

BUDGET POLICY AND REPORTING MANUAL

<i>date</i> 3/5/13	<i>subject</i> GOVERNMENTAL INTERNAL CONTROL AND INTERNAL AUDIT REQUIREMENTS	<i>item</i> B-350
<i>supersedes</i> 3/12/12		<i>page</i> 1

Attachment B

List of Agencies Required to Establish and Maintain an Internal Audit Function

I. Purpose and Scope

This attachment identifies the schedule of State agencies that the Director of the Budget has determined must establish and maintain an IA function.

II. Evaluation Criteria

This list is based upon the following review criteria to determine an agency's potential operational vulnerability and exposure to risk in such areas as: organizational and program complexity; nature of revenue structure; size of budget; composition of workforce; volume of contract, cash and grant transactions; sensitivity of program areas; the reliability of automated systems; and level of internal control awareness exhibited by staff.

Agencies included on the schedule are generally those with: varied and complex programs; decentralized organizational structures; significant revenue, grant or reimbursement functions; or, major regulatory or investigatory responsibilities.

Agencies can utilize the *Internal Audit Evaluation Criteria* (**Attachment C**) as a tool to assess their organizations' need for an IA function. If the assessment concludes that an IA function is warranted, agencies should submit the completed "IA Evaluation Criteria" to DOB's Administrative Services Unit, which will coordinate a review and final determination with the appropriate examination unit.

III. Applicability

Agencies not on this schedule may voluntarily establish such audit units.

IV. Conformance to Internal Audit Standards

Agencies should establish and maintain IA units in accordance with the basic principles delineated in The Institute of Internal Auditors' [Standards for the Professional Practice of Internal Auditing](#) which include independence and objectivity, professional proficiency, nature and scope of work, performance of audit work, management of the IA unit, communicating results and monitoring progress.

V. Revisions to Schedule

This schedule may be revised at the discretion of the Director of the Budget.

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List of Agencies Required to Establish and Maintain an Internal Audit Function

Agriculture & Markets, Department of
 Alcoholic Beverage Control, Division of (State Liquor Authority)
 Alcoholism & Substance Abuse Services, Office of

Children & Family Services, Office of
 City University of New York
 Civil Service, Department of
 Corrections and Community Supervision, Department of
 Criminal Justice Services, Division of

Economic Development, Department of
 Education Department
 Environmental Conservation, Department of

Financial Services, Department of

Gaming Commission, New York State
 General Services, Office of

Health, Department of
 Higher Education Services Corporation
 Homeland Security and Emergency Services, Division of
 Housing & Community Renewal, Division of

Information Technology Services, Office of
 Insurance Fund, State

Labor, Department of

Medicaid Inspector General, Office of
 Mental Health, Office of
 Military & Naval Affairs, Division of
 Motor Vehicles, Department of

Parks, Recreation & Historic Preservation, Office of
 People with Development Disabilities, Office for
 Public Service, Department of

State, Department of
 State Police, Division of
 State University of New York

Taxation & Finance, Department of
 Temporary & Disability Assistance, Office of
 Transportation, Department of

Workers' Compensation Board