



*Office of the Inspector General
Internal Audit*

Internal Audit Charter

This Charter defines the purpose, authority, and responsibilities of the Agency for Health Care Administration's (Agency) Internal Audit Unit within the Office of the Inspector General.

Purpose and Mission

The purpose of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the Agency's operations. Our mission is to assist the Secretary and other Agency management in ensuring better health care for all Floridians by bringing a systematic, disciplined, and risk-based approach to evaluate and improve the effectiveness of Agency risk management, controls, and governance processes.

Authority

Internal Audit operates within the Agency's Office of the Inspector General (OIG) under the authority of Section 20.055, F.S. In accordance with Subsection 20.055(6)(c), F.S., the Inspector General and staff shall have access to any records, data, and other information of the Agency deemed necessary to carry out the OIG's duties. The Inspector General is also authorized to request such information or assistance as may be necessary from the Agency or from any federal, state, or local government entity.

Performance of Work

Assurance services, or "audits," and reviews involve an objective assessment of evidence to provide opinions or conclusions regarding an entity, operation, function, process, system, or other matters. Internal Audit must abide by the requirements of:

- Section 20.055, Florida Statutes (F.S.);
- The Institute of Internal Auditors' International Professional Practices Framework (i.e., the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing);
- The Association of Inspectors General's Principles and Standards for Offices of Inspector General; and
- Internal Audit's Policies and Procedures Manual.

Code of Ethics

Internal Audit staff have a responsibility to conduct themselves so their good faith and integrity are not open to question. In addition to upholding the principles and standards of conduct described in the authoritative documents listed above, Internal Audit staff must conform to the Agency's standards of conduct.

Independence and Objectivity

Internal Audit must maintain independence and objectivity when performing their work. The Audit Director reports to the Inspector General, who is under the general supervision of the Agency Secretary and reports directly to the Governor's Chief Inspector General (CIG). Internal Audit staff will maintain an impartial, unbiased attitude and avoid conflicts of interest in fact or in appearance. Internal Audit staff will disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties. Internal Audit staff will have no direct responsibility or authority for any of the activities or operations they review. The services performed by the auditors are advisory functions only and do not in any way relieve other persons in the Agency of the responsibilities assigned to them.

Responsibilities

The responsibilities of the Audit Director and Internal Audit staff are to:

1. Develop a flexible annual and long-term audit plan using a risk-based methodology that includes risks and control concerns identified by Internal Audit and Agency management. The audit plan lists planned audits, reviews, and consulting projects, and may include projects requested by Agency management, the Executive Office of the Governor, and/or the Legislature. The audit plan will be submitted to the CIG and Agency Secretary for approval, and an amended audit plan will be submitted to the CIG and Agency Secretary for approval if there are significant interim changes. A copy of the approved audit plan and any amendments will be provided to the Auditor General.
2. Ensure Internal Audit resources are appropriate, sufficient, and effectively deployed to achieve the approved audit plan and communicate to the CIG and Agency Secretary the impact of any resource limitations.
3. Develop and document a plan for each project, including the project's objectives, scope, timing, resource allocations, and procedures for identifying, analyzing, evaluating, and documenting information during the project. Plans for consulting projects may vary in form and content depending upon the nature of the project.
4. Identify, analyze, evaluate, and document sufficient, reliable, relevant, and useful information to achieve project objectives, while ensuring quality and adherence to the principles of integrity, objectivity, confidentiality, and competency.
5. Assess the Agency's governance processes; assess the risks relevant to the activity under review; consider the probability of significant errors, fraud, noncompliance, and other risks; and consider opportunities for improvement. Internal Audit will also evaluate the adequacy and effectiveness of internal controls and Agency actions designed to:
 - Ensure compliance with policies, procedures, laws, regulations, and contractual requirements;
 - Ensure the Agency's information and physical assets are appropriately safeguarded;
 - Ensure the reliability and integrity of financial and operational information is upheld; and
 - Protect the confidentiality, integrity, and availability of data and information technology resources.
6. Provide final audit reports to the Agency Secretary, other appropriate Agency management, the CIG, and the Auditor General. Reports containing restricted or confidential information will be redacted and distributed appropriately.

7. Keep the Inspector General and Agency Secretary informed when the Audit Director concludes that management has accepted a level of risk that may be unacceptable to the Agency.
8. Conduct follow-up activities for audits and reviews, if appropriate, to determine if appropriate corrective action in response to Internal Audit recommendations has been implemented and report the status of such action to the Agency management.
9. Perform consulting services as requested by Agency management and approved by the Audit Director and Inspector General to improve Agency operations.
10. Maintain a professional staff with sufficient knowledge, skills, and experience to meet the requirements of this Charter.
11. Establish a quality assurance program by which the Audit Director assures the effective operation of internal auditing activities.
12. Advise in the development of performance measures, standards, and procedures for the evaluation of the Agency's programs. Internal Audit will also assess the reliability and validity of the information provided by the Agency on performance measures and standards, and make recommendations for improvement, if necessary, before submission of such information within the Agency's Long Range Program Plan.
13. Serve as a coordination point for audits and reviews of the Agency by external organizations to provide optimal audit coverage with minimal duplication of efforts; and keep the CIG informed of corrective actions associated with external audits. Internal Audit will also monitor the implementation of the Agency's response to any report on the Agency issued by the Auditor General or the Government Accountability (OPPAGA) and provide a status report to the Agency Secretary, the CIG, and the Legislative Auditing Committee, no later than six months after issuance of a report from the Auditor General or OPPAGA.
14. Follow protocols established by the CIG.

APPROVED: Mary Beth Sheffield
Mary Beth Sheffield, Inspector General

Date: 4/27/18

APPROVED: Justin M. Senior
Justin M. Senior, Secretary

Date: 4-30-18