



Division of the Budget

B-350 2018-19 Summary

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- Revised BPRM B-350 *Governmental Internal Control and Internal Audit Requirements* was issued on March 18, 2018.
- Changed the Internal Control Certification and Internal Audit Evaluation forms.
- Archived the Budget Bulletin B-1222.
- Added the Internal Control Compliance Report.

Submission date is **always**

April 30

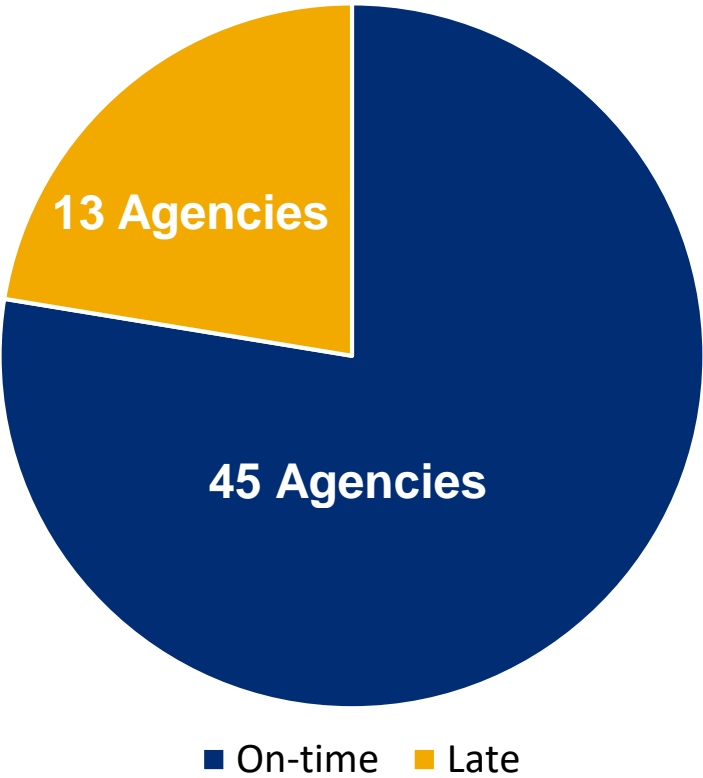
Internal Control Compliance Report

- Form is used for two purposes:
 - Tracking Agency efforts to reach full compliance – all requirements certified as partial or not compliant must provide a corrective action plan and estimated date of full compliance. This Report is sent to DOB on the provided date of full compliance.
 - Acquiring additional information for Certification responses lacking in detail.

Internal Control Certification Compliance Report	
State Agency:	
Contact Name:	
Title:	
Telephone:	
E-mail Address:	
Internal Control Act Requirement:	
Is the State Agency Fully Compliant?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, Date of Full Compliance:	
If No, Indicate Level of Compliance:	<input type="checkbox"/> Partially Compliant <input type="checkbox"/> Not Compliant
Estimated Date of Full Compliance:	
Corrective Action Plan:	

Submission Overview

B-350 Timely Submission

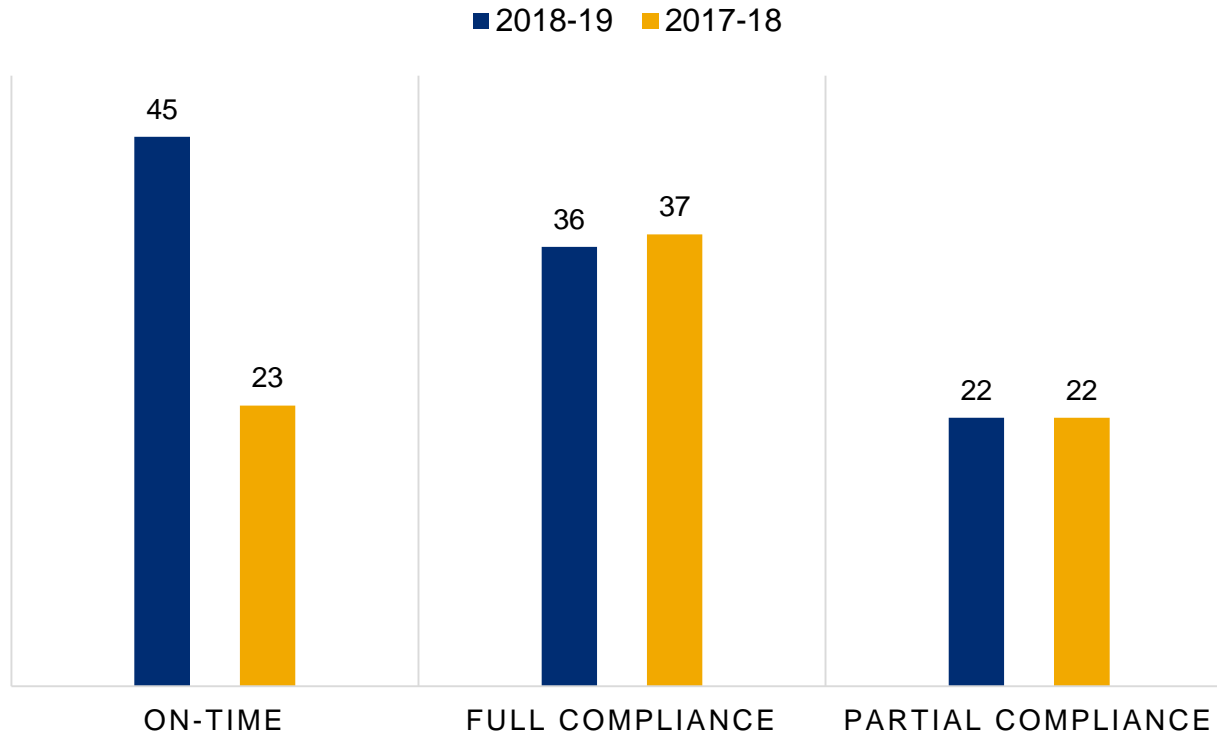


Agencies Reporting:

Full Compliance	36
Partial Compliance	22



AGENCY SUBMISSION COMPARISON



* There were 59 agencies required in 2017-18 to submit the B-350 and 58 agencies in 2018-19

Why are we not Fully Compliant?

Common Problems Addressed in Submissions

Internal Control Act Requirement	Full Compliance	Partial Compliance
Requirement 1	55	3
Requirement 2	46	12
Requirement 3	49	9
Requirement 4	55	3
Requirement 5	56	2
Requirement 6	49	9

Obtaining required number of CPE's each year per staff member.

IT upgrades and implementation of services that take time away from IC processes and increase risk.

Unable to complete an independent Quality Assurance Review in the last five years.

Revising and updating all policies and procedures

Vacancies in ICO or DIA positions.

Major Agency

Review begins with Program Units reviewing the list of their current program functions, generated from a computerized database, that identifies those scheduled for testing and outstanding corrective action plans.

Program Units perform risk assessments, document key internal controls, control objectives, and testing methods of all functions. Then the methods are used to test the effectiveness of preselected functions. If testing revealed deficiencies, corrective action plans are created and implemented.

When testing is complete, upper management review and certify the results. All collected information is recorded in the Internal Control Database. Statistical analysis is performed through the database to yield status of agency's internal controls.

Minor Agency

This Agency follows a six-step documented review:

1. Each program area reviews and updates their inventory of major functions or services;
2. A risk assessment is completed for selected major functions.
3. For each identified risk, an "Internal Control Risk Questionnaire" form is completed;
4. "Internal Control Review Worksheets" are completed to document any testing relating to the questionnaire;
5. "Corrective Action Planning Questionnaires" and "Corrective Action Plan Worksheets" must be completed when a risk is identified with control deficiencies.
6. The ICO and liaisons facilitate this review and ensure step completion.

Requirement 2: Risk Assessment

The NYSICA website has a PowerPoint on Risk Assessment and can be found [here](#).

Outlined below are unique practices included in some submissions:

Major Agency

- Established a *Risk Assessment and Mitigation Committee* that reviews enterprise-wide risks
- Created an *Internal Control Database* that holds all inputted data and can produce statistical analyses
- Utilizes the required completion of worksheets and matrices that are electronically submitted to ICO for evaluation
- Holds meetings between Program Staff and an Enterprise Risk Management Bureau to analyze potential impacts of each identified risk

Minor Agency

- Program Managers complete a *Vulnerability Self-Assessment* and determine a vulnerability score for each assessable unit function
- Created a Risk Management Database that aids risk-ranking and testing sequences
- Utilizes *Risk Matrix* templates all Division Directors are required to complete
- Circulates an electronic Internal Control Survey through SurveyMonkey to Division Heads

Reaching Fully Compliant

In a galaxy far, far away, all State Agencies are fully compliant in their Internal Control Certifications. How can that be *less* far away?

DOB

- BPU (Audit and Internal Control Unit) is happy to answer questions and help in any possible way
- DOB Online is home to the [B-350](#) and other Internal Control procedures

NYSICA

- Website contains many documents, PowerPoints, links to other resources
- Hosts many forums, presentations and workshops

OSC

- Publishes many documents related to Internal Controls and Internal Audit in New York State Agencies, Authorities and other entities
- Internal Control Task Force website found [here](#)

We encourage discussion between your counterpart ICOs of other Agencies.

Questions?

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