



State of North Carolina

Office of the State Controller

DAVID T. MCCOY
STATE CONTROLLER

June 5, 2013

MEMORANDUM

TO: Boards and Commissions

FROM: David T. McCoy 

SUBJECT: 2013 Internal Control Certification

Please review and complete the *Self-Assessment of Internal Controls Questionnaire* (ICQ) for the fiscal year ending June 30, 2013. A new ICQ **must** be completed each fiscal year and maintained by your office for review by the Office of the State Controller (OSC) and the Office of the State Auditor. Any internal control cycles deemed not applicable should be indicated on Attachment I. Any inadequate internal controls should be indicated on Attachment II.

A complete copy of the ICQ is located on the OSC website:

http://www.osc.nc.gov/sigdocs/sig_docs/documentation/policies_procedures/ICQ_BandC.html

In addition, North Carolina General Statute §143D-7 provides that “Each principal executive officer and each principal fiscal officer shall annually certify, in a manner prescribed by the State Controller, that the agency has in place a proper system of internal control.”

OSC policy requires the Principal Executive Officer and Principal Fiscal Officer for each State agency to certify, in writing, and upon completion of the annual assessment of internal control, that the signing officers:

- Are responsible for establishing and maintaining internal controls;
- Have designed such internal controls to ensure that material information relating to the State agency is made known to such officers by others within the State agency particularly during the period in which financial reports are being prepared;
- Have evaluated the effectiveness of the State agency’s internal controls as of the latest fiscal year-end;
- Have presented herein the certification of their conclusions about the effectiveness of internal controls based on their latest evaluation; and

- Have disclosed to the State agency's external and internal auditors and audit committee of the board of directors (or persons fulfilling the equivalent function):
 - All significant deficiencies in the design or operation of internal controls which could adversely affect the State agency's ability to record, process, summarize, and report financial information or instances of non-compliance with certain provisions of laws, regulations, contracts, and grant agreements, which could have a direct and material effect on the determination of financial statement amounts; and
 - Any fraud, whether or not material, that involves management or other employees who have a significant role in the State agency's internal controls.

Annual certifications must be supported by, and consistent with, the results of the agency's annual evaluation of internal control.

To comply with G.S. § 143D-7 and OSC policy requirements, we are requesting that you complete the "Letter of Certification" on your agency's letterhead and return it to the Office of the State Controller by July 31, 2013. The signed "Letter of Certification" may be sent to Ben McLawhorn, OSC Risk Mitigation Services Manager, by email at ben.mclawhorn@osc.nc.gov or via fax at (919) 875-3804 or via U. S. Mail to the following address:

Ben McLawhorn
Risk Mitigation Services Manager
Office of the State Controller
1410 Mail Service Center
Raleigh, North Carolina 27699-1410

Thank you for your continued efforts to ensure accountability in government through the implementation of a strong and effective system of internal control. If you have any questions regarding the certification form or certification process, please direct them to Ben McLawhorn. Mr. McLawhorn may be reached by phone at (919) 707-0757 or by email at ben.mclawhorn@osc.nc.gov.

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