# Florida Department of Citrus
# Office of Inspector General
# Internal Audit Charter

**Purpose and Mission:** The purpose of the Florida Department of Citrus (FDOC), Office of Inspector General's (OIG) internal audit activity is to provide independent, objective assurance and consulting services designed to add value and improve the FDOC's operations. The mission of the OIG is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The OIG helps the FDOC accomplish its objectives by bringing a systemic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

**Standards for the Professional Practice of Internal Auditing:** The OIG's internal audit activity will govern itself by adherence to the mandatory elements of The Institute of Internal Auditor's International Professional Practices Framework, including 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 OIG will report periodically to the Executive Director and the Florida Citrus Commission (FCC) regarding the OIG's internal audit activity's conformance to the Code of Ethics and the Standards.

**Authority:** The Inspector General (IG) will report functionally to the FCC and administratively (i.e. day-to-day general supervision) to the Executive Director. To establish, maintain, and assure that the OIG's internal audit activity has sufficient authority to fulfill its duties, the FCC will:

- Approve the internal audit charter.
- Approve the risk-based internal audit plan.
- Assure the FDOC's annual administrative budget includes sufficient funding to facilitate the proper administration of the internal audit activity.
- Receive communications from the IG on the internal audit activity's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the IG.
- Approve the remuneration of the IG.
- Make appropriate inquiries of management and the IG to determine whether there is inappropriate scope or resource limits.
- Include as an agenda item at each regularly-scheduled meeting a report by the IG, as required in Section 601.045, F.S.
- Conduct an annual performance evaluation of the IG.

The Executive Director is responsible to:

- Assure that sufficient funds are available in the administrative budget to provide adequate support to the OIG's internal audit activity.
- Provide required office space, equipment, and administrative support.
- Authorize administrative activities through approval of documents, such as the IG's travel authorization and reimbursement requests, time and attendance reports, and leave requests.
- Assist as requested by the FCC in the annual performance evaluation of the IG.

The IG will have unrestricted access to, and communicate and interact directly with, the FCC, including in private meetings without management present.

The FCC authorizes the OIG's internal audit activity to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scope of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from necessary personnel of the FDOC, as well as other specialized services from within or outside the FDOC, to complete the engagement.

**Independence and Objectivity:** The IG will ensure that the internal audit activity remains free from all conditions that threaten the ability of the IG to carry out the IG's responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the IG determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

The IG will maintain an unbiased mental attitude that allows the IG to perform engagements objectively and in such a manner that the IG believes in the work product, that no quality compromises are made, and that the IG does not subordinate judgment on audit matters to others.

The IG will have no direct operational responsibility or authority over any of the activities audited. Accordingly, the IG will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the FDOC.
- Initiating or approving transactions external to the OIG.
- Directing the activities of any FDOC employee not employed by the OIG, except to the extent that such employees have been appropriately assigned to the OIG or to otherwise assist the OIG.

Where the IG has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

The IG will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The IG will confirm to the FCC, at least annually, the organizational independence of the internal audit.

The IG will disclose to the FCC any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

**Scope of Internal Audit Activities:** The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the FCC, FDOC management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the FDOC. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the FDOC's strategic objectives are appropriately identified and managed.
- The actions of FDOC's officers, directors, employees, and contractors are in compliance with FDOC's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the FDOC.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The IG will report periodically to the Executive Director and the FCC regarding:

- The internal audit activity's purpose, authority, and responsibility.
- The internal audit activity's plan and performance relative to its plan.
- The internal audit activity's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the FCC.

- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to the FDOC.

The IG also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit activity may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit activity does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

**Responsibility:** The IG has the responsibility to:

- Submit, at least annually, to the Executive Director and the FCC a risk-based internal audit plan for review and approval.
- Communicate to the Executive Director and the FCC the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in the FDOC's business, risks, operations, programs, systems, and controls.
- Communicate to the Executive Director and the FCC any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to the Executive Director and the FCC any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit activity collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact the FDOC are considered and communicated to the Executive Director and the FCC as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit activity.
- Ensure adherence to the FDOC's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to the Executive Director and the FCC.

- Ensure conformance of the internal audit activity with the Standards, with the following qualifications:
  - If the internal audit activity is prohibited by law or regulation from conformance with certain parts of the Standards, the IG will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
  - If the Standards are used in conjunction with requirements issued by other authoritative bodies, the chief audit executive will ensure that the internal audit activity conforms with the Standards, even if the internal audit activity also conforms with the more restrictive requirements of other authoritative bodies.

**Quality Assurance and Improvement Program:** The IG will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether the IG applies The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.

The IG will communicate to the Executive Director and the FCC on the internal audit activity's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the FDOC.

**Acknowledgement and Approval**:

Steve Johnson
Chairman
Florida Citrus Commission
September 28, 2022

Shannon R. Shepp
Executive Director
Florida Department of Citrus
September 28, 2022

Garrett Pearn
Inspector General
Florida Department of Citrus
September 28, 2022