



OFFICE OF FINANCIAL REGULATION
ADMINISTRATIVE POLICIES and PROCEDURES

TITLE: Office of Inspector General Internal Audit Charter

POLICY NUMBER

EFFECTIVE: October 11, 2011

REVISED: July 31, 2014

OFR 2-1

APPROVED: Drew J. Breakspear, Commissioner

I. AUTHORITY AND REFERENCES:

Section 20.055, Florida Statutes

International Standards for the Professional Practice of Internal Auditing

Principles and Standards for Offices of Inspector General

Florida Code of Ethics for Public Officers and Employees as codified in Sections 112.311 – 112.326, Florida Statutes

Office of Financial Regulation Guidelines and Procedures Memorandum No. 006, Ethics and Professional Responsibilities

II. PURPOSE

The purpose of the Office of Financial Regulation, Office of Inspector General is to promote accountability, integrity and efficiency in government. The purpose of this charter is to formally define the authority and responsibility for the internal audit activity within the Office of Inspector General, as required by International Standards for the Professional Practice of Internal Auditing Nos. 1000 and 1010.

III. STATEMENT OF POLICY

Section 20.055, Florida Statutes, serves as the official charter for the entire Office of Inspector General. Certain characteristics include:

- Reporting directly to the Office of Financial Regulation Commissioner;
- Having unrestricted access to all records, properties, functions and personnel necessary to effectively perform its responsibilities;
- Having complete independence with respect to the units under the internal audit activity, consequently, not subject to restriction in the scope of its work by management; and
- Cannot assume any management type responsibilities that could reasonably be construed to compromise its independence and objectivity.

IV. DEFINITIONS

Internal Auditing Services 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 effectiveness of risk management, control, and governance processes. The services provided by the internal audit activity are:



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- **Assurance Services** - defined as an objective examination of evidence for the purpose of providing an independent assessment on risk management, control, or governance processes for the organization. Examples may include financial, performance and compliance.
- **Consulting Service Engagement** - an advisory and related client service activity of which the nature and scope are agreed upon with the client and which are intended to add value and improve the governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples may include counsel, advice, facilitation, and training.

V. RESPONSIBILITIES

The Office of Inspector General has a responsibility to inform and advise management of significant deficiencies or other substantive issues noted in the course of all its internal audit activities. The responsibilities of the Office of Inspector General, internal audit activity are provided in Section 20.055, Florida Statutes, and include:

- Advise in the development of performance measures, standards, and procedures;
- Assess the reliability and validity of the information provided by the Office of Financial Regulation on performance measures and standards, and make recommendations for improvement;
- Review actions taken by the Office of Financial Regulation to improve program performance, meet program standards and make recommendations for improvement, if necessary;
- Provide direction for, supervise, and coordinate audits, management reviews and other accountability activities relating to programs and operations of the Office of Financial Regulation;
- Conduct, supervise, or coordinate other activities carried out or financed by the Office of Financial Regulation for the purpose of promoting economy and efficiency;



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- Keep the Commissioner informed concerning fraud, abuses, and deficiencies relating to the Office of Financial Regulation programs and operations and recommend corrective action concerning fraud, abuses, and deficiencies, and report on the progress made in implementing corrective action;
- Ensure effective coordination and cooperation between the Auditor General staff, federal auditors, and other government bodies with a view to avoiding duplication; and
- Review, as appropriate, rules relating to the programs and operations of the Office of Financial Regulation and make recommendations concerning their impact.

VI. AUDIT STANDARDS AND ETHICS

The Office Inspector General will complete its internal audit activities in compliance with the *International Standards for the Professional Practice of Internal Auditing* developed by the Institute of Internal Auditors and the *Principles and Standards for Offices of Inspector General* developed by the Association of Inspectors General. The Office of Inspector General will comply with the Code of Ethics published by The Institute of Internal Auditors, the *Florida Code of Ethics for Public Officers and Employees* as codified in Sections 112.311 – 112.326, Florida Statutes, and Office of Financial Regulation Guidelines and Procedures Memorandum No. 006, *Ethics and Professional Responsibilities*.