



# Office of Internal Audit

## Quarterly Newsletter

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## Message from the Chairman

Among the various “tenets for successful agency managers”, you will often find the advice to “Adopt an analytical managerial method” and “be proactive, don’t wait for things to happen; anticipate problems and prepare contingency plans.” This is often followed with reasonable advice to agency heads to routinely “test contingency plans on regular basis.” As we have witnessed the events unfolding in the Gulf of Mexico, we all would agree that waiting for an event to occur is not the best way to determine if your agency’s contingency/recovery plans are current and relevant. As agencies continue to grapple with constrained budgets, reduced staff levels, and equipment that may be outdated, the level of risk the agency must control increases. I encourage our Internal Auditors to work with agency heads to help the agencies identify weaknesses so that the agencies can proactively address problem areas. It is vitally important that accountability for roles and responsibilities be pre-determined toward the end of reducing the level of risk to which an agency may be exposed. Because Internal Auditors’ can enhance agency knowledge of risks and controls, your individual efforts can be of great benefit to your agency and to the State and help state agencies develop a deeper understanding of risks and controls. For all that you do to enhance North Carolina’s state government, I thank you.

## Items of Interest:

**Internal Audit Awareness Week** – On May 10<sup>th</sup> Governor Perdue proclaimed May 10-14, 2010 as [Internal Audit Awareness Week](#). Over several decades the profession of internal auditing has grown from double checking account balances to ensure accounting records and financial reports are accurate, to a profession that helps improve processes to better achieve the short-term and long-term objectives of the organization. Internal auditors throughout the State should be proud of the achievements gained and the recognition obtained by our profession.

**New IIA Practice Guides** – 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: [Evaluating Corporate Social Responsibility/Sustainable Development](#), February 2010
- Practice Guide: [Auditing Executive Compensation and Benefits](#), April 2010
- Practice Advisory: [2110-1: Governance: Definition](#), April 2010
- Practice Advisory: [2110-2: Governance: Relationship With Risk and Control](#), April 2010
- Practice Advisory: [2110-3: Governance: Assessments](#), April 2010
- Practice Advisory: [2200-2: Using a Top-down, Risk-based Approach to Identify the Controls to be Assessed in an Internal Audit Engagement](#), April 2010

**EZ-R Stats Training** – The Office of Internal Auditing in conjunction with EZ-R Stats Training delivered seven, one day, training sessions over a four week period. Ninety-four internal auditors received eight CPE credits each for attending this training.

## 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 2010 "Did You Know," .....Is **Timothy Harrell**. Timothy Harrell serves as the Director for the N.C. Department of Corrections, Internal Audit Section. Timothy is a graduate of Elizabeth City State University and has worked with the Internal Audit section for approximately seventeen years. Timothy has served in various roles such as Accountant, Internal Auditor, Central Operations Auditor, Regional Audit Supervisor and Special Assistant with Internal Audit.

During these critical times, Timothy feels it is important that auditors remain focused to effectively manage evolving risks and achieve their objectives.

## Featured Activity

**Central Database Submissions** - When submitting your audit reports/engagements please indicate the type of report you are submitting. The report types should be from one of the following categories: 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.

## Reminders



**Council of Internal Auditing Next Meeting** – The next Council Meeting is July 14, 2010 at 9:00 AM, in the Commission Room located on the 5th floor of the Administrative Building.

**Annual Activity Report** – We are quickly approaching the passing of another year and will soon be developing the Annual Activity Report. In the coming months each audit function will receive data that relates to your completed activities and this data will be included in the Annual Activity Report. We will ask you to review the information for accuracy and completeness.

**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.

## 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](#).