miguel, Chief Inspector General
Executive Office of the Governor
1902 The Capitol
Tallahassee, FL 32399-0001

Kevin Guthrie, Director
Florida Division of Emergency Management
2555 Shumard Oak Boulevard
Tallahassee, FL 32399-2100

Subject: OIG Annual Report for Fiscal Year 2021-2022

Dear Chief Inspector General Miguel and Director Guthrie:

I am pleased to present the Office of Inspector General's Annual Report for Fiscal Year 2021-2022. This report was prepared pursuant to § 20.055, Florida Statutes, and summarizes the audit engagements, special projects, investigations, and other accountability activities conducted by the Office of Inspector General during the 2021-2022 fiscal year.

On behalf of the Office of Inspector General, I would like to thank you for your continued support, as well as the collaboration and assistance provided by all Division staff members.

Sincerely,

A handwritten signature in blue ink that reads "Susan Cureton".

Susan Cureton
Inspector General

Attachment



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INTRODUCTION

The Florida Division of Emergency Management (FDEM) was established within the Executive Office of the Governor pursuant to § 14.2016, Florida Statutes (F.S.). FDEM is responsible for planning for and responding to both natural and man-made disasters.

The Office of the Inspector General (OIG) within FDEM is required to prepare an annual report summarizing the activities of the office during the preceding fiscal year (§ 20.055(8)(a), F.S.). This report was prepared in response to that requirement and summarizes the audit engagements, special projects, investigations, and other accountability activities conducted by the FDEM OIG during the 2021-2022 fiscal year (reporting period).

OIG MISSION

The **mission** of the FDEM OIG is: *“To promote integrity and efficiency through independent and objective assessments of FDEM’s programs and operations.”*

STATUTORY AUTHORITY

The specific duties and responsibilities of the OIG, pursuant to § 20.055, F.S., include the following:

- Provide direction for, supervise, and coordinate audits, investigations, and management reviews relating to the programs and operations of the agency.
- Conduct, supervise, and coordinate other activities carried out or financed by the agency to promote economy and efficiency, and prevent and detect fraud and abuse in programs and operations.
- Keep the agency head and the Chief Inspector General informed concerning fraud, abuses, and deficiencies relating to agency programs and operations; recommend corrective action; and report on the progress made in implementing corrective action.
- Assess the reliability and validity of the information provided on performance measures and standards, and make recommendations for improvement.
- Review actions taken to improve program performance and meet program standards, and make recommendations for improvement.
- Ensure an appropriate balance is maintained between audit, investigative, and other accountability activities.
- Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view towards avoiding duplication.



ORGANIZATION

Pursuant to § 20.055, F.S., an Office of Inspector General is established in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency in government. As a division of the Executive Office of the Governor, FDEM falls under the purview of the Office of the Chief Inspector General (CIG)¹. However, via a Memorandum of Understanding, the CIG has designated a Deputy Inspector General be permanently assigned to, and serve as Inspector General for FDEM.

INDEPENDENCE AND OBJECTIVITY

The FDEM OIG is under the direction of the Inspector General. The Inspector General reports directly to the CIG and administratively to the FDEM Director, and is not subject to supervision by any FDEM employee. This organization promotes independence and ensures audits, investigations, and other accountability activities conducted by the OIG remain free from interference in the determination of the scope of activities, performance of work, and results reported.

In accordance with statutory requirements², as well as professional auditing and investigative standards³, OIG staff members must be free from personal or external impairments to independence and should constantly maintain an objective attitude and appearance.

- **Independence:** The activities of the OIG must be free from conditions that threaten the ability of OIG staff members to carry out their responsibilities in an unbiased manner.
- **Objectivity:** OIG staff members must have an impartial, unbiased attitude and avoid any conflict of interest.

To maintain independence and objectivity, OIG staff members shall have no direct operational responsibility or authority over any of the activities that may be subject to being audited, investigated, or reviewed by the OIG. Accordingly, OIG staff will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Performing any operational duties for FDEM or its affiliates.
- Initiating or approving transactions external to the internal audit activity.
- Directing the activities of any FDEM employee not employed by the OIG, except to the extent that such employees have been appropriately assigned to assist the OIG.

¹ The Office of the Chief Inspector General (OCIG) is established within the Executive Office of the Governor pursuant to § 14.32, F.S. The Chief Inspector General (CIG) is responsible for promoting accountability, integrity, and efficiency in the agencies under the jurisdiction of the Governor.

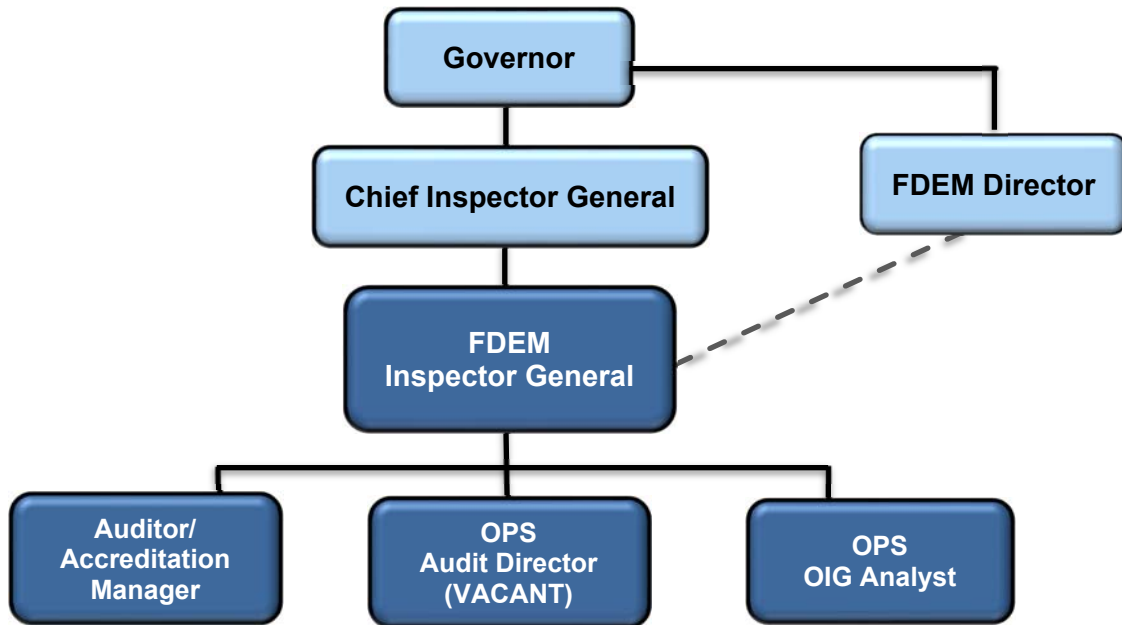
² Section 20.055(7)(d), F.S. requires the OIG to conduct investigations and other inquiries free of actual or perceived impairment to independence.

³ CFA Standard 1.05; Green Book Standard (Quality Standards for Offices of Inspectors General, Independence, A); Red Book Standard 1100 (Independence and Objectivity); and Yellow Book Standards 3.18-3.20.



ORGANIZATIONAL CHART*

As of June 30, 2022, the OIG was comprised of four positions: an Inspector General (Selected Exempt Service), an Auditor/Accreditation Manager (Career Service), an OIG Analyst (Other Personal Services (OPS)), and an Audit Director (OPS-Vacant).



*As of June 30, 2022

RESPONSIBILITIES

OIG staff members collectively carry out all activities of the OIG, including audit and investigative responsibilities.

The **Audit Function** of the OIG provides independent and objective assurance and consulting services designed to add value, improve FDEM's operations, and assist the Division with achieving its mission. Audit responsibilities include conducting internal audits, management reviews, and special projects.

The **Investigative Function** of the OIG receives complaints, conducts investigations, and coordinates activities required by § 20.055(7), F.S., and the Florida Whistle-blower's Act (§§ 112.3187-112.31895, F.S.). Investigative activities include maintaining investigative procedures that meet professional investigative standards (see below), and preparing documented proofs of compliance necessary to maintain the OIG's accredited status.



PROFESSIONAL STANDARDS

Professional auditing and investigative standards provide a framework and guiding principles for the performance of the work of the OIG. The OIG conducts audit and investigative activities in accordance with the following professional standards:

- *Principles and Standards for Offices of Inspector General* (Green Book), as published by the Association of Inspectors General. Both **audit and investigative activities** are conducted using the Green Book.
- *International Standards for the Professional Practice of Internal Auditing* (Red Book), as published by the Institute of Internal Auditors. Internal **audit engagements** are conducted using the Red Book standards or, where appropriate, Yellow Book standards (see below).
- *Generally Accepted Government Auditing Standards* (Yellow Book), as published by the United States Government Accountability Office. Internal **audit engagements** may be conducted using Yellow Book standards where appropriate.
- Florida Commission for Florida Law Enforcement Accreditation (CFA). In addition to Green Book standards, **investigative activities** are conducted in accordance with accreditation standards set forth by the CFA.

STAFF QUALIFICATIONS

OIG staff members possess a range of backgrounds and experience in a variety of disciplines including accounting, auditing, investigations, law, program evaluation, and project management. During the reporting year, OIG staff members enhanced their professional skills by attending continuing professional education (CPE), maintaining professional certifications/licenses, and actively participating in several professional organizations.

PROFESSIONAL DEVELOPMENT

Professional auditing and investigative standards require OIG staff members to complete the following training requirements:

- Red Book standards: Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.
- Yellow Book standards: Auditors must complete 80 hours of CPE every two years.
- Green Book standards: OIG staff performing investigations, inspections, evaluations, reviews, or audits should complete at least 40 hours of CPE every two years.
- CFA OIG Accreditation standards: Investigative staff members must receive a minimum of 40 hours of continuing education every two years.

To ensure the requirements listed above were met, OIG staff members attended training, conferences, and webinars sponsored by various professional organizations.



PROFESSIONAL CERTIFICATIONS AND LICENSES

During the reporting period, staff members within the OIG collectively held the following certifications/licenses:

- Certified Inspector General
- Certified Fraud Examiner
- Certified Internal Auditor
- Licensed Attorney
- Florida Notary Public
- Florida Certified Contract Manager

PROFESSIONAL AFFILIATIONS

During the reporting period, OIG staff members collectively maintained membership or participation with the following organizations:

- Association of Inspectors General (National and Tallahassee Chapter)
- The Institute of Internal Auditors (National and Tallahassee Chapter)
- The Association of Certified Fraud Examiners
- Commission for Florida Law Enforcement Accreditation
- Association of Government Accountants
- The Florida Bar and the Illinois State Bar Association
- Information Systems Audit and Control Association

AUDIT ACTIVITIES

Per § 20.055(6), F.S., each inspector general shall review and evaluate internal controls necessary to ensure the fiscal accountability of the state agency. The inspector general shall conduct financial, compliance, electronic data processing, and performance audits of the agency and prepare audit reports of his or her findings. During the reporting period, the FDEM OIG conducted audit engagements, special projects and reviews, prior audit follow-up reviews, and an annual risk assessment. Additionally, OIG staff prepared the OIG's Annual Work Plan, Annual Report, and provided external audit coordination. A summary of the audit activities conducted during the reporting period is provided below.

AUDIT ENGAGEMENTS

Below is a summary of the audit engagements conducted by the OIG during the reporting period. The audit engagements listed below were conducted in accordance with Red Book standards.

- **Cybersecurity Enterprise Audit**
Report No. 22-A002, issued May 2022 (**Confidential Audit Report**)

The OIG conducted a Cybersecurity Enterprise Audit in accordance with the OIG's 2021-2022 Annual Work Plan. The enterprise audit was conducted in accordance with guidance from the Office of the Chief Inspector General. The audit satisfied the newly adopted requirements from House Bill 1297, passed during the 2021 legislative session. House Bill 1297 amended § 20.055(6)(i), F.S., to require the OIG's annual audit plan include a specific cybersecurity audit plan.

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The purpose of the audit was to evaluate agency controls and compliance with Rule 60GG-2.004(2), Florida Administrative Code, *Security Continuous Monitoring*, regarding Information Technology resource monitoring to identify cybersecurity events. The final audit report was issued in May 2022, and is confidential and exempt from public disclosure pursuant to § 282.318(4)(g), F.S., which states the results of internal audits and evaluations of an agency's cybersecurity program are confidential and exempt from § 119.07(1), F.S.

➤ **Contracts Audit**

Report No. 22-A001, issued April 2022

In accordance with the OIG's 2021-2022 Annual Work Plan, the OIG conducted a compliance audit of contracts executed by FDEM for the preceding three fiscal years. This audit satisfied the newly adopted requirements of House Bill 1079, passed during the 2020-2021 Legislative Session, which amended § 287.136, F.S., to require a periodic risk-based compliance audit of all contracts executed by a state agency to identify any trends in vendor preferences. This was an enterprise audit, conducted in accordance with guidance provided by the Office of the Chief Inspector General.

The purpose of this engagement was to conduct a risk-based compliance audit of contracts procured under Chapter 287, F.S., and executed by FDEM during the 2018-2019 through 2020-2021 fiscal years. In accordance with § 287.136(2), F.S., the audit included an evaluation and identification of any trends in vendor preferences.

The scope of the audit included FDEM's standard two-party agreements, three or more party agreements, revenue agreements, and master agreements executed during the 2018-2019 through 2020-2021 fiscal years. The audit objectives were to:

1. Determine if complete and accurate data was recorded in Florida Accountability Contracts Tracking System (FACTS) as described in § 215.985(14)(a), F.S., for a selected sample of FDEM contracts.
2. Evaluate a selected sample of contracts for compliance with Chapter 287 and other applicable procurement statutes.
3. Analyze the overall FDEM contracting process to identify any trends in vendor preference.

The final audit report contained one finding with one recommendation (see below). Management concurred with our finding and recommendation. Based on the results of the audit, the OIG found:

- No trends in vendor preference, pursuant to § 287.136, F.S.;
- No instances of non-compliance with the procurement rules pursuant to Chapter 287, F.S.;
- Some statutorily required information was missing from FACTS, or did not match contractual documents. Those instances were corrected by FDEM Finance staff prior to the issuance of the final report.
- Statutorily required documents and/or information were not always entered into FACTS within the 30-day statutorily required timeline (see Finding 1 below).



Finding 1: Contract information and related document documents were not always timely entered into FACTS, pursuant to section 215.985(14)(a), F.S.

- Recommendation 1: We recommend management ensure that statutorily required contract information and documents are timely entered into FACTS, pursuant to section 215.985(14)(a), F.S.

SPECIAL PROJECTS AND REVIEWS

Below is a summary of the special projects and reviews conducted by the OIG during the reporting period:

➤ **Risk Assessment and Annual Work Plan**
Annual Work Plan issued June 2022

Florida Statutes and professional auditing standards⁴ require the Inspector General to develop long-term and annual audit plans based on the findings of periodic risk assessments. During the reporting period, the OIG conducted its annual risk assessment and prepared the OIG's *Annual Work Plan & Long-Term Audit Plan for Fiscal Year 2022-2023* (plan). The plan shows the allocation of resources assigned to audits, investigative activities, and other OIG oversight and accountability activities to be conducted during the upcoming fiscal year. The plan also includes a specific cybersecurity audit plan.

The annual and long-term audit projects included in the plan reflect areas of higher risk as well as management priorities identified through the annual OIG risk assessment process. The OIG's risk assessment methodology included:

- Reviewing FDEM program objectives, financial information, applicable laws, organizational charts, prior risk assessments, internal and external audit reports, as well as prior audit and investigative activities.
- Meeting with management to obtain their input into operations and associated risks.
- Ranking potential audit topics based on relative risk factors, including fraud potential, materiality, management interest, impact of change, and the need for audit coverage.

Per statutory requirements, the plan was approved by the FDEM Director in June 2022. The plan is intended to be a guide to direct the activities of the OIG during the plan year and may be modified during the year to address changing conditions, priorities, or risks. Pursuant to statute, a copy of the approved plan was provided to CIG and to the Auditor General.

➤ **2020-2021 Performance Measure Review**
Advisory Memorandum issued October 2021

In accordance with § 20.055(2)(b), F.S., the OIG initiated a review of FDEM's performance measure results for the 2020-2021 fiscal year. The objective of the review was to assess the validity and reliability of FDEM's performance measure results, and make recommendations for improvement if necessary.

⁴ Section 20.055(6)(i), F.S. and Red Book Standard 2010 (Planning) and Standard 2020 (Communication and Approval).



Based on our preliminary review and discussions with FDEM management, we determined that FDEM did not have written procedures regarding the performance measure process nor documented methodologies detailing how to calculate performance measure results. Due to the lack of procedures or approved methodologies, the OIG was unable to assess the validity and reliability of FDEM's performance measure results.

Written procedures defining roles and responsibilities for the performance measure process, as well as approved methodologies used to calculate FDEM's performance measure results would help ensure the measures are calculated consistently and accurately. Without written procedures and approved methodologies, there is no assurance that the results reported for FDEM's performance measures are calculated consistently or accurately, and institutional knowledge may be lost during turnover.

The OIG issued an Advisory Memorandum to management which contained one recommendation.

Recommendation: We recommend FDEM establish written procedures regarding the performance measure process. The procedures should define roles and responsibilities for the performance measure process, as well as approved methodologies for calculating each of FDEM's performance measure results.

➤ **OIG Annual Report for Fiscal Year 2020-2021**
Report issued September 2021

In accordance with § 20.055(8)(a), F.S., the OIG prepared the OIG Annual Report for the 2020-2021 fiscal year. The report summarized the activities and accomplishments of the OIG based on its statutory obligations and other responsibilities assigned during the preceding fiscal year. The final report was issued in September 2021 and, pursuant to statute, was provided to the FDEM Director and the CIG.

PRIOR AUDIT FOLLOW-UP

Pursuant to statutory requirements and professional auditing standards⁵, the OIG conducted the following follow-up reviews during the reporting period to determine the status of corrective actions taken by management in response to internal and external audit reports:

Internal Audit Follow-Up:

➤ **Follow-up Status Report to OIG Report No. 19-A002, Building Access Cards Audit**
Report issued June 2022 (Confidential Report)

The OIG conducted a follow-up review to determine the status of corrective actions taken by management in response to OIG Report Number 19-A002, *Building Access Cards Audit*, issued in June 2020. The report contains information that is confidential and exempt from public disclosure pursuant to §§ 119.071 and 281.301, F.S., which states records and other information relating to the security systems for property owned by or leased to the state is confidential.

⁵ Sections 20.055(2)(c) and 20.055(6)(h), F.S. and Red Book Standard 2500 (Monitoring Progress)



➤ **Six-Month Status Report to OIG Report No. 20-A001, Governance Audit**
Report issued May 2022

The OIG conducted a six-month follow-up review to determine the status of corrective actions taken by management in response to OIG Report Number 20-A001, *Governance Audit*, issued in June 2021. The audit report contained one finding with five recommendations. Based on our follow-up review, we determined that corrective action had been completed for 2 of the 5 recommendations; however, the finding remained open. The OIG will conduct another follow-up review at a future date.

External Audit Follow-Up:

➤ **Six-Month Status Report to Auditor General Report 2021-182**
Report issued September 2021

Pursuant to § 20.055(6)(h), F.S., the OIG conducted a six-month follow-up review to the Auditor General's report number 2021-182, *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards for the Fiscal Year Ended June 30, 2020*. The final report was issued in March 2021, and contained one finding and one recommendation related to FDEM. The OIG's six-month status report contains management's updated response and actions taken towards implementing the recommendation. In accordance with statute, the follow-up report was provided to the FDEM Director, the CIG, and the Legislative Auditing Committee.

EXTERNAL COORDINATION

Pursuant to § 20.055(2)(g), F.S., the OIG is responsible for ensuring effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies with a view toward avoiding duplication.

During the reporting period, the OIG assisted with coordination of the following audits conducted by the Florida Auditor General:

- *State of Florida Financial and Federal Single Audit for FY Ended June 30, 2021*
Report No. 2022-189, issued March 2022
- *COVID-19 Data Collection and Reporting at Selected State Agencies*
Report No. 2022-200, issued June 2022
- *State of Florida Financial and Federal Single Audit for FY Ended June 30, 2022*
In-progress as of June 30, 2022

Additionally, OIG staff assisted with coordination of reviews, audits, and monitoring visits with the following other external entities:

- The Federal Emergency Management Agency



INVESTIGATIVE ACTIVITIES

Per § 20.055(7), F.S., each inspector general shall initiate, conduct, supervise, and coordinate investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses. Investigative work is conducted using Green Book and CFA standards. Per statutory requirements, the OIG shall:

- Receive complaints and coordinate all activities of the agency as required by the Whistle-blower's Act pursuant to §§ 112.3187-112.31895, F.S.
- Receive, conduct, supervise, and coordinate inquiries, investigations, or reviews which do not meet the criteria for an investigation under the Whistle-blower's Act.
- Report information to the Florida Department of Law Enforcement or other law enforcement agency, as appropriate, whenever the OIG has reasonable grounds to believe there has been a violation of criminal law.
- Conduct investigations and other inquiries free of actual or perceived impairment to the independence of the inspector general or the inspector general's office. This shall include freedom from any interference with investigations and timely access to records and other sources of information.

Below is a summary of the investigative and accreditation activities conducted by the OIG during the review period.

INVESTIGATIONS AND COMPLAINTS

The OIG may receive complaints⁶ or other correspondence via telephone, email, letter, in person, referral from an external entity, or any other form of communication. Each communication received by the OIG is reviewed for determination of proper handling, jurisdiction, categorization, and disposition. Additionally, each complaint received is evaluated to determine if the provisions of the Florida Whistle-blower's Act may apply.

No investigative reports were issued during the reporting period; however, the OIG received 13 communications which were reviewed and evaluated for factual basis and jurisdiction⁷. Evaluation of a complaint or inquiry may include the following actions, as deemed appropriate:

- Complainant is contacted and interviewed.
- Research is conducted on issues reported.
- FDEM Management is briefed on issues reported.
- Document requests are issued.
- Sworn statements or interviews of appropriate staff are conducted.

Once the complaint or inquiry has been evaluated, the disposition of each communication may include, as appropriate:

⁶ A complaint is defined as an allegation of misconduct, violation of law or agency directives, against any member of the agency or for which the OIG has jurisdiction.

⁷ Jurisdiction refers to whether the OIG has the authority to investigate the violation or acts reported.



- Assigned for investigation,
- Referred to FDEM management or other appropriate official, or
- Filed with no further action necessary.

COMMISSION FOR FLORIDA LAW ENFORCEMENT ACCREDITATION

The Commission for Florida Law Enforcement Accreditation (CFA) establishes professional investigative standards, oversees an accreditation program, and awards accreditation to compliant Florida Offices of Inspectors General. Being accredited reflects the dedication and commitment of the OIG to ensure investigative work is conducted in accordance with the highest investigative standards.

Initially accredited in 2017 and re-accredited in 2020, the OIG must undergo a reaccreditation assessment every three years. The assessment process includes a detailed review by an independent authority that allows an OIG to demonstrate its ability to meet a set of professional standards promulgated by the CFA. As part of the process, independent and objective assessors conduct interviews with OIG employees and review OIG documents to verify compliance with CFA standards.

The OIG is committed to ensuring investigative work is conducted and documented pursuant to statutory requirements and CFA standards. The next reaccreditation assessment is scheduled to take place in April 2023.

OTHER ACCOUNTABILITY ACTIVITIES

Below is a summary of other accountability activities the OIG conducted or participated in during the reporting period:

➤ **International Fraud Awareness Week**

During International Fraud Awareness Week (November 14-20, 2021), the OIG developed a fraud awareness email campaign that provided daily fact sheets to FDEM staff members. The goal of this campaign was to: (1) help FDEM staff better understand the concept of fraud, specifically Grant Fraud, and (2) provide staff with useful information and tips about how to prevent, detect, and report fraud in the workplace. The daily facts sheets covered the following areas: What is Grant Fraud, Who Commits Grant Fraud, Common Grant Fraud Schemes, Real-life Examples of Grant Fraud, and What You Can Do About Fraud.

➤ **Fraud Newsletter**

The OIG published a newsletter intended to raise awareness regarding the OIG and its role within FDEM. Particularly, the goal was to: (1) keep all FDEM staff informed of OIG operations, (2) raise awareness regarding fraud, waste, and abuse in government, and (3) ensure FDEM staff know how and when to contact the OIG. The first issue of the newsletter was published in September 2021 and focused on identifying disaster fraud.



➤ **Computer Security Incident Response Team**

Pursuant to 60GG-2.005, Florida Administrative Code, state agencies shall establish a Computer Security Incident Response Team (CSIRT) to respond to cybersecurity incidents. CSIRT members shall convene immediately, upon notice of cybersecurity incidents, and the CSIRT team shall report findings to agency management. The FDEM Inspector General serves in an advisory capacity on FDEM's CSIRT.

➤ **National Association of State Auditors, Comptrollers, and Treasurers (NASACT)**

The NASACT is a national organization designed to bring together state auditors, comptrollers, and treasurers to cooperatively address government financial management issues. OIG staff members participate in periodic meetings of the NASACT's Disaster Recovery Workgroup. The goal of the workgroup is to share information and discuss best practices, challenges, and trends related to disaster funding and resources. In 2020, the meetings transitioned into the COVID-19 Accountability Work Group. During the reporting period, the monthly meetings also included accountability issues related to the American Rescue Plan Act and the Infrastructure Investment and Jobs Act (IIJA).

➤ **Single Audit Reviews**

Pursuant to § 215.97, F.S., and Title 2 Code of Federal Regulations (CFR) Part 200, subrecipients that expend the \$750,000 or more in federal or state financial assistance during their fiscal year are required to undergo a single audit. The OIG reviews single audit reports submitted by FDEM's subrecipients to identify audit findings pertaining to financial assistance awarded by FDEM. The OIG notifies FDEM management about such findings so that appropriate action may be taken in accordance with state and federal single audit requirements. During the reporting period, the OIG reviewed 145 single audit reports.

➤ **Executive Order 20-44**

In February 2020, Governor DeSantis issued Executive Order 20-44 regarding sole-source, public-private agreements and other specific contracts and agreements. As part of the instructions, agencies must submit an attestation form to their Inspectors General Office each year by May 31st. The OIG coordinated with FDEM management to ensure timely submission of the form.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

In accordance with professional auditing standards⁸, the OIG maintains a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the audit function and continuously monitors its effectiveness. The QAIP is designed to help the audit function add value and improve FDEM's operations and to provide assurance that the audit function maintains conformity with the Red Book Standards and Code of Ethics, as well as other applicable rules and professional standards. The QAIP also assesses the efficiency and effectiveness of the audit function and identifies opportunities for improvement.

⁸ Green Book (Quality Standards for Offices of Inspector General, Quality Assurance, A. General Standard); Red Book Standard 1300 (Quality Assurance Improvement Program); and Yellow Book Standard 5.02 (Quality Control and Assurance).



The QAIP includes periodic internal and external assessments as well as ongoing internal monitoring. Below is a summary of QAIP activities conducted by the OIG during the reporting period:

INTERNAL ASSESSMENTS

The OIG conducts periodic self-assessments to evaluate the audit function's conformance with the Red Book Standards and Code of Ethics. Below is a summary of internal assessments conducted by the OIG during the reporting period:

➤ **Periodic Self-Assessment of Internal Audit Activity**
Project No. 22-S003 – Completed December 2021

For the period July 1, 2020 through June 30, 2021, the OIG initiated a project to evaluate the internal audit activity's conformance with the *International Standards for the Professional Practice of Internal Auditing* (Red Book Standards) and Code of Ethics published by the Institute of Internal Auditors.

Based on our review, we determined the OIG's internal audit activity generally conforms with the Red Book Standards and the Code of Ethics. Our review did not identify any areas for improvement; however, we made two observations as summarized below:

Observation 1: To ensure the OIG's internal audits are conducted in compliance with Red Book Standards, the OIG maintains thorough templates used to conduct internal audit activities. These templates also help ensure internal audits are conducted in an efficient and consistent manner.

Observation 2: In accordance with statutory requirements, the Florida Auditor General conducts quality assurance reviews (QARs) of state-agency OIGs every three years, including of the Office of the Chief Inspector General (OCIG) within the Executive Office of the Governor (which FDEM OIG is organized under). In order to enhance its Quality Assurance and Improvement Program (QAIP), the OIG requested the Auditor General review the FDEM OIG separately from the OCIG. The Auditor General agreed and conducted the first QAR of the FDEM OIG separate from the OCIG in 2021. The Auditor General's final report, Report No. 2021-207, was issued in May 2021, and concluded that the QAIP for the OIG's internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance with the Red Book Standards and Code of Ethics. Additionally, the Auditor General concluded that the OIG generally complied with those provisions of § 20.055, Florida Statutes, governing the operation of internal audit activities.

Both observations above related to successful internal audit practices; therefore, no recommendations or corrective actions were necessary.



EXTERNAL ASSESSMENTS

External assessments are required to be conducted at least once every five years by a qualified, independent assessor or assessment team from outside FDEM. Pursuant to § 11.45(2)(l), F.S., the Auditor General conducted a Quality Assurance Review of the OIG's internal audit activity in 2021.

The Auditor General's report (Report No. 2021-207), issued in May 2021, concluded that the quality assurance and improvement program for the OIG's internal audit activity was adequately designed and complied with during the review period to provide reasonable assurance of conformance with applicable professional auditing standards and the Code of Ethics issued by The Institute of Internal Auditors. Additionally, the Auditor General concluded that the OIG generally complied with those provisions of § 20.055, F.S., governing the operation of State agencies' offices of inspectors general internal audit activities. The next external assessment of the FDEM OIG will be conducted in early 2024.

ONGOING MONITORING

Ongoing monitoring is an integral part of the day-to-day supervision, review, and measurement of the OIG's audit function. It occurred continuously throughout the reporting period, as it is incorporated into the OIG's routine policies and practices. Ongoing monitoring activities include: engagement supervision; supervisory review and approval of work products; standardized work practices, checklists, and templates; surveying audit clients regarding satisfactory audit practices and areas for improvement; and quality improvement steps built into every audit project.

Executive Office of the Governor
Florida Division of Emergency Management

Office of Inspector General
2555 Shumard Oak Boulevard
Tallahassee, FL 32399



OIG **HOTLINE**
REPORT FRAUD

Report Fraud, Waste, Abuse, or Misconduct

FDEM OIG: 1-850-815-4151
Complaint@em.MyFlorida.com

Susan Cureton, CIA, CFE, CIG
Inspector General