January 9, 2009

Mr. David W. Martin, C.P.A.
Auditor General
Room G74, Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

We are pleased to respond to the preliminary and tentative findings and recommendations concerning your quality assessment review:

Department of Health Office of Inspector General's
Internal Audit Activity Quality Assessment Review
July 2007 through June 2008

As required by section 11.45(4)(d), Florida Statutes, our response to the finding is enclosed.

We appreciate the effort of you and your staff in assisting to improve our operations. If you have any questions, please contact our Inspector General, James D. Boyd at 245-4140.

Sincerely,

Ana M. Viamonte Ros, M.D., M.P.H.
State Surgeon General

AMVR/kir

Attachment

cc: James D. Boyd, C.P.A., M.B.A.
    Inspector General
    Karen Zeiler
    Chief of Staff
**DOH Office of Inspector General's Internal Audit Activity Quality Assessment Review**

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| 1       | As previously disclosed, the Office of Inspector General's (OIG) internal audit activity has elected to follow generally accepted government auditing standards (GAGAS), which are issued by the Comptroller General of the United States. GAGAS require that when auditors comply with applicable GAGAS requirements they should state in the audit report that the performance audit was conducted in accordance with GAGAS. When auditors do not comply with all applicable GAGAS requirements, they should include a modified compliance statement in the audit report that indicates the standards that were not followed or that the auditor did not follow GAGAS. The Comptroller General issued a revised version of GAGAS in 2007. There are significant differences between the requirements of the GAGAS 2007 revision and the GAGAS 2003 revision. Our review disclosed that the OIG generally complied with GAGAS, except as follows:  
- Our review disclosed that the report for one of the three engagements (audits) selected for review improperly                                                                                                                                 | The OIG should ensure that audit reports contain the correct reference to applicable standards and that applicable standards are followed in the performance of fieldwork, or that appropriate disclosures are included in the audit report. The OIG should also determine whether inaccurate compliance statements were included in other issued reports and assess the impact to determine whether reissuing the reports is warranted. | We concur. It is important we follow all reporting standards and guidance for audits conducted in accordance with generally accepted government auditing standards (GAGAS). We will update our controls to ensure audit reports reference the applicable version (year) of audit standards. We have reviewed published reports and determined other published reports also referenced the 2007 GAGAS revision, without an appropriate modified GAGAS compliance statement. We have reviewed published reports and found no issues that would decrease the quality and impact of findings and recommendations made to agency management. We will improve our controls prospectively. |
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<td>Stated that the audit had been conducted in accordance with the GAGAS 2007 revision, although planning and fieldwork documentation indicated that these phases were conducted in accordance with the GAGAS 2003 revision. Although the OIG began early implementation of the GAGAS 2007 revision during the review period, due to the timing of this particular audit the OIG had implemented the reporting standards relating to report contents, but had not updated the working papers to comply with the GAGAS 2007 revision planning and fieldwork standards. Inaccurate reporting of the applicable GAGAS standards followed in conducting an audit limits the readers' ability to determine applicable professional standards followed in an engagement.</td>
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<td>• Paragraph 7.11(c), GAGAS 2007 revision, requires that audits include an assessment of information systems controls and related risks within the context of the audit objectives. Our review disclosed that for a second engagement (audit) selected for review, for which the working papers indicated compliance with the GAGAS 2007 revision, there was no evidence that the audit included a risk assessment of information systems controls or that information systems control...</td>
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<td>were not significant to the audit objectives. Contrary to GAGAS, the audit report did not include modified language regarding the lack of compliance with this standard. The Inspector General stated that the OIG discontinued performing risk assessments of information systems controls because the Information Technology (IT) Auditor resigned and available remaining staff did not have sufficient IT expertise. By not performing assessments of information systems controls for this audit, the OIG did not consider internal controls that may be significant to the audit objectives.</td>
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