



**Responsibility for Internal Control**

Policy Area: <b>Internal Control</b>	Effective Date: <b>7/1/2008</b>
Policy Sub Area: <b>N/A</b>	Last Revision Date: <b>N/A</b>
Authority: <b>G.S. 143D-7</b>	Policy Owner/Division: <b>Risk Mitigation Services</b>

**Policy**

North Carolina General Statute §143D-7 provides that “The management of each State agency bears full responsibility for establishing and maintaining a proper system of internal control within that agency.”

Agency management may not delegate its responsibility for establishing and maintaining a proper system of internal control. Agency management must establish and reinforce a strong control environment through practice and action which embodies these principles:

- Sound integrity and ethical values, particularly of top management;
- Where appropriate, a board which understands and exercises oversight responsibility related to internal control;
- A management philosophy and operating style which supports achieving effective internal control;
- An organizational structure which supports effective internal control;
- Retention of individuals competent in matters subject to internal control;
- Management and employees are assigned appropriate levels of authority and responsibility to facilitate effective internal control; and
- Human resource policies and practices are designed and implemented to facilitate effective internal control.

**Procedures**

None Noted.

**Accounting Guidance**

None noted.

**Related Documents (Memos/Forms)**

None noted.

**Revision History**

Date	Description