

# STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR

BETH A. WOOD, CPA

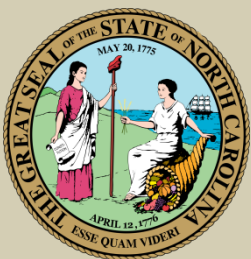


## MADISON COUNTY CLERK OF SUPERIOR COURT

MARSHALL, NORTH CAROLINA

PERFORMANCE AUDIT

AUGUST 2020



**NC OSA**  
The Taxpayers' Watchdog

STATE OF NORTH CAROLINA  
**Office of the State Auditor**



**Beth A. Wood, CPA**  
State Auditor

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## AUDITOR'S TRANSMITTAL

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The Honorable Roy Cooper, Governor  
The General Assembly of North Carolina  
The Honorable Mark A. Cody, Madison County Clerk of Superior Court

This report presents the results of our performance audit at Madison County Clerk of Superior Court. Our work was performed by authority of Chapter 147, Article 5A of the *North Carolina General Statutes* and was conducted in accordance with the performance audit standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The results of our audit identified deficiencies in internal control and instances of noncompliance that are considered reportable under *Government Auditing Standards*. These items are described in the *Findings, Recommendations, and Responses* section of this report.

*North Carolina General Statutes* require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

A handwritten signature in cursive script that reads "Beth A. Wood".

Beth A. Wood, CPA  
State Auditor



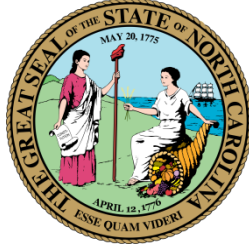
Beth A. Wood, CPA  
State Auditor

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Chapter 147, Article 5A of the *North Carolina General Statutes*, gives the Auditor broad powers to examine all books, records, files, papers, documents, and financial affairs of every state agency and any organization that receives public funding. The Auditor also has the power to summon people to produce records and to answer questions under oath.

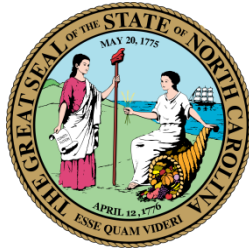


# BACKGROUND

As authorized by Chapter 147, Article 5A of the *North Carolina General Statutes*, we have conducted a performance audit at Madison County Clerk of Superior Court. There were no special circumstances that caused us to conduct the audit, but rather it was performed as part of our effort to periodically examine and report on the financial practices of state agencies and institutions.

The voters of each county elect a Clerk of Superior Court for a four-year term. Clerks are responsible for all clerical and record-keeping functions of the superior court and district court. The Clerks' Offices collect, invest, and distribute assets in a fiduciary capacity. For example, the Clerks' Offices collect fines and court costs, hold cash and property bonds, administer estates on behalf of minors, and distribute resources to governmental and private parties as required.

The North Carolina Administrative Office of the Courts (NCAOC) provides statewide support services for the courts, including court programs and management services; information technology; human resources services; financial, legal, and legislative support; and purchasing services. In addition, the NCAOC prepares and administers the court system's budget.



# **OBJECTIVES, SCOPE, AND METHODOLOGY**

The general objective of this performance audit was to identify improvements needed in internal control over selected fiscal matters. Management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that relevant objectives are achieved. Errors or fraud may nevertheless occur and not be detected because of the inherent limitations of internal control. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or that compliance with policies and procedures may deteriorate. Our audit does not provide a basis for rendering an opinion on internal control, and consequently, we have not issued such an opinion. See Appendix on page 13 for internal control components and underlying principles that were significant to our audit objectives.

Our audit scope covered the period July 1, 2019 through January 31, 2020. During our audit, we considered internal control related to the following objectives:

*Cash* – The Clerk’s Office collects various fines, fees, and court costs daily, as well as collections for bonds, judgments, and other matters. We examined internal controls designed to ensure that the Clerk properly safeguards and accounts for cash receipts. We also examined internal controls designed to ensure compliance with laws and regulations related to depositing cash receipts. During the audit period, the Clerk collected \$1,607,103 in cash.

*Estates* – The Clerk’s Office ensures all estates are charged an application fee plus an assessment based on the value of the estate’s inventory. An estate inventory is to be filed by the representative of the estate. We examined internal controls designed to ensure that the Clerk properly obtains an inventory for each estate in compliance with laws and regulations. We also examined internal controls designed to ensure compliance with laws and regulations related to the appropriate assessment and collection of estate fees. During the audit period, the Clerk collected \$50,416 in estate fees.

The Clerk’s Office ensures that all estate guardians are properly bonded based on the value of the annual estate inventory. An annual estate inventory is to be filed by the estate guardian of a minor or incapacitated adult. We examined internal controls designed to ensure that the Clerk properly obtains an inventory for each guardianship in compliance with laws and regulations. We also examined internal controls designed to ensure that bonds assessed and collected are sufficient and in compliance with laws and regulations. During the audit period, auditors examined \$2,608,639 in estate guardian bonds retained by the Clerk.

*Escheats* – The Clerk’s Office transfers abandoned property to the State. The transfer results when the person legally entitled to the property fails to make a valid claim on the property within a prescribed period of time. After that time, all abandoned property held by the Clerk is required to be transferred to the North Carolina Department of State Treasurer. We examined internal controls designed to ensure that the Clerk properly identifies escheatable funds. We also examined internal controls designed to ensure compliance with laws and regulations related to escheating unclaimed funds after a prescribed period of time. During the audit period, the Clerk transferred \$10,137 in escheats to the State Treasurer.

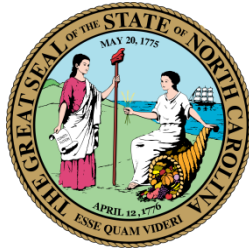
*Trusts* – The Clerk’s Office receives, administers, and disburses trust funds for minors and incapacitated adults. We examined internal controls designed to ensure that disbursements from minor and incapacitated adult trust accounts are proper to ensure compliance with laws and regulations. As of January 31, 2020, the Clerk had \$180,325 in trust accounts.

To accomplish the audit objectives, auditors gained an understanding of the Clerk’s internal control over matters and evaluated the design of the internal control. Auditors then performed further audit procedures consisting of tests of control effectiveness and/or substantive procedures that provide evidence about our audit objectives. Specifically, auditors interviewed personnel, observed operations, reviewed policies, analyzed accounting records, and examined documentation supporting recorded transactions and balances, as considered necessary in the circumstances. Whenever sampling was used, we applied a nonstatistical approach, but chose sample sizes comparable to those that would have been determined statistically. As a result, we were able to project our results to the population as applicable but not quantify the sampling risk. This approach was determined to adequately support audit conclusions.

As a basis for evaluating internal control, we applied the internal control guidance contained in professional auditing standards. As discussed in the standards, internal control consists of five interrelated components: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring.

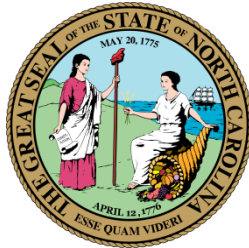
We conducted this audit in accordance with the performance audit standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.





# **RESULTS AND CONCLUSIONS**

Based on the results of audit procedures described in the *Objectives, Scope, and Methodology* section of this report, auditors identified deficiencies in internal control and instances of noncompliance that are considered reportable under *Government Auditing Standards*. These items are described in the *Findings, Recommendations, and Responses* section of this report. Management's responses are presented after each audit finding. We did not audit the responses, and accordingly, we express no opinion on them.



# **FINDINGS, RECOMMENDATIONS, AND RESPONSES**

# 1. FAILURE TO IDENTIFY AND TRANSFER UNCLAIMED FUNDS TO THE STATE TREASURER OR RIGHTFUL OWNER

The Clerk's Office did not identify and transfer unclaimed funds to the North Carolina Department of the State Treasurer (Treasurer) or rightful owners in accordance with state law.

Auditors examined the January 2020 aging report<sup>1</sup> for items held over one year and identified 275 unclaimed items totaling \$1,927,722. Auditors identified 218 (79%) items totaling \$123,736 that should have been transferred to the rightful owner or to the Treasurer between 2004 and 2018 but instead remained on deposit with the Clerk's Office. Auditors also identified seven (3%) items totaling \$4,400 related to cash bond forfeitures<sup>2</sup> that should have been transferred to the County Finance Officer.

As a result, the return of unclaimed funds to the rightful owners has been delayed. Additionally, there was a potential loss of earnings on the Unclaimed Property Fund, or Escheats Fund. A loss of Escheats Fund earnings reduces the amount of funds available for transfer to the North Carolina State Education Assistance Authority<sup>3</sup>.

According to the Clerk, staff responsible for escheats were unaware of escheat requirements related to the backlog of potentially escheatable items following staff turnover. Further, monitoring procedures were not in place to ensure funds were transferred and apparent owners were notified.

*North Carolina General Statutes*<sup>4</sup> and the *North Carolina Clerk of Superior Court Escheats Manual*<sup>5</sup> require the Clerk's Office to:

- Review monthly aging reports to identify funds that should be disbursed to the rightful owners or escheated.
- Determine whether unclaimed funds are eligible for delivery to the Treasurer and transfer those funds at the appropriate time.
- Make a good faith effort to locate and provide notice to the apparent owner of unclaimed funds before transferring funds to the Treasurer.

*Recommendation:* The Clerk should ensure responsible employees receive proper training on escheat requirements. Additionally, the Clerk should implement monitoring procedures over the escheat process, such as a periodic review of the monthly aging reports.

*Clerk's Response:* See page 10 for the Clerk's response to this finding.

<sup>1</sup> The monthly aging report reflects all case-level account funds being held by the Clerk and the amount of time the funds have remained in the Clerk's Office without any activity.

<sup>2</sup> *North Carolina General Statute* 15A-544.5 provides the procedures for forfeiting bonds and requires bond forfeitures to be remitted to the County Finance Office for use by the county Board of Education.

<sup>3</sup> The State Education Assistance Authority provides loans and grants to worthy and needy North Carolina students attending state-supported colleges and universities.

<sup>4</sup> *North Carolina General Statutes* 116B-53(c), 116B-60(d), and 116B-59

<sup>5</sup> Sections C1, C2, and C5

### 2. LACK OF JOURNAL ENTRY APPROVAL INCREASED RISK OF UNDETECTED ERRORS AND FRAUD

There was no review of the journal entries used to disburse funds from the escheats account. Auditors examined all three journal entries to remove funds from the escheats account during the audit period, totaling \$507, and found no evidence of review by someone other than the preparer.

As a result, there was an increased risk that unclaimed money removed from the escheats account could be misappropriated.

According to the Clerk, the Head Bookkeeper responsible for preparing the journal entries was unaware that an independent review was required. Further, monitoring procedures were not in place to ensure that journal entries are independently reviewed.

Independent review of journal entries is required by the *Clerk of Superior Court Financial Policies and Procedures Manual*. Journal entries should be reviewed by a knowledgeable individual other than the preparer to ensure that changes to the general ledger are accurate and authorized.

*Recommendation:* The Clerk should ensure responsible employees receive proper training. Additionally, the Clerk should establish monitoring procedures to ensure that journal entries are reviewed by someone other than the preparer.

*Clerk's Response:* See page 11 for the Clerk's response to this finding.

### 3. IMPROPER SYSTEM ACCESS INCREASED RISK OF UNDETECTED ERRORS AND FRAUD

Staff in the Clerk's Office had the ability to change and/or delete information in multiple systems, resulting in inadequate segregation of duties. The Clerk's Office handled \$1,607,103 in receipts during the audit period July 2019 to January 2020.

Specifically, six out of nine (67%) employees had inappropriate access to the Financial Management System (FMS), the Civil Case Processing System (VCAP), and/or the Criminal Court Information System (CCIS) as follows:

- Three (33%) employees had both cashier rights in FMS and update access in CCIS. As a result, the employees could have potentially misappropriated funds by collecting cash from a criminal payment, bypassing receipt entry into FMS, and updating CCIS to indicate all costs have been paid. Additionally, these employees had access that allowed them to dispose and delete criminal case information or remove charges.
- Two (22%) employees had both cashier rights in FMS and update access in VCAP. As a result, the employees could have potentially misappropriated funds by collecting cash from a civil payment, bypassing receipt entry into FMS, and updating VCAP to indicate all costs have been paid.
- Two (22%) employees had both head bookkeeper rights in FMS and update access in VCAP. As a result, the employees could have potentially misappropriated funds by editing bill of costs or judgement amounts in FMS, updating VCAP to indicate all costs have been paid, and deleting civil case information.

Improper segregation of duties increased the risk that errors, unauthorized transactions, and fraud could go undetected. While no instances of fraud were identified during the audit procedures, an increased risk of undetected fraud existed because access rights and duties were not properly segregated.

According to the Clerk, he was aware of potential monitoring procedures provided by the North Carolina Administrative Office of the Courts that could serve as compensating controls for inappropriate access, however the Clerk did not ensure these procedures were implemented.

Adequate segregation of duties is required by the *Clerk of Superior Court Financial Policies and Procedures Manual*. Proper segregation of duties involves assigning duties and access to assets and information systems so that one employee's duties automatically provide a cross-check of the work of other employees.

*Recommendation:* The Clerk should reassign system access rights and job duties to properly segregate duties in accordance with the *Clerk of Superior Court Financial Policies and Procedures Manual*. If it is not practical to segregate all incompatible duties, then appropriate compensating controls should be implemented to reduce the risk of errors or fraud.

*Clerk's Response:* See page 11 for the Clerk's response to this finding.

#### 4. UNTIMELY COMPLETION OF BANK RECONCILIATIONS

The Clerk's Office did not timely review the bank reconciliations prepared by the North Carolina Administrative Office of the Courts (NCAOC) or record the identified adjustments.

The NCAOC prepares the bank reconciliations on behalf of the Clerk's Office. Any adjustments identified by the NCAOC should be recorded in the Financial Management System (FMS) by the Clerk's Office.

Auditors found that four of seven (57%) bank reconciliations prepared during the audit period were not reviewed by the Clerk's Office to ensure completeness and accuracy. Additionally, reconciling adjustments totaling \$30 were recorded 25 to 56 days after the NCAOC prepared the reconciliations.

Because bank reconciliations were not reviewed and identified adjustments to the bookkeeping and banking records were not investigated and recorded in a timely manner, there was an increased risk that errors or misappropriation could go undetected.

According to the Clerk, there were no monitoring procedures in place to ensure that bank reconciliations were independently reviewed and that adjustments identified in the reconciliations were recorded in a timely manner.

The *Clerk of Superior Court Financial Policies and Procedures Manual* requires reconciliations to be performed monthly and completed no later than the last day of the following month. The bank reconciliation is considered complete when all reconciling adjustments have been made in FMS and a review of the reconciliation has been completed.

*Recommendation:* The Clerk should implement monitoring procedures to ensure that bank reconciliations are reviewed and that adjustments identified in the reconciliation are recorded to FMS timely.

*Clerk's Response:* See page 11 for the Clerk's response to this finding.

### 5. FAILURE TO COMPEL ESTATE INVENTORY FILINGS

The Clerk's Office did not compel the timely filing of estate inventories in accordance with state law.

Auditors examined all 18 estates in the audit period that required an inventory to be filed. Eleven (61%) estates were not compelled or not compelled timely. Specifically,

- For five (28%) estates, the Clerk's written requests requiring inventory filings were issued 40-118 days after the three-month inventory deadline.
- For five (28%) estates, the Clerk failed to issue written requests requiring inventory filings.
- For one (5%) estate, the Clerk issued an initial notification to file but failed to take further compelling action.

The Clerk's failure to compel the timely filing of inventories could allow unauthorized transactions to occur, such as the removal of estate assets without the knowledge of qualified heirs. It could also delay the family of the deceased from finalizing the estate.

According to the Clerk, the Clerk's Office prioritized other duties over reviewing the inventory reports for filing deadlines due to turnover of staff overseeing the compelling of estates. Additionally, monitoring procedures were not in place to ensure inventories were compelled timely for the estates.

*North Carolina General Statute 28A-20* and the *North Carolina Clerk of Superior Court Procedures Manual*, Chapter 74, require the filing of an estate inventory within three months after the Clerk's appointment of the estate's personal representative. If an inventory is not filed, the Clerk must send a written request requiring the personal representative to file the inventory or explain why the personal representative should not be replaced.

This finding was also reported in the most recent audit performed at Madison County Clerk of Superior Court in 2016 as finding number 2.

*Recommendation:* The Clerk should prioritize the implementation of monitoring procedures to ensure that estates are compelled to file an inventory on a timely basis.

*Clerk's Response:* See page 11 for the Clerk's response to this finding.

6. FAILURE TO COMPEL INVENTORY FILINGS OR ASSESS AND COLLECT SUFFICIENT BONDS FOR ESTATES OF MINORS OR INCAPACITATED ADULTS

The Clerk's Office did not compel the timely filing of guardianship estate inventories or assess and collect sufficient<sup>6</sup> bonds to protect wards (minors or incapacitated adults) in accordance with state law.

Auditors examined all 36 guardianship estates for wards that required bonds and the filing of an annual inventory of the ward's assets. For 24 (67%) of the guardianship estates, the Clerk's Office failed to issue timely written requests requiring inventory filings and/or failed to assess and collect sufficient bonds. Specifically,

- For 19 (53%) of the guardianship estates, the Clerk failed to compel an annual inventory filing. Because there was not a recent annual inventory filed, the sufficiency of the bond amount could not be determined.
- For five (14%) of the guardianship estates, the bond assessed and collected was insufficient as of the last inventory filing. Assets in these estates totaled \$1,535,388 and required \$1,706,129 in bonds. However, the Clerk only assessed and collected \$1,412,800 in bonds.

Failure to compel the timely filing of inventories prevents the Clerk from assessing and collecting sufficient bonds from guardians and could result in financial loss to the ward if the guardian misuses the assets in the estate. Additionally, the Clerk and the State may be liable for the financial loss if bonds are not sufficient.

According to the Clerk, the Clerk's Office prioritized other duties over reviewing the inventory reports for filing deadlines due to turnover of staff overseeing the compelling of guardianship estates. Additionally, monitoring procedures were not in place to ensure inventories were compelled timely and bonds were sufficient for the guardianship estates.

*North Carolina General Statutes 35A-1230 and 35A-1231* require the Clerk to assess and collect sufficient bonds before appointing a guardian to the estate. *North Carolina General Statute 35A-1238* states that the Clerk shall be liable for all loss and damages sustained. *North Carolina General Statutes 35A-1264 and 35A-1265* require the annual filing of an inventory of the ward's personal property. If an inventory is not filed, the Clerk must send a written request requiring the guardian to file the inventory or explain why the guardian should not be removed.

**Recommendation:** The Clerk should prioritize the implementation of monitoring procedures such as a continual review of ward assets to ensure annual inventories are compelled timely and the bonds collected remain sufficient.

**Clerk's Response:** See page 12 for the Clerk's response to this finding.

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<sup>6</sup> *North Carolina General Statutes 35A-1230 and 35A-1231* require bonds for estate guardians to equal 125% of the ward's personal property (if under \$100,000) or 110% of personal property (if over \$100,000). Bond amounts should be reviewed upon the filing of the inventory and each account to ensure sufficiency.





*State of North Carolina*  
*General Court of Justice*  
**CLERK OF SUPERIOR COURT**  
**MADISON COUNTY**  
MARSHALL, NC

MARK A. CODY, CLERK  
EX OFFICIO JUDGE OF PROBATE

GARY M. GAVENUS  
RESIDENT JUDGE

August 6, 2020

The Honorable Beth A. Wood  
Office of the State Auditor  
2 South Salisbury Street  
20601 Mail Service Center  
Raleigh NC 27699-0600

Dear Auditor Wood,

I would like to send my sincere appreciation to you and your staff for the recently conducted audit. Your staff was both courteous and professional. Below you will see how my office is working to meet all set forth recommendations.

1. FAILURE TO IDENTIFY AND TRANSFER UNCLAIMED FUNDS TO THE STATE TREASURER OR  
RIGHTFUL OWNER

*Recommendation:* The Clerk should ensure responsible employees receive proper training on escheat requirements. Additionally, the Clerk should implement monitoring procedures over the escheat process, such as a periodic review of the monthly aging reports.

*Response:* We concur with this finding by your office. The present Bookkeeper has attended all classes available to her with escheats as a topic. Attends all bookkeeper meetings when available to stay up to date on all financial procedures. Worked with FMA to help with escheat relatable issues. Reviews monthly aging reports and gives each department for their awareness, then proceeds to do the escheat process when applicable. The turnover in the bookkeeping position has contributed to the back log of escheatable funds. I am confident that this year we will be current and up to date with our escheats.

## 2. LACK OF JOURNAL ENTRY APPROVAL INCREASED RISK OF UNDETECTED ERRORS AND FRAUD

*Recommendation:* The Clerk should ensure responsible employees receive proper training. Additionally, the Clerk should establish monitoring procedures to ensure that journal entries are reviewed by someone other than the preparer.

*Response:* We concur with this finding by your office. The Bookkeeper and Clerk will sign off on each journal entry, in addition the Bookkeeper will review the manuals and attend any training that AOC has to offer.

## 3. IMPROPER SYSTEM ACCESS INCREASED RISK OF UNDETECTED ERRORS AND FRAUD

*Recommendation:* The Clerk should reassign system access rights and job duties to properly segregate duties in accordance with the Clerk of Superior Court Financial Policies and Procedures Manual. If it is not practical to segregate all incompatible duties, then appropriate compensating controls should be implemented to reduce the risk of errors or fraud.

*Response:* We concur with this finding by your office. This office will reassign system access rights to segregate duties where the office is still able to fully preform its duties. This office will ask for temporary access in instances where staffing issues will not allow segregation of duties.

## 4. UNTIMELY COMPLETION OF BANK RECONCILIATIONS

*Recommendation:* The Clerk should implement monitoring procedures to ensure that bank reconciliations are reviewed and that adjustments identified in the reconciliation are recorded to FMS timely.

*Response:* We concur with this finding by your office. The Bookkeeper has now got all bank reconciliations up to date. Also had a full day with the FMA in reviewing and training the best practices with bank reconciliations.

## 5. FAILURE TO COMPEL ESTATE INVENTORY FILINGS

*Recommendation:* The Clerk should prioritize the implementation of monitoring procedures to ensure that estates are compelled to file an inventory on a timely basis.

*Response:* We concur with this finding by your office. Over the past few months this office has operated the estate division with temporary employees being the head Estate Clerk. My head Estates Clerk is returning to work August 3<sup>rd</sup>. We plan on using the Estates monitoring system, place tabs on files, and to mark when the notices are due. From there we plan on sending notices and to follow with orders to ensure timely fillings.

6. FAILURE TO COMPEL INVENTORY FILINGS OR ASSESS AND COLLECT SUFFICIENT BONDS  
FORESTATES OF MINORS OR INCAPACITATED ADULTS

*Recommendation:* The Clerk should prioritize the implementation of monitoring procedures such as a continual review of ward assets to ensure annual inventories are compelled timely and the bonds collected remain enough.

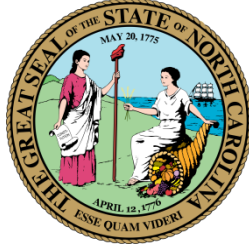
*Response:* We concur with this finding by your office. This office is putting into place procedures to monitor all Guardianship bonds. Notices will be sent out and bonds will be reviewed annually to make sure bonds are enough. The staff is currently working the public administer to make sure those Guardianship bonds are sufficient. Furthermore, this office will take steps to remove Guardians if they continue to fail to comply.

Mark A. Cody

A handwritten signature in dark ink, appearing to read "Mark A. Cody".

Clerk of Superior Court

Madison County



# APPENDIX

## **Internal Control Components and Underlying Principles Significant to the Audit Objectives**

Our general audit objective was to identify improvements needed in internal control over selected fiscal matters.

Internal control components and underlying principles that were significant to our audit objectives are identified in the table below.

	Audit Objectives			
	Cash	Estates	Escheats	Trusts
<b>Control Environment</b>				
1. The oversight body and management should demonstrate a commitment to integrity and ethical values.	X	X	X	X
2. The oversight body should oversee the entity's internal control system.	X	X	X	X
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.	X	X	X	X
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.				
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.				
<b>Risk Assessment</b>				
6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.				
7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.	X	X	X	X
8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.				
9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.	X	X	X	X

<b>Control Activities</b>				
10. Management should design control activities to achieve objectives and respond to risks.	X	X	X	X
11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.				
12. Management should implement control activities through policies.	X	X	X	X
<b>Information and Communication</b>				
13. Management should use quality information to achieve the entity's objectives.	X	X	X	X
14. Management should internally communicate the necessary quality information to achieve the entity's objectives.	X	X	X	X
15. Management should externally communicate the necessary quality information to achieve the entity's objectives.	X	X	X	X
<b>Monitoring Activities</b>				
16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.	X	X	X	X
17. Management should remediate identified internal control deficiencies on a timely basis.	X	X	X	X

# ORDERING INFORMATION

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For additional information, contact the  
North Carolina Office of the State Auditor at 919-807-7666



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This audit required 296 hours at an approximate cost of \$30,784.