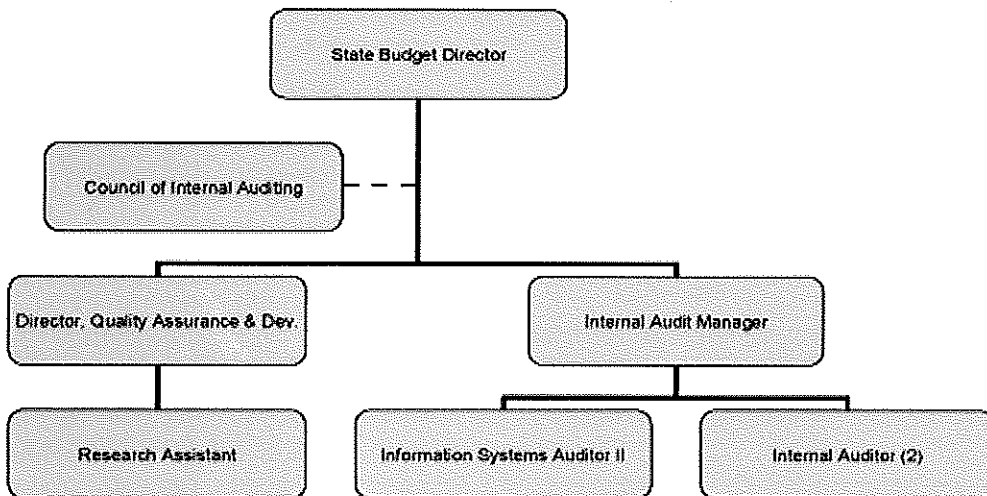


Office of Internal Audit

OSBM serves as staff and support to the **Council of Internal Auditing** in its implementation of the NC Internal Audit Act (Article 79, Chapter 143 of the NC General Statutes). The 2007 session of the General Assembly created this act, the passage of which was recommended by a study directed by the Government Performance Audit Committee.

The act requires a state agency that (1) has an annual operating budget that exceeds (\$10,000,000), (2) has more than 100 full-time equivalent employees, or (3) receives and processes more than \$10,000,000 in cash in a fiscal year, shall establish a program of internal auditing, and that internal audits comply with current **Standards for the Professional Practice of Internal Auditing** issued by the **Institute for Internal Auditors**. The act establishes qualifications of Internal Auditors, directs that agencies appoint a Director of Internal Auditing, and establishes the Council of Internal Auditing.

To support the Council, OSBM has established an Office of Internal Audit to assist in the carrying out its responsibilities. The Office of Internal Audit structure is shown below.



The Director of Quality Assurance and Development's major responsibilities are supporting the Council members, identifying professional development opportunities for State agency internal auditors, and administering a quality assurance program. The Internal Audit Manager's major responsibility is overseeing the interagency internal audit program which provides audit services to state agencies.

Professional Development Opportunities

A needs assessment will be completed this winter to understand agency training needs. If you have ideas or particular interests, please forward them to the Office of Internal Audit.

- **Training Opportunity: CFE Seminar, 02/23/09**

The Central Carolina Chapter (ACFE) is sponsoring a seminar titled "Fraud Detection Using a Database Platform" on February 23, 2009 at the North Raleigh Hilton. Please open the link for Registration, Speaker, Topic, and NASBA/CFE credit information.

Interagency Internal Audit Program

The Interagency Internal Audit Program provides technical expertise to internal audit functions and assists state agencies with internal audit activities whose budgets are between \$10 and \$70 million. The Program helps agencies develop and implement audit plans to add value and improve a state agency's operations.

- **Code of Ethics**
- **Audit Charter**

Quality Assurance Review Program

The Office of Internal Audit is currently developing a Peer Review Program to help state agencies and universities comply with the with The Institute of Internal Auditors (IIA) Standards for the Professional Practice of Internal Auditing (Standards) and the Internal Auditing Act (G.S. 143-745). In order to comply with the Standards, internal auditing offices are required to have an external assessment at least once every five years. The Act requires the Office of Internal Audit to establish an independent peer review system for state agency and university internal audit activities. The purpose of an external review is to evaluate and express an opinion on an Internal Audit function's compliance with the Standards. The Peer Review Program will enable state agencies and universities to obtain their external assessment in a method that is cost-effective and educational. Agency internal auditors interested in participating in the Peer Review Program will have the opportunity to attend a QAR training and certification class. The two and a half day course is tentatively scheduled for late January, 2009. Information on the peer review process, procedures, and templates will be available to all agencies as they are developed. Contact the Office of Internal Audit with questions on the Peer Review Program.

OIA Updates

- **July 2008**