

# Internal Audit's Newsletter – Summer Edition 2010

Summer 2010



## What's in a signature?

So, what purpose does your signature serve when you approve and date a document? (Examples: travel / expense reports, performance appraisals, even approvals in Kronos)



### INTERNAL AUDIT UPDATES / REMINDERS:



Federal Trade  
Commission's  
"RED FLAGS RULES" were  
postponed again until  
December 31, 2010

When you step away from  
your desk, don't forget to  
**LOCK YOUR COMPUTER!**



#### Internal Audit's Webpage:

- Audit Committee Info
- Quarterly Newsletters
- Report Fraud, Waste & Abuse
- Internal Audit News
- About Internal Audit
- Frequently Asked Questions

See ways that the Internal  
Audit Division could  
improve...**let us know!**

Happy Fourth of July!



**Generally, there are 3 functions of a signature...**identification of the approver and affixing accountability to him/her; evidence of the approvers' agreement with the details' accuracy & completeness; and audit trail of the processes of events.

The **presence** of the signature provides evidence that the approver was in possession of the document and was in a position to undertake appropriate due diligence.

The **evidence** of a signature attests to the assumption that the approver has read all of the content and supporting detail, understands related policies and processes, and addressed any risks which would prevent them from signing off.

By **signing off** the approver takes responsibility for the transaction and is held accountable. Such accountability does not in any way relieve the originator's accountability for non-compliant behavior.

*As supervisors, it is important to appreciate the scope of this responsibility, as failing to do so may expose both the individual and the organization to risk.*

**Avoid a signature practice known as "rubberstamping" by considering the following when endorsing documents...**

- Am I the responsible person to be signing off?
- Have all applicable policies been reviewed & followed?
- Have I read & understood all of the content and supporting detail?
- Should additional qualified personnel also review and approve?
- Does an adequate audit trail exist?
- Are there any risks which would prevent me from signing off?
- As a supervisor, have I done my due diligence?



City of Wilmington's  
**FRAUD, WASTE and ABUSE HOTLINE**  
**910.772.4120**



### INTERNAL AUDIT CURRENT EVENTS

- ❖ Complete the [Cash Handling Training](#)
- ❖ Complete the ["Red Flags Rules" Training](#)
- ❖ An [Audit Committee](#) meeting was held May 17, 2010. If you want to review the agenda/minutes, go to [Internal Audit's Webpage](#).
- ❖ The Next [Audit Committee meeting](#) is scheduled for **August 16, 2010**.
- ❖ Internal Audit is currently working on the March 31, 2010 Quarterly Loan Confirmations.

#### REPORTS / MEMO'S RECENTLY RELEASED:

- ❖ [Internal Audit Memo for the 12.31.09 Quarterly Loan Confirmations](#) – Released April 7, 2010
- ❖ [Firefighters' Relief Fund Internal Audit Report](#) – Released May 7, 2010
- ❖ [Police Department's Special Investigative Fund Internal Audit Report](#) – Released June 21, 2010

Please Contact Internal Audit with any questions or concerns:  
(910) 341.5828 or [allison.collins@wilmingtonnc.gov](mailto:allison.collins@wilmingtonnc.gov)