

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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SENATE BILL 395

Short Title: DOT & Council of Internal Audit/PED Study. (Public)

Sponsors: Senators Edwards, Sawyer, and McInnis (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 31, 2021

A BILL TO BE ENTITLED

AN ACT TO ENHANCE THE INTERNAL AUDIT FUNCTION AT THE DEPARTMENT OF
TRANSPORTATION AND ALL STATE AGENCIES, AS RECOMMENDED BY THE
JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. The State Board of Transportation Audit Committee is directed to:

- (1) Include as a dashboard item at each monthly meeting of the Board of Transportation the completed reports from the Department of Transportation's Office of Inspector General (DOT OIG) annual audit plan and a list of pending reports with their expected completion date.
- (2) By no later than July 30, 2021, submit to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division a report on the implementation of this section.

SECTION 2. The Council of Internal Auditing, in collaboration with the Office of the State Auditor and the Program Evaluation Division, is directed to establish minimum performance standards for all State agency internal audit units and monitor compliance, as follows:

- (1) Establish a minimum level of performance audit effort in compliance with performance standards for agency internal audit units. Periodically examine a stratified sample of internal auditing reports and annual plans for conformity with these performance standards and report deficiencies.
- (2) Review every external quality assurance review for each agency internal audit function, hold hearings on any reported performance standard deficiencies, and monitor corrective action.
- (3) By no later than July 30, 2021, submit a report to the Joint Legislative Program Evaluation Oversight Committee on the implementation of this section.

SECTION 3. This act is effective when it becomes law.

