



State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

January 31, 2008

To: Chief Executive Officers
University Chancellors
Community College Presidents

From: Robert L. Powell
State Controller

A handwritten signature in black ink that reads "Robert L. Powell".

Subject: Introduction of OSC's EAGLE Program

As you know, state agencies face more dramatic demands and challenges than ever before in fulfilling their commitment to governance and oversight of the State's assets. In North Carolina, the Office of the State Controller (OSC) is statutorily responsible for establishing internal control standards. With the recent passage of House Bill 1551, Chapter 143D "State Governmental Accountability and Internal Control Act," OSC is charged with implementing a statewide internal control program. The program OSC will be implementing across state government is called EAGLE (Enhancing Accountability in Government through Leadership and Education). The purpose of this program is not only to establish adequate internal control but also to increase fiscal accountability within state government.

To accomplish the requirements of §143D-6 *Standards setting responsibilities*, OSC will (1) **establish comprehensive standards, policies, and procedures** to ensure a strong and effective system of internal control within state government that will be made readily available to all state agencies; and (2) **make appropriate education efforts to inform state agencies** of these standards, policies, and procedures which shall include training courses, manuals and other information sources to promulgate a strong and effective system of internal control over financial reporting in state agencies.

In order to comply with the EAGLE program, **each agency will be required to perform annually an assessment of internal control over financial reporting.** By performing this assessment, each agency will benefit by identifying risks and compensating controls that reduce the possibility of material misstatements and misappropriation of assets, as well as opportunities to increase efficiency and control effectiveness in business processes and operations.

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To assist us with the implementation of EAGLE, we request that each agency appoint an Internal Control Officer (ICO). The designated ICO will be the agency liaison with OSC regarding EAGLE. The ICO will also be responsible for chairing a management assessment team and monitoring agency compliance with EAGLE requirements. The ICO should be knowledgeable in internal control matters and have sufficient authority and capacity to fully represent the agency.

Please provide us with the name and contact information (position title, mailing address, email address and telephone number) for your designated Internal Control Officer (ICO) by February 8, 2008. You may send this information via email to Wynona Cash, Risk Mitigation Analyst – Team Lead at wynona.cash@ncosc.net.

We will soon be sending you a follow-up memorandum with additional information on the upcoming EAGLE kickoff meeting and training sessions. We are excited about the benefits this program will yield to the State of North Carolina.

Thank you for helping us make EAGLE a successful program. If you have any questions, please contact Ben McLawhorn at (919) 981-5409.

cc: Chief Fiscal Officers
Vice Chancellors
Business Officers