



# Office of Internal Audit

## Quarterly Newsletter

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## Message from the Chairman

Internal controls are an essential part of any organization's financial and business policies and procedures and help protect its resources against waste, fraud, and inefficiency, while promoting compliance with its policies through evaluations. In every State agency, each employee has a role in internal controls whether it is working to promote integrity, ethics and competence, the direct oversight of the internal controls, or compliance with its procedures and policies. Our internal auditors work to examine the adequacy and effectiveness of an agency's internal controls and make recommendations when internal control improvements are recognized as necessary. In other words, they are making good government better.

Any reasonable person would agree that internal auditors add value to an organization's internal control, risk management, and governance processes and that a well-managed internal audit program can provide reassurance to stakeholders such as the members of the General Assembly that funds and programs are being managed appropriately. This should be of benefit to them as they work to determine the best ways to invest the limited funding available to operate state government. During these times of intense pressure on the State's limited financial resources, all of us who work to enhance government benefit from the modest investment in its internal controls and internal auditors. We shouldn't be reserved about promoting the value they bring to our citizens.

*David T. McCoy*

## Items of Interest:

**House Bill 393** – On March 17, 2011 [House Bill 393](#), to Modify Internal Auditing Statutes, passed the first reading and has been referred to Committee on Government. Click on above link for details.

**OIA New Employee** – The Office of Internal Audit is pleased to announce the addition of Chantee Favors to our staff. Ms. Favors is a graduate of Texas University – San Marcos. Ms. Favors has ten years auditing experience with the Houston Independent School District conducting internal control assessments, compliance audits and investigations of suspected improprieties. She will focus on the Race to The Top (ARRA) Grant.

**The Peer Recognition Award of Excellence** – The Council of Internal Audit has approved the [Peer Recognition 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 1, 2011. To see complete program details and the nomination process please click on the link above.

**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: [Assessing the Adequacy of Risk Management](#).
- Practice Guide: [Measuring Internal Audit Effectiveness and Efficiency](#).

## 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 March 2011 "Did You Know," is **Claire M. Mufalo**.....Claire is a North Carolina Central University graduate with a Bachelors of Business Administration - Finance and a recent 2010 MBA graduate from Pfeiffer University is a new addition to NCCU internal audit team. She comes with more than 8 years of accounting experience in state government and also brings a wealth of global experience having worked for several years for Nico Insurance and KPMG Zambia.

## Featured Activity

**Spring Training 2011**– The Office of Internal Audit is pleased to announce the [Operational Auditing Workshop](#) held at the North Carolina Museum History on March 25, 2011 with training provided by Raven Global Training was well received with approximately 200 participants. The hands on case study provided eight CPE credits to participants. This workshop was open to all State employees with preference given to Statewide Internal Auditors and Director's of Internal Audit functions.

## Reminders



**Council of Internal Auditing Next Meeting** – The next Council Meeting is April 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](#).