



Division of the Budget

B-350

Internal Control and Internal Audit

Presented by: Kiyannah Joyner, MBA, CIA, CFE

Enhance integrity of government operations; provide reasonable oversight of State operations; and promote compliance with laws, regulations and policies with the goal to ensure State funds and resources are used efficiently and effectively.

The B350 contains direction for agencies on complying with the New York State Governmental Accountability, Audit and Internal Control Act (Internal Control Act).

The B-350 covers:

- Schedule of Covered Agencies required to submit the Internal Control Certification and to have an Internal Audit Function
- Internal Control responsibilities, reporting and professional standards
- Internal Audit in an Internal Control System
- Internal Control Certification and how to complete the form
- Internal Audit Evaluation Form and how to complete the form

Who is Covered? Schedules of Covered State Agencies

- DOB issues two Schedule of Covered State Agencies, Attachment A and B
- If there's a revision from the previous year, the B-350 will be reissued

Where is it? DOB Website

- B350 is found on DOB's website:
- <https://www.budget.ny.gov/guide/bprm/index.html>
 - State Agency Guide → Budget Policy and Reporting Manual → Section B

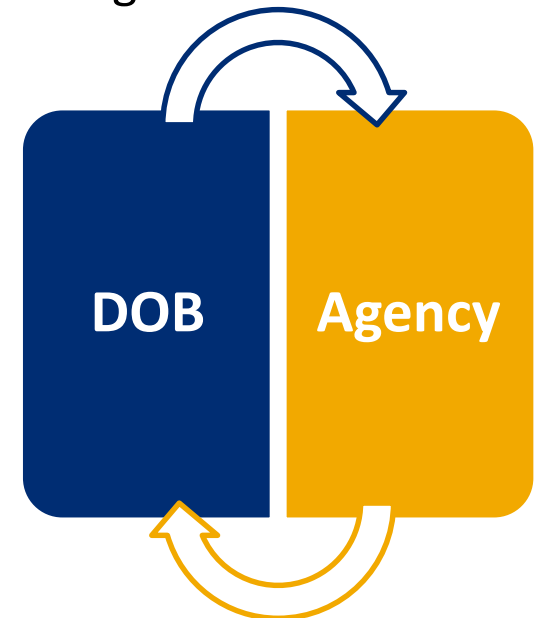
When is it due? B-350

- All Certifications, forms, and Internal Audit Evaluations are due **April, 30th**

BPRM B-350 was revised in 2019 to:

- Increase clarity on DOB expectations from Agencies
- Improve direction on complying with the Internal Control Act
- Provide instruction on completing all required forms
- Integrate COSO 2013 Internal Control Framework into Agency's Internal Control Systems and responses in the B-350

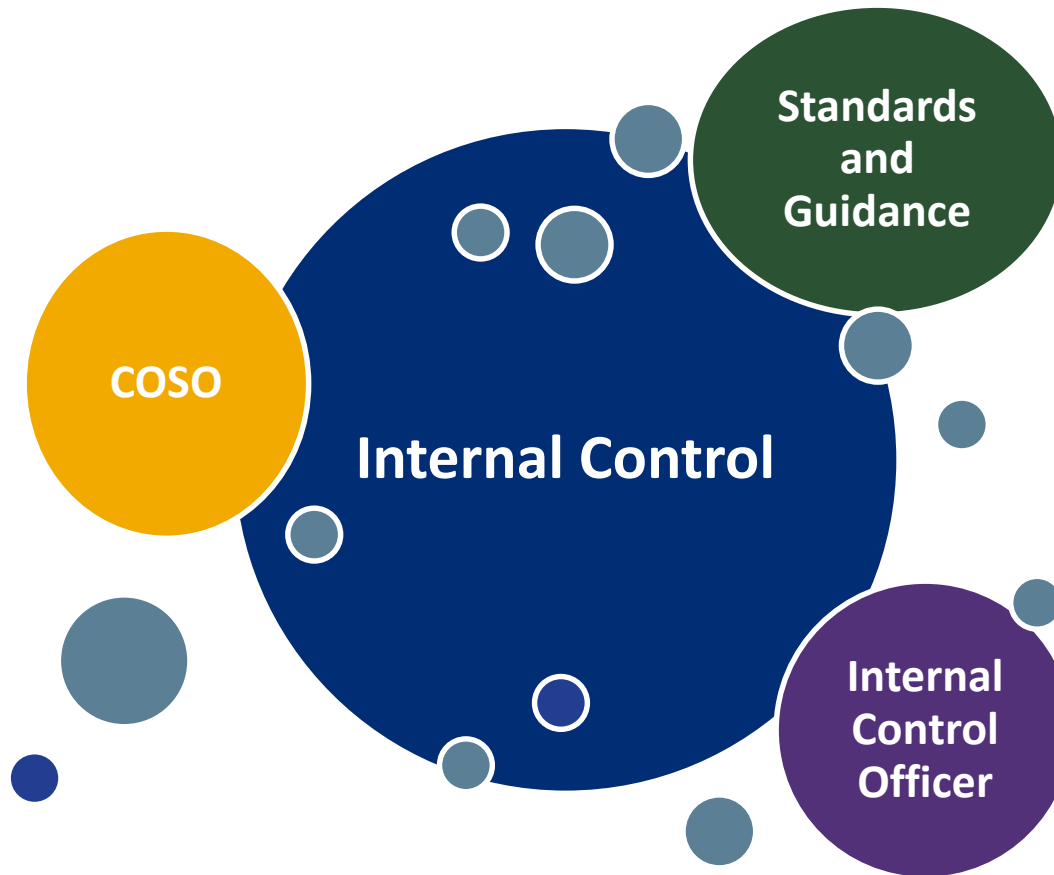
There will no longer be a B-1222. An email will be sent each March with the list of covered agencies and a reminder to begin the review.



Internal Control Act Requirements

1. Establish and maintain guidelines for a system of internal controls
2. Establish and maintain a system of internal controls and a program of internal control review for the agency
3. Make available to each officer and employee of the agency a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such agency shall be expected to comply, along with detailed policies and procedures the employees are expected to adhere to in completing their work
4. Designate an Internal Control Officer (ICO), who shall report to the agency head, to implement and review the internal control responsibilities established pursuant to this BPRM item. The designation of the ICO should also be communicated to employees
5. Implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques
6. Periodically evaluate the need to establish, maintain or modify an internal audit function. If an internal audit function exists, it should operate in accordance with generally accepted professional standards for internal auditing

Internal Control



Control Environment

1. Demonstrates commitment to integrity and ethical values
2. Exercises oversight responsibility
3. Establishes structure, authority and responsibility
4. Demonstrates commitment to competence
5. Enforces accountability

Risk Assessment

6. Specifies suitable objectives
7. Identifies and analyzes risk
8. Assesses fraud risk
9. Manages risk during change

Control Activities

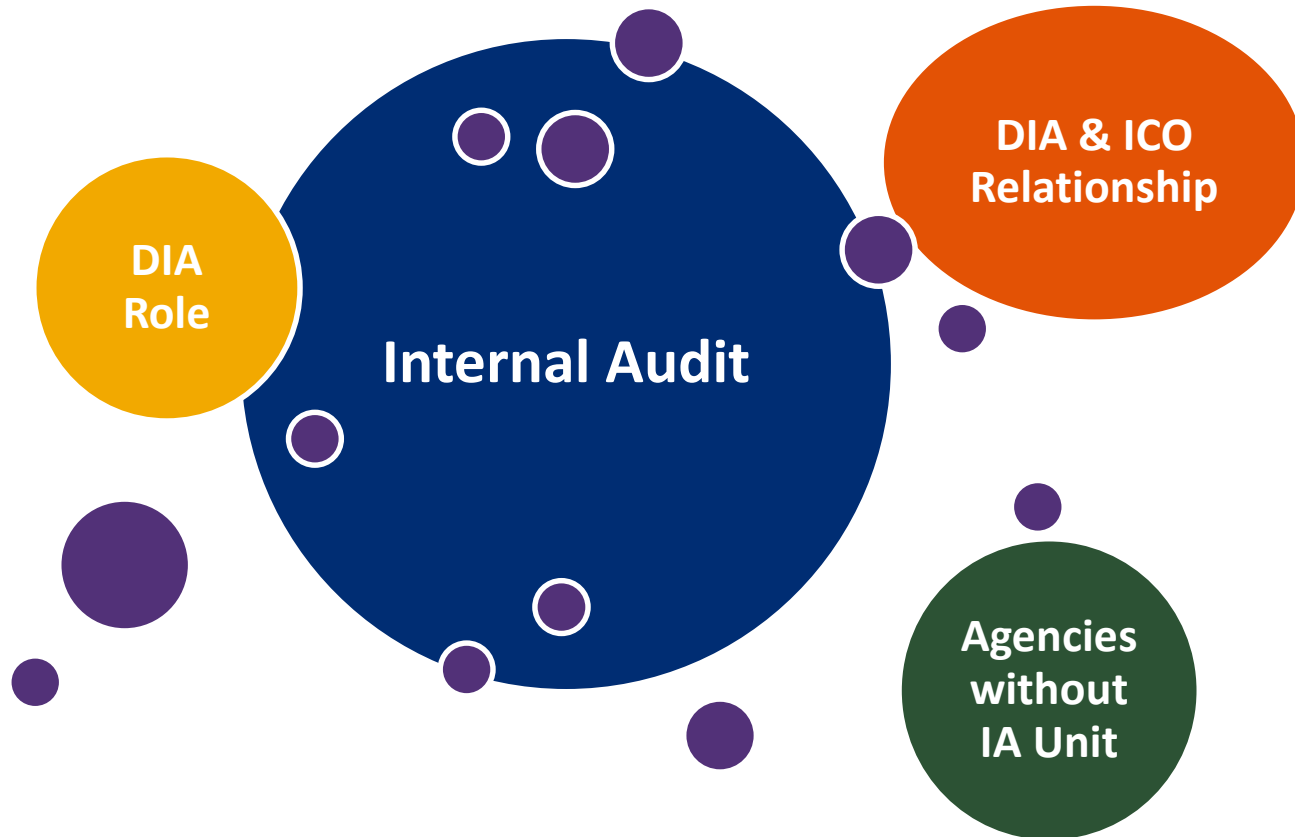
10. Selects and develops control activities
11. Selects and develops general controls over technology
12. Deploys controls through policies and procedures

Information and Communication

13. Uses relevant information
14. Communicates information internally
15. Communicates information externally

Monitoring

16. Conducts ongoing and/or separate evaluations
17. Evaluates and communicates deficiencies



Submitted to DOB mailbox: dob.sm.icreporting@budget.ny.gov

Internal Controls Certification Form

- Required by all agencies listed in Attachment A

Internal Audit Evaluation

- Required by all agencies not mandated to have an Internal Audit Function

Internal Controls Certification Form



ANDREW M. CUOMO
Governor

ROBERT F. MUJICA JR.
Director of the Budget

SANDRA L. BEATTIE
Deputy Director

INTERNAL CONTROL CERTIFICATION INSTRUCTIONS

The Budget Policy and Reporting Manual B-350 is issued by DOB and outlines agency requirements for completing the Internal Controls Certification.

An agency's submission of the Internal Control Certification represents the justification for an agency's level of compliance with the requirements of the Internal Control Act as outlined below.

In the responses to the six requirements, agencies must:

- Provide a thorough explanation of the specific actions the agency has taken to comply with each requirement and use as much space as needed to respond;
- Indicate the agency's level of compliance with each requirement and include justification for this assertion; and
- Include, for each requirement that is not fully compliant, an action plan and estimated date of completion.

A completed and signed Internal Control Certification Form must be submitted to the Division of the Budget (DOB) on or before **April 30** annually. Send the PDF of the completed form to DOB's internal control reporting mailbox at dob.sm.icreporting@budget.ny.gov.



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Agency Name: Choose an item.

1. Establish and maintain guidelines for a system of internal controls for the agency.

For this requirement, the agency is:

☐ Fully Compliant ☐ Partially Compliant ☐ Not Compliant

2. Establish and maintain a system of internal controls and a program of internal control review for the agency. Please include a description of your agency's process for reviewing and testing controls and monitoring corrective action plans. Also, list all high-risk activities which were reviewed during the past year, and the results of those reviews.

For this requirement, the agency is:

☐ Fully Compliant ☐ Partially Compliant ☐ Not Compliant

3. Make available to each officer and employee of the agency a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such agency shall be expected to comply, along with detailed policies and procedures the employees are expected to adhere to in completing their work.

For this requirement, the agency is:

☐ Fully Compliant ☐ Partially Compliant ☐ Not Compliant

Internal Controls Certification



**Division of
the Budget**

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Deputy Director

Internal Control Certification

Agency Name:

Agency Head:

Agency Address:

Telephone Number:

Name of Internal Control Officer:

Email of Internal Control Officer:

Telephone Number:

Form Completed by:

Email (if different from ICO)

With the New York State Governmental Accountability, Audit and Internal Control Act, I hereby certify the agency is:

- ☐ Fully Compliant (Full compliance with all provisions)
- ☐ Partially Compliant (Partial compliance with some provisions)
- ☐ Not Compliant (Noncompliance with all provisions)


This certification is supported with detailed justification of actions taken and/or outlines specific actions needed to address areas of partial compliance or noncompliance as described in the Budget Policy and Reporting Manual item B-350.

Signature of Agency Head

Date

Internal Audit Evaluation

To be completed by agencies not required by DOB to maintain an internal audit function:



NEW YORK
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Internal Audit Evaluation Form

The Division of the Budget will use this form to determine if an Agency should be required to have an internal audit function.

State Agencies not listed on the Schedule of Covered Agencies, Attachment B, must submit this form with the Internal Controls Certification by April 30.

The form has been locked for responses to the questions only. This ensures the formatting remains as is and is delivered back to DOB in the format it is reviewed.

Agency: Choose an item.



NEW YORK
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Agency Overview/Organization

Briefly describe the agency's mission and programs and, if applicable, identify the legal basis for the agency.

Briefly discuss major organizational units in terms of major operating responsibility, decision-making processes and level of autonomy.

Describe the organizational structure of the agency; discuss the organization in terms of span of control and separation of duties. Attach agency and pertinent programmatic organizational charts.

Number of employees for the most recently completed fiscal year.

	Central Office Positions (FTE)	Regional/Field Office Positions (FTE)
Managerial		
Professional/Technical		
Support/Clerical		
Seasonal/Temporary		
Total		

How would you characterize the agency's public purpose? (Percentage of time spent on each function)

Advocate		%
Provider		%
Regulatory/Control		%
Support		%
Administrative		%
Other (specify)		%

DOB Review Process

1. Review all Internal Control Certification submissions
2. Complete an evaluation of Agency submission
3. Send Agency an Internal Control Evaluation Form
4. Follow-up with Agencies on questions or deficiencies
5. Select Agencies to conduct an on-site evaluation of their internal controls

MARCH

- DOB issues email

ONGOING

- Agency begins/completes Internal Control Review

APRIL 30TH

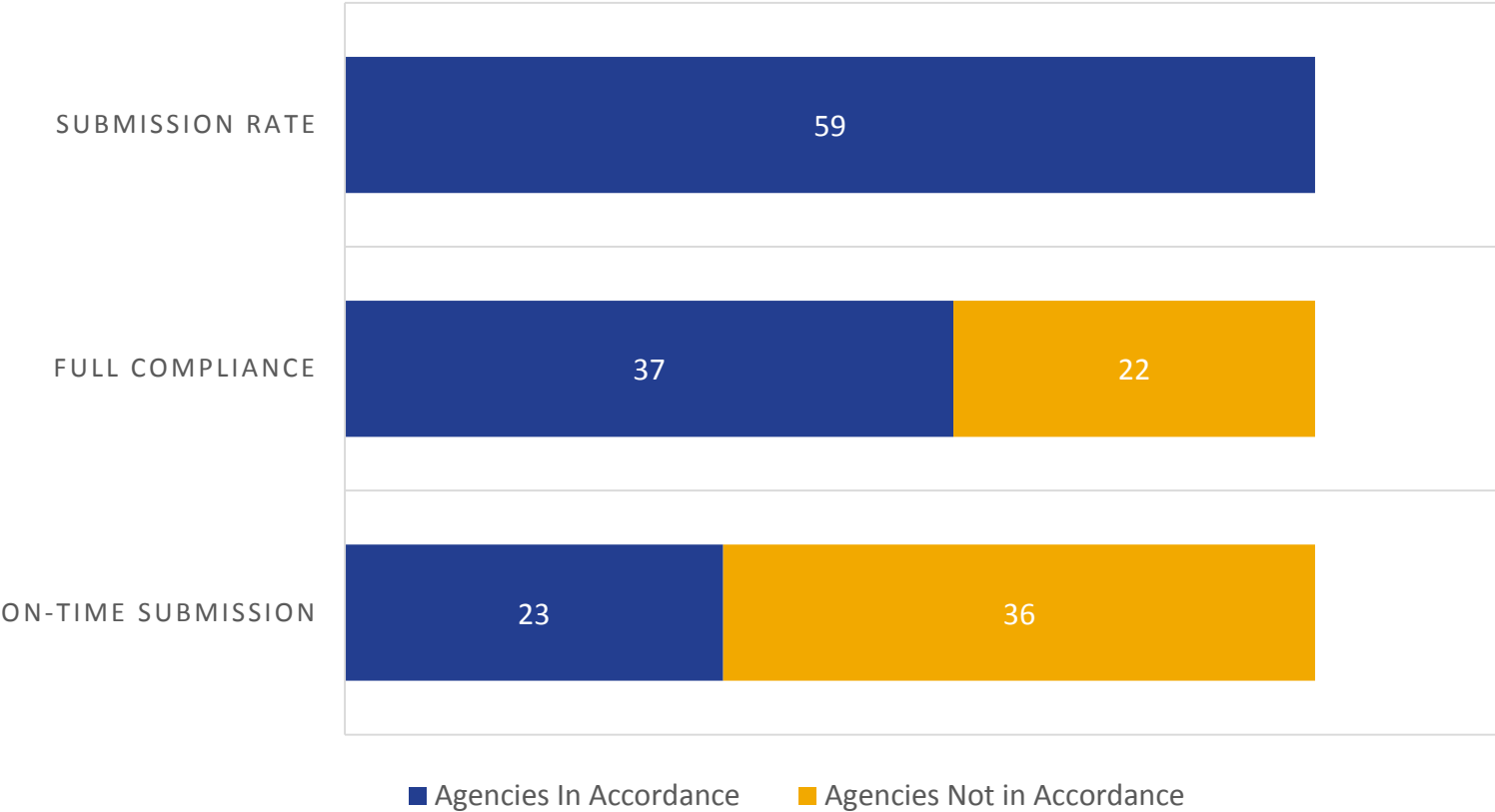
- Agency submits Internal Control Certification and supplements

JUNE

- DOB sends Agencies the Internal Control Certification Evaluation

2017-2018 Internal Controls Certification

AGENCY STATISTICS



2017-2018 Internal Controls Certification

Things to Remember

- Ensure responses include all relevant details
- List a timeframe for all corrective actions
- Include the Internal Audit Evaluation Form if not required to have an Internal Audit function
- Submit certifications on time
- Submit the certification to the dob.sm.icreporting@budget.ny.gov mailbox

All questions during the Internal Control Certification process should be directed to:

Kiyannah Joyner
Kiyannah.Joyner@budget.ny.gov
518-473-0411

Cassandra LaForest
Cassandra.LaForest@budget.ny.gov
518-486-5442

Questions?