



# Office of Internal Audit

## Quarterly Newsletter

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### Message from the Chairman

In 2000, an IIA study was conducted with a goal of improving the quality, efficiency and effectiveness of internal audit services. The study's results noted recurring issues involving risk assessment, communication, time management, internal audit staff development and policy development. Ten years later, what would a similar study of North Carolina's internal audit practices reveal? Are our state agencies and university and community college campuses conducting frequent and complete risk assessments? Even though we rely more and more on technology as an enabler, is there sufficient emphasis and effort on protecting information technology resources? Have the internal audit functions been supported by executive and legislative leadership to ensure that formerly approved control policies are in place? Have those who support the state's internal auditors adequately communicated present and future needs?

Today it is just as imperative that internal auditors and their supervisors promote the internal audit function, seek feedback from stakeholders, educate others about risk and internal controls, and keep management fully informed of projects and issues, and work to be fully engaged in strategic planning processes. Training to improve auditors' skills is no less important today, and it is not surprising that the study found that many organizations failed to develop formal plans to ensure continuing professional education for internal audit staff. While it is always essential to support these functions, I believe that during these critical budget times it is even more vital than ever that the state provide support for training on fraud awareness, and information systems auditing, thereby serving itself while serving others.

David T. McCoy

### Items of Interest:

**New IIA Practice Guides and Advisories** – The IIA has published new practice guides and advisories. Just click on the links below.

- Practice Guide: [CAEs - Appointment, Performance Evaluation and Termination](#) (May, 2010)
- Practice Advisory 2060-1: [Reporting to Senior Management and the Board](#) (May, 2010)
- Practice Advisory 2300-1: [Use of Personal Information in Conducting Engagements](#) (May, 2010)
- Practice Advisory 2320-1: [Analytical Procedures](#) (May, 2010)
- Practice Advisory 2330.A1-2: [Granting Access to Engagement Records](#) (May, 2010)
- Practice Advisory 2400-1: [Legal Considerations in Communicating Results](#) (May, 2010)
- Practice Advisory 2440-2: [Communicating Sensitive Information Within and Outside the Chain of Command](#) (May, 2010)
- Practice Advisory 2440.A2-1: [Communications Outside the Organization](#) (May, 2010)

**OIA New Employees** – The Office of Internal Audit is pleased to announce the addition of three internal auditors to our staff.

Walter McMiller has a BS degree in Public Policy Analysis and a Master in Public Administration from UNC-Chapel Hill. Walter has 12 years of auditing experience and will be auditing different ARRA programs.

Amelita Mapagu is a Certified Government Auditing Professional with 9 years of auditing experience. She has a BS degree in Accounting from the St. Louis University in the Philippines. Ms. Mapagu will focus on Department of Public Instruction ARRA funding.

Jenny Addison has a Bachelor degree in finance from Missouri State University. Jenny has 5 years of experience with a CPA firm and has passed 3 parts of the CPA exam. Ms. Addison will be auditing different ARRA programs.

## 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 September 2010 "Did You Know," is **Robert Edwards**.....Robert has served as the Director of Internal Audits at Western Carolina University for the past twenty five years. A graduate of the University, he also has served as Payroll Officer, Accountant and Interim Director of Auxiliary Services. He has witnessed the transition of beginning an internal audit function at the University to the current level of expertise required of all internal auditors. His current office staff includes himself, an associate auditor and an administrative assistant.

He serves his community as a volunteer fireman and serves on numerous non-profit boards. He is an avid golfer and enjoys the many outdoor activities afforded by the mountains of western North Carolina.

## Featured Activity:

**Annual Activity Report** – The Annual Activity Report will be presented to the Council of Internal Auditing at the October 13, 2010 meeting. Be sure to provide the Office of Internal Auditing all requested information pertaining to your agency. The information requested will be used in the Annual Report and to update our records.

## Reminders



**Council of Internal Auditing Next Meeting** – The next Council Meeting is October 13, 2010 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 *please 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](#).