



Office of Internal Audit Quarterly Newsletter

SEPTEMBER 2009

VOLUME 2

Contents

[Message](#)

[Items of Interest](#)

[Featured Activity](#)

[Reminders](#)

[OIA Contacts](#)

Message from the Chairman

It is an understatement to say that we are living in challenging economic times. However, the great news is that we are a strong state, with excellent leaders in the financial management area of state government.

The challenges we are facing will provide you, as internal auditors, with opportunities to influence our state's future in distinct and positive ways. It is very important that you reflect on practices which can facilitate development of the internal audit function throughout state government as well as in your organization and your professional associations. Each of us should engage in policy discussions examining challenging administrative issues that agencies must manage and provide agency heads and the legislature appropriate advice.

In whatever way you decide to participate, I encourage you to view these challenging times as your chance to make the state a better place. Your individual and collective contributions are important to the continuation and expansion of the internal audit function in state government, and I applaud your dedicated and determined involvement.

Items of Interest

IIA Newest Practice Advisories – The IIA has published several new practice advisories and guides since updating the International Professional Practices Framework (IPPF) as of January 2009. A list of the new additions to the IPPF is below and details can be found on the IIA website under Professional Guidance, [Standards and Guidance](#).

- Practice Advisory 2010-2: Using the Risk Management Process in Internal Audit Planning, July 2009
- Practice Advisory 2050-2: Assurance Maps, July 2009
- Practice Guide: Auditing External Business Relationships, May 2009
- Practice Guide: Formulating and Expressing Internal Audit Opinions, April 2009
- Practice Advisory 2120-2: Managing the Risk of the Internal Audit Activity, April 2009
- Practice Guide: GTAG-12 Auditing IT Projects, March 2009

American Recovery and Reinvestment Act (ARRA) – North Carolina is receiving over \$8 billion in ARRA funds. These funds supplement existing or create new programs and come with new requirements. Several of our State agencies and universities are eligible for these funds and new rules and regulations are being released by the Federal government that must be closely monitored. Below are State and Federal links that may be useful to internal auditors.

- [Federal Recovery website](#)
- [North Carolina Office of Economic Recovery and Investment website](#)
- [GAO Recovery website](#)
- [OMB Circular A-133 as of March 2009](#)
- [OMB Implementing Guidance for the Reports on Use of Funds Pursuant](#)

[to the American Recovery and Reinvestment Act of 2009 as of June 22, 2009](#)

- [Office of Inspector General Recovery Plans](#)
- [The American Recovery and Reinvestment Act](#)
- [Federal training on Recovery Act Reporting](#)
- [NC OpenBook](#)

Featured Activity

Quality Assurance Review Program (QAR) – The Office of Internal Audit has completed the development of the Peer Review Program to help state agencies and universities comply with The Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing and the Internal Auditing Act (G.S. §143-745).

The Peer Review Program will enable state agencies and universities to obtain their external assessment in a method that is cost-effective and educational. Information on the peer review process, procedures, and templates is available in the [Peer Review Manual](#). It is highly recommended the internal audit functions start completing the [Planning Tool Questionnaire](#) in [Appendix B form T6](#) three to six months prior to the need for a peer review.

We would like to send a **special thanks** to our first QAR committee members.

- Larry Kreiser, Director of Internal Auditing North Carolina A&T University
- Karen Aylor, Director of Internal Auditing Office of Secretary of State
- Dana Harris, Director of Internal Auditing University North Carolina-Wilmington

Reminders

Annual Audit Plans – Don't forget! Annual Audit Plans are due to OIA electronically no later than **September 30th**. More information can be found in the North Carolina Internal Audit Manual, [Section 4.1.6](#), on page 18. **Simply email your Annual Audit Plan to OIA at internalauditinfo@osbm.nc.gov.**

Council of Internal Auditing Schedule – The next Council Meeting will be on October 14, 2009. All Council Meetings start at 9:00 am, in the Commission Room located on the 5th floor of the Administrative Building. Listed below are the scheduled meetings for FY2009-2010.

October 14, 2009
January 13, 2010
April 14, 2010

Shared Documents – We have added a new resource tool to the OIA website located under Other Resources, [Audit Tools and Reference Materials](#). This resource was developed at the request of several internal auditors who identified the need for a central repository of documents and information that can be shared among internal auditors. To make this effort successful, we urge internal auditors around the State to submit any templates, checklists, surveys, questionnaires, audit programs or other useful materials to internalauditinfo@osbm.nc.gov. Please place SHARED DOCUMENT in the subject line, name of your file to identify the content of the document, and the file will be posted to the webpage.

We are also building a list of confidential/non-public records laws and reference manuals. This is a work in progress so please email any pertinent data to internalauditinfo@osbm.nc.gov and place in the subject line either REFERENCE MATERIAL or LAWS which will be posted on the website.

Office of Internal Audit Contacts

If you need assistance with technical questions, training, QAR, or auditing, contact Barbara Baldwin at 919.807.4721 or Barbara.Baldwin@osbm.nc.gov. For administrative questions or to submit articles for inclusion in the quarterly newsletter contact Betty Haley at 919.807.4719 or Betty.Haley@osbm.nc.gov. You can also visit our [website](#).