



# Office of Internal Audit

## Quarterly Newsletter

JUNE 2011

VOLUME 9

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### **Message from the Chairman**

During this time of transformation, it is imperative that agency heads and decision makers recognize the “value add” Internal Auditors can bring to the organizational change process they most certainly will have to confront in the near future. Considering that every state agency is faced with reductions of their human resource assets and operating budgets, the benefit of Internal Audit services to agency heads is as important as it has ever been. By providing independent, objective assurance and consultation, Internal Auditors can help an agency improve the way it accomplishes its legislatively mandated objectives through a systematic, disciplined approach to evaluation and risk management, internal controls, and governance processes. By doing so, the agencies and their leaders may be better able to steer their way through the changes, challenges, and uncertainties ahead.

*David T. McCoy*

### **Items of Interest:**

**The Annual Report** – We are fast approaching the time of the year when the Office of Internal Audit (OIA) is gearing up in preparation for the Annual Report. **It’s important all reports are submitted to OIA in a timely manner and please indicate the type of engagement in the subject line when submitting your report.** The audit report types are: Financial, Performance/Operational, Investigative, Compliance, Internal Controls Assessment, Information Systems, Risk Assessment, Follow Up, Special Review, Special Project, and Technical Assistance.

In July you will receive a spreadsheet reflecting the information OIA has on file for your agency. This information is what comprises the Annual Report and will be presented to the Council of Internal Auditing. Each agency is responsible for thoroughly reviewing the spreadsheet for accuracy and completeness. Examples included on the spreadsheet:

- Was the 2010-2011 Annual Plan submitted timely?
- Has the Internal Audit Charter been established or updated?
- Has an updated Organizational Chart been submitted?
- Number and types of all engagement reports for 2010 – 2011,
- Auditor’s certifications and educational information.

This is some of the information that will be contained on the spreadsheet for review.

**New IIA Practice Guides and Advisories** – The IIA has published new practice guides and advisories. As a member of the IIA you can download these guides for free. Non member price \$25.00. Just click on the links below.

- Practice Guide: [Assisting Small Internal Audit Activities in Implementing the International Standards for the Professional Practice of Internal Auditing.](#)
- Practice Guide: [Auditing the Control Environment](#)

## Did You Know?



The purpose of "Did You Know" is to spotlight an internal auditor, group of auditors, or an entire audit shop. This feature provides a venue to profile internal auditors around the State and/or recognize civic, personal, or professional accomplishments. Our June 2011 "Did You Know," is... **Tommy Earnhardt** – Tommy has been an Internal Auditor at UNC Charlotte since 1998. A 1978 graduate of UNCC with a degree in business administration, Tommy worked in the textile and trucking industries before coming to UNC Charlotte in 1990 to become the Director of Student Accounts. He is the most recognized "face" of Internal Audit on campus and is rewarded with numerous phone calls asking for his advice in solving a wide variety of problems. Beyond the University, Tommy enjoys spending time with family and friends, going to the beach and watching his beloved Tarheels play football and basketball.

## Featured Activity

**The Award of Excellence** –We are still taking nominations for the [OIA NC Award of Excellence](#). This award is intended to acknowledge and express appreciation of outstanding accomplishments made by an individual internal auditor or an internal audit function within North Carolina State Government. All nominations for the 2010 Award must be submitted by June 13, 2011 to Betty Haley at [Betty.Haley@osbm.nc.gov](mailto:Betty.Haley@osbm.nc.gov). Only Council members and the selection committee will review nomination materials. To see complete program details and the nomination process please click on the link above.

## Reminders



**Council of Internal Auditing Next Meeting** – The next Council Meeting is July 13, 2011 at 9:00 AM, in the Commission Room located on the 5th floor of the Administrative Building.

**Staffing Changes** – The OIA maintains a contact list of all internal auditors throughout the State which is used to communicate information. Your assistance is needed to ensure the list remains current. When you have auditors that separate from your employment or new hires, please inform our office at [internalauditinfo@osbm.nc.gov](mailto:internalauditinfo@osbm.nc.gov). Put "*Staffing Change*" in the subject line and include the name, title and contact information of new hires or the name of separated employees in your correspondence.

**Central Database Submissions** - When submitting your audit reports/engagements ***you must indicate the type of report*** you are submitting. The report type's categories are: Financial, Performance/Operational, Investigative, Compliance, Internal Controls Assessment, Information Systems, Risk Assessment, Follow Up, Special Review, or Special Projects. OIA will utilize this information to create the Annual Activity Report.

Please remember audit reports must be submitted to the Council within 10 days after they are completed. Reports should be emailed to [internalauditinfo@osbm.nc.gov](mailto:internalauditinfo@osbm.nc.gov) and place "*Report*" in the subject line. Please contact Betty Haley at 807-4719 or [Betty.Haley@osbm.nc.gov](mailto:Betty.Haley@osbm.nc.gov) if you have any questions.

### **Office of Internal Audit Contacts**

If you need assistance with technical questions or auditing contact Barbara Baldwin at 919.807.4721 or [Barbara.Baldwin@osbm.nc.gov](mailto:Barbara.Baldwin@osbm.nc.gov). For administrative questions, quality assurance review requests, or improvement ideas contact Betty Haley at 919.807.4719 or [Betty.Haley@osbm.nc.gov](mailto:Betty.Haley@osbm.nc.gov). You can also visit our [website](#).