



Virginia Information Technologies Agency

Virginia Information Technologies Agency

**Briefing for Commonwealth of Virginia
Internal Auditors & Information Security Officers**
February 15, 2006



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VITA: The State's IT Utility

- **Formed by Governor and General Assembly in 2003**
- **Primary responsibilities**
 - Operate state's IT infrastructure
 - Govern IT investments
 - Procure technology
 - E-911 and Virginia Geographic Information Network (VGIN)
- **Structure**
 - Information Technology Investment Board (ITIB), a 10-member supervisory board appointed by Governor and General Assembly, is responsible for VITA
 - ITIB hires the state's Chief Information Officer under five-year contract to oversee VITA's operation



VITA's Responsibilities

- **Operations: State's IT infrastructure**
 - State data center
 - Statewide telecommunications network (voice and data)
 - "In-scope" agencies' servers, networks, desktops, peripherals
- **Procurement**
 - Set statewide IT procurement policies, guidelines, procedures
 - Lead supplier selection and contracting
 - Develop innovative, strategic partnerships



VITA's Responsibilities

- **E-911**
- **Virginia Geographic Information Network (VGIN)**
- **Governance**
 - Statewide IT strategic plans
 - Commonwealth IT policies, standards, guidelines
 - IT investment management
 - Review and approval of agency IT plans
 - Review and approval of IT projects/ procurements of \$100k or more
 - Ongoing oversight of major IT projects (>\$1M, or mission critical, or enterprise)
 - Project manager development program



VITA Operations at-a-Glance

VITA is responsible for approximately

- 3,000 servers
- 57,000 desktops
- 1,500 locations
- 1,200 VITA staff
- \$290 million annual budget
- 500 government customers
 - Executive branch
 - Localities
 - Other political subdivisions



Accomplishments To Date

Complete?

Created IT Utility

Formed a new organization in four months
Defined organization, services, and culture



Consolidated Agency IT Resources

Transitioned IT assets and support staff from 90
Executive Branch agencies in 18 months



Met All Commitments

Met all deadlines, promises, and commitments with
no disruption of services, without start-up funding



Launched Transformation

Initiated efforts to truly transform service delivery
in the Commonwealth by consolidating, standardizing,
and leveraging a common infrastructure





Virginia Information Technologies Agency Infrastructure Partnership



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Key Points to Start

- **Transformation = Better Services**

The Commonwealth will get a 21st century IT infrastructure for what it's paying to maintain a 1980s IT infrastructure

- **No Inflation**

VITA will not be seeking more appropriations than it receives today for the facilities, hardware, software, and services

- **VITA Employees Treated Well**

It is our intent that reductions in VITA's workforce will be accomplished through active management of attrition, retirement, retraining, and job placement



Infrastructure Partnership Transformation Goals

- Modernize & standardize the Commonwealth's aging IT infrastructure (networks, computers, data center, help desk, etc.) within the existing budget
- Provide basic IT services to all agencies at predictable costs & consistent service levels
- Improve services, increase efficiency & boost the productivity of our workforce
- Ensure security of Commonwealth assets, including a secure data center
- Enhance economic development in the Commonwealth
- Reduce costs over the long term & spend taxpayer dollars more wisely



Transformation Outcome

IT Investment	Present State	Future State
Security	Inadequate	Adequate
Network	Fragmented	Integrated
Servers	Numerous locations, excess capacity (3,000+)	Consolidated (<1,000)
Computing environment	Inconsistent	Standardized
Help desk support	Multiple (70+)	Combined (1)
Service levels	Undefined performance, variable costs	Defined performance, predictable costs
PCs	Incompatible, outdated	Compatible platforms, scheduled replacement



Infrastructure Partnership Highlights

- \$272 million total capital investment
- Significant job creation – Economic development valued at \$38.3 million
- Excellent employment packages
- 10 year contract value of \$1.98 billion
- Reliable 21st century infrastructure with consistent and proactive technology refresh
- New, state-of-the-art facilities in Chesterfield and Russell Counties
- Innovative and flexible service contract model

Doing nothing would increase Commonwealth spend by approximately \$200 million over 10 years



Northrop Grumman Background

- One of the largest providers of IT services to the U.S Government
- Experienced systems integrator
- Largest technology/manufacturing private employer in Virginia
- Nearly 32,000 employees in 14 primary locations in Virginia
- Three of seven sectors are headquartered in Virginia: IT, Mission Systems, and Newport News



Employee Package

- In-scope VITA employees will receive a competitive employment offer from Northrop Grumman
 - Similar job requirements & responsibilities
 - Similar job location
 - Salary & benefits package that is comparable or better than Commonwealth
- Employees can choose to accept or remain Commonwealth employees
 - “Managed” employees who remain will receive technical direction from Northrop Grumman



Technical Highlights

- Enterprise Help Desk
 - Single point of contact for infrastructure help and service
- Hardware refresh
 - Three-year cycle: initial 80-100% refresh begins November 2006
- Security
 - Enterprise-wide security
- Networks
 - Enterprise voice and data network
 - 100% network device refresh in years two and three

Technical Highlights

- Break/Fix Repair
 - 8-business hour response: 70% Commonwealth-wide
 - 12-business hour response: 90% Commonwealth-Wide
 - VIP service levels
 - ≤ 5 minutes response, on-site ASAP
 - ≤ 2 hour to resolve issue
- Messaging
 - Enterprise e-mail system
 - 100% successful message delivery
 - 99.86% Messaging Services Availability (<1 hour monthly down time)
 - Support Blackberry enterprise server

How will the partnership be managed?

- The Service Management Organization (SMO) within VITA will manage infrastructure service delivery
 - Single point of accountability
 - Ensures both partners fulfill contractual obligations
- Significant contract provisions to manage effectiveness of partnership
 - Service levels within each technical area
 - Penalties for missing service levels
 - Help desk response time
 - Penalties for missing critical milestones
 - Completion of the primary data center construction



Service Management Organization

The SMO provides single point of accountability and management of the relationship and services delivered to the Commonwealth by the PPEA Partner.

Deputy CIO & Head of Operational Excellence

- Final escalation point for resolution of issues
- Champions service management

Service Management Organization Director

- Leadership of service management team
- Governance of service management arrangements
- Commercial & service strategy
- Escalation point for resolution of issues
- Champions service management and service improvements

Commercial Management

- Contract Mgmt
- Commercial strategy & Education
- Contract policies and procedures
- Contract Administration & Changes
- New Service Negotiations
- Third party contract
- Financial Mgmt
- Invoice Reconciliation
- Service Credit Management
- Budgeting / Forecasting
- Charge back
- Labor Forecasting
- Financial Reporting
- Funding/ RFS
- Benefits Realization

Service Delivery Management

- Day-to-day interface with PPEA Partner
- Service Mgmt oversight by Technical Towers
 - Internal Applications
 - Messaging Services
 - Mainframe & Servers
 - Data, Voice & Video Network
 - Help Desk
 - Desktop Computing
 - Security & DR
 - Telecom
- Technical tower based forecasting & capacity planning oversight
- IT Escalation & facilitation of resolution of delivery issues

Agency Performance Management

- Work closely with the CRMs and are split across the Secretariats
- Service Level Performance Mgmt & Reporting
- Facilitate improvement plans
- Agency project based forecasting & capacity planning oversight
- Management of Managed Employees

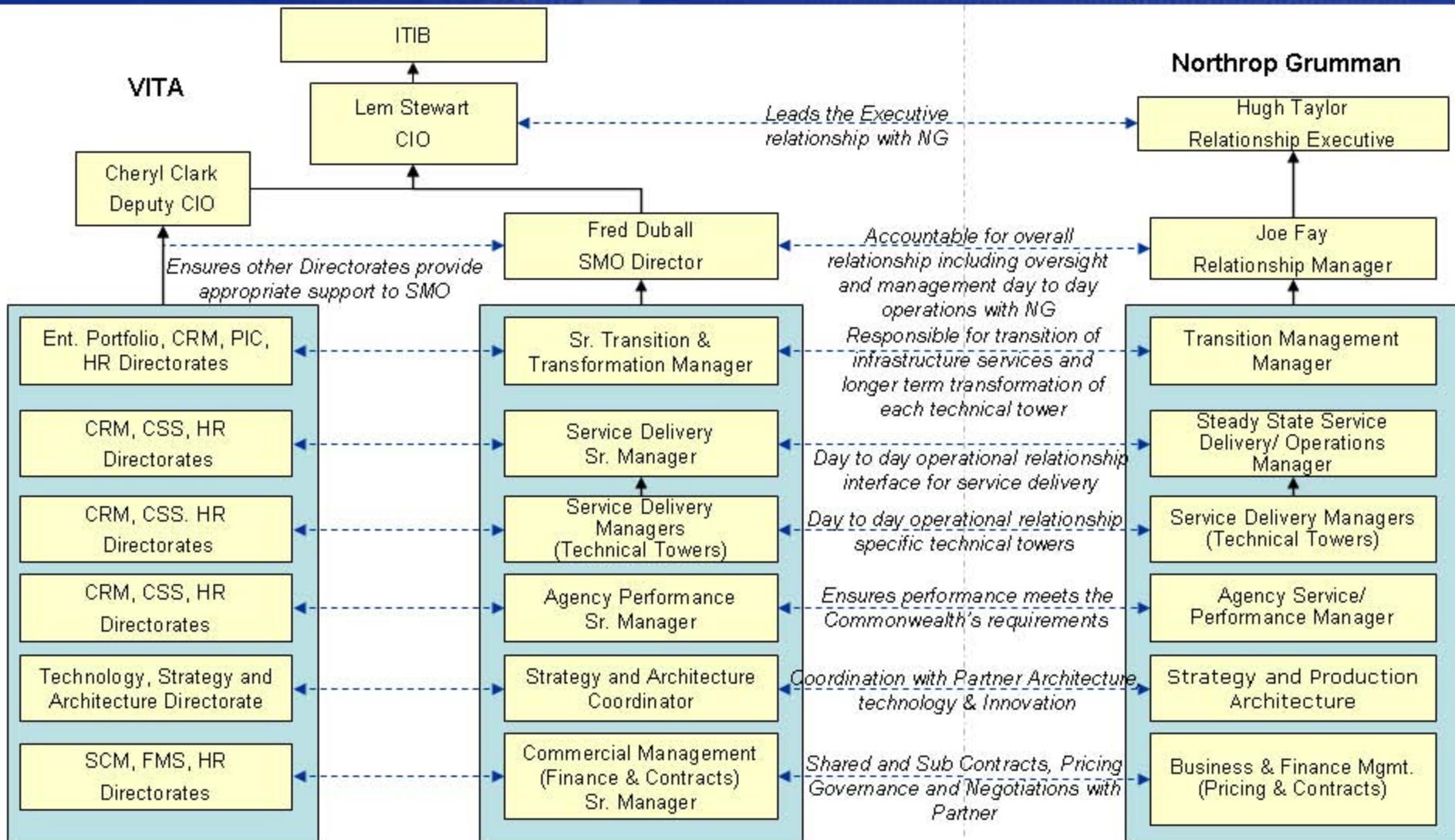
Strategy & Architecture Coordination

- Coordination with VITA's Technology Strategy, Security & Architecture directorate
- Coordination with Partner Architecture, technology & Innovation
- Holistic Capacity Planning
- Ensures the integrity of IT infrastructure strategy, technology architecture and standards
- Coordinates technical expertise & assurance for Agency & projects with infrastructure elements

Transition & Transformation Management

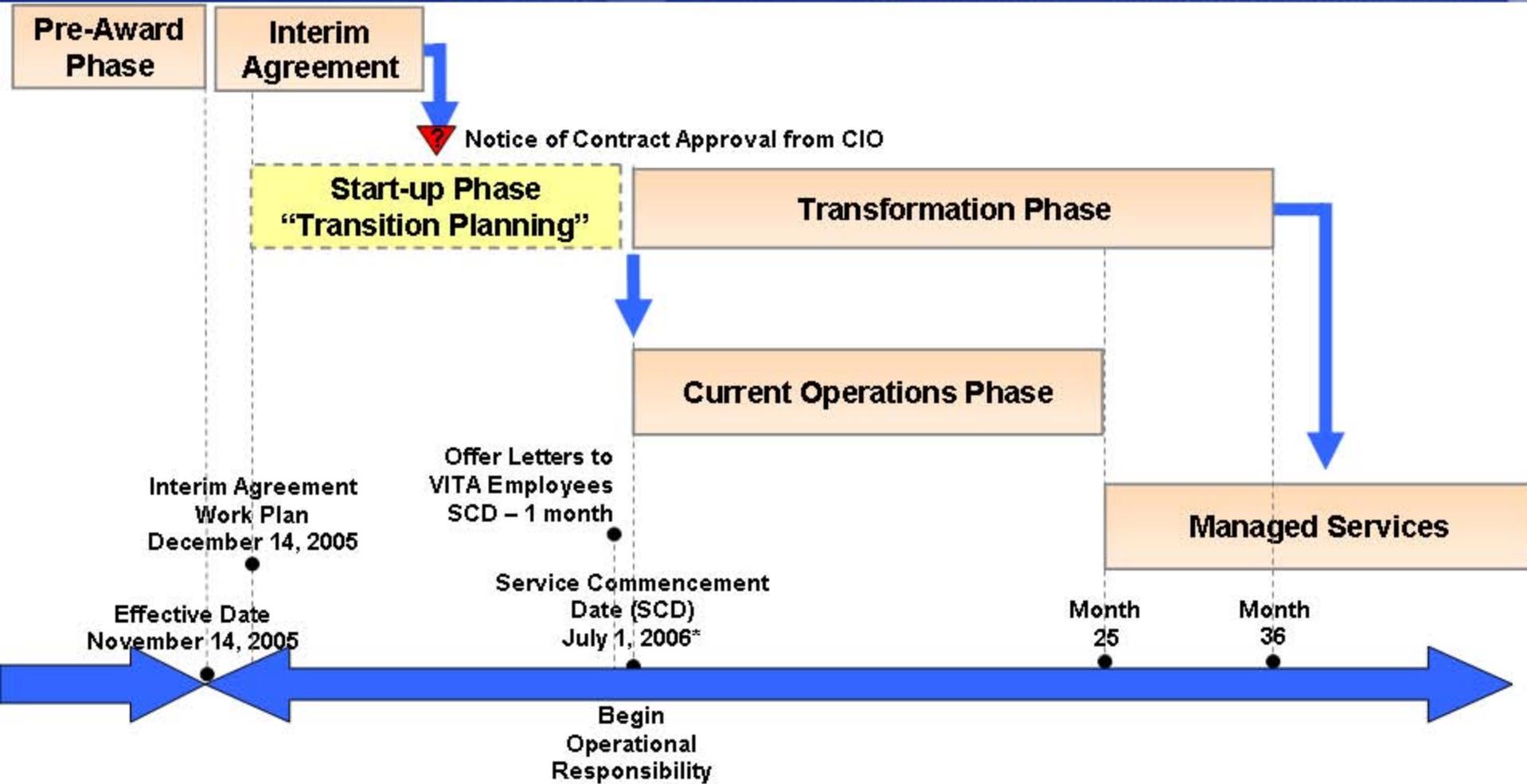
- Mgmt of Transition e.g. PPEA Partner Logistics
- Oversight, Coordination & Management of Transformation Projects – i.e. service delivery improvement projects
- Coordination with the Partner, Service Mgt Team & Customer Relationship Managers
- Coordination with HR, Communications & P&S Mgmt
- Implementation of Service Mgmt team
- Process Development & Mgmt - Business & Operational (ITIL)
- Quality Assurance/ Service Improvement

VITA and Northrop Grumman Interface Map





When will the partnership be implemented?



* July 1, 2006 is the scheduled SCD set forth in the CIA. As part of the Interim Phase process, this date may be changed by the parties



Key Milestones

Milestone	Anticipated Date
General Assembly approval/public comment and transition planning	Service Commencement + 6 months
Move into new data center	March 2007
Establish single help desk	May 2007
Establish back-up data center	June 2007
Complete initial desktop refresh	November 2007
Complete single enterprise e-mail	February 2009
Complete server consolidation	February 2009

- Dates adjusted to incorporate General Assembly approval of capital lease component
- Subject to revision during interim phase/transition planning



Technology Summary

Security

Desktop Security

Desktop—ISS Proventia
Laptop—ISS Proventia

Primary Security Operations Center

Southwestern Enterprise Solution Center

Secondary Security Operations Center

Richmond Enterprise Solution Center
Chesterfield, Virginia

Security Service Level Commitment

95%



Risk Mitigation

Risk	Mitigation Strategy
Budget	Minimum of 85% of total targeted baseline fees for any given year of contract
Price fluctuation	Benchmarking Most Favored Customer status
Milestones/Schedule	Payments tied to completion of milestones
Service level performance	Performance penalty system
Contractual performance	Termination and disentanglement
Economic development	\$2.3 million penalty for failure to meet job creation targets, applied as credit to CoVA



Termination Rights

Cause

Fees

Default	No exit or resolution fees
Lack of funds	No exit or resolution fees
Incurred liability	No exit or resolution fees
Change in control	Resolution fees only
Force Majeur	Exit and resolution fees
Convenience	Exit and resolution fees

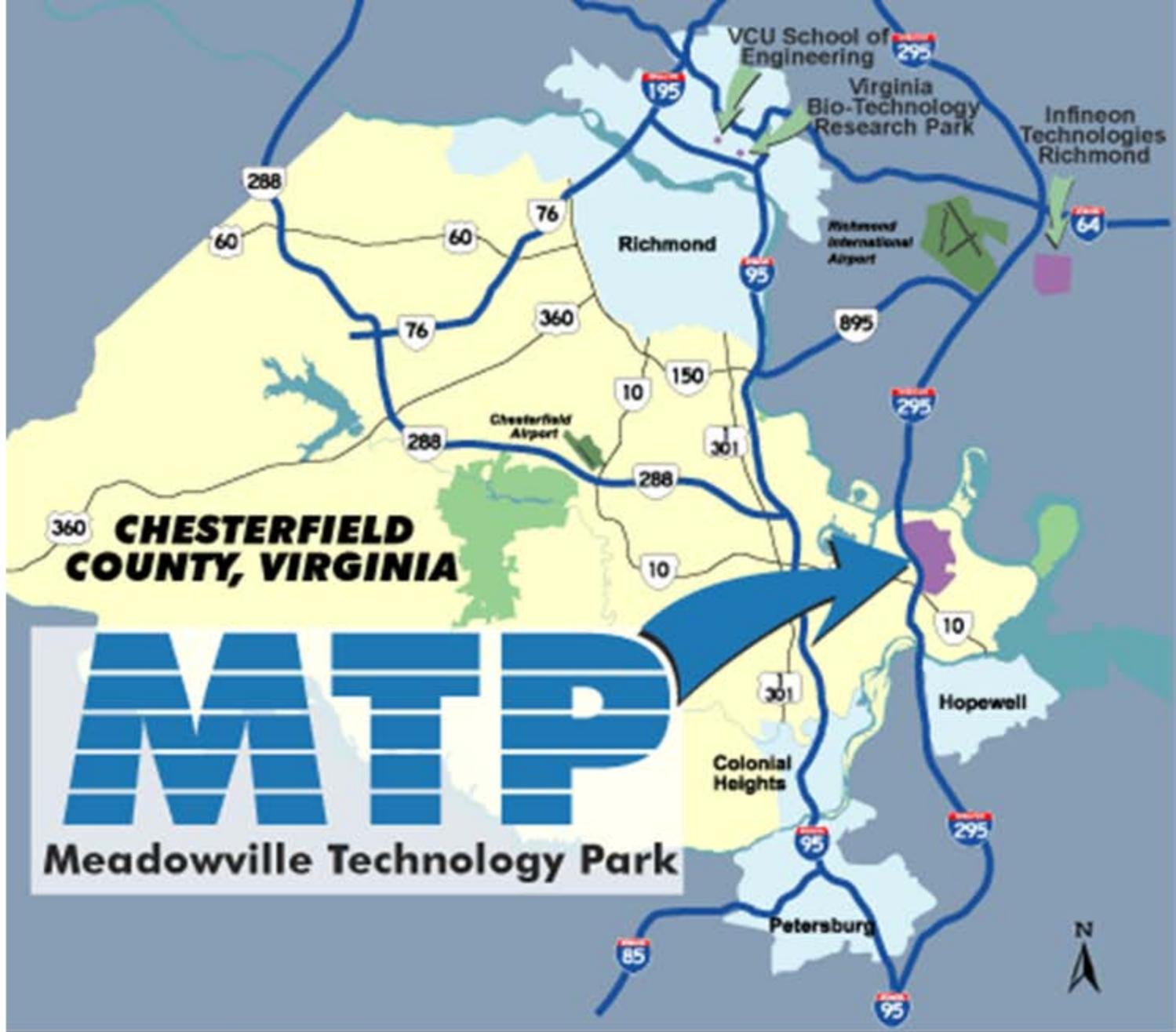


Early Contract Termination

- Disentanglement
 - Up to 2.5 years to transition services to new provider or back to Commonwealth
 - Smooth transition with no service interruption
 - Ongoing use of assets
 - Broad perpetual license for proprietary technology, including free maintenance and upgrades for two years
 - Ability to make employment offers to vendor personnel responsible for terminated services
 - Rights to contracts used in the performance of services

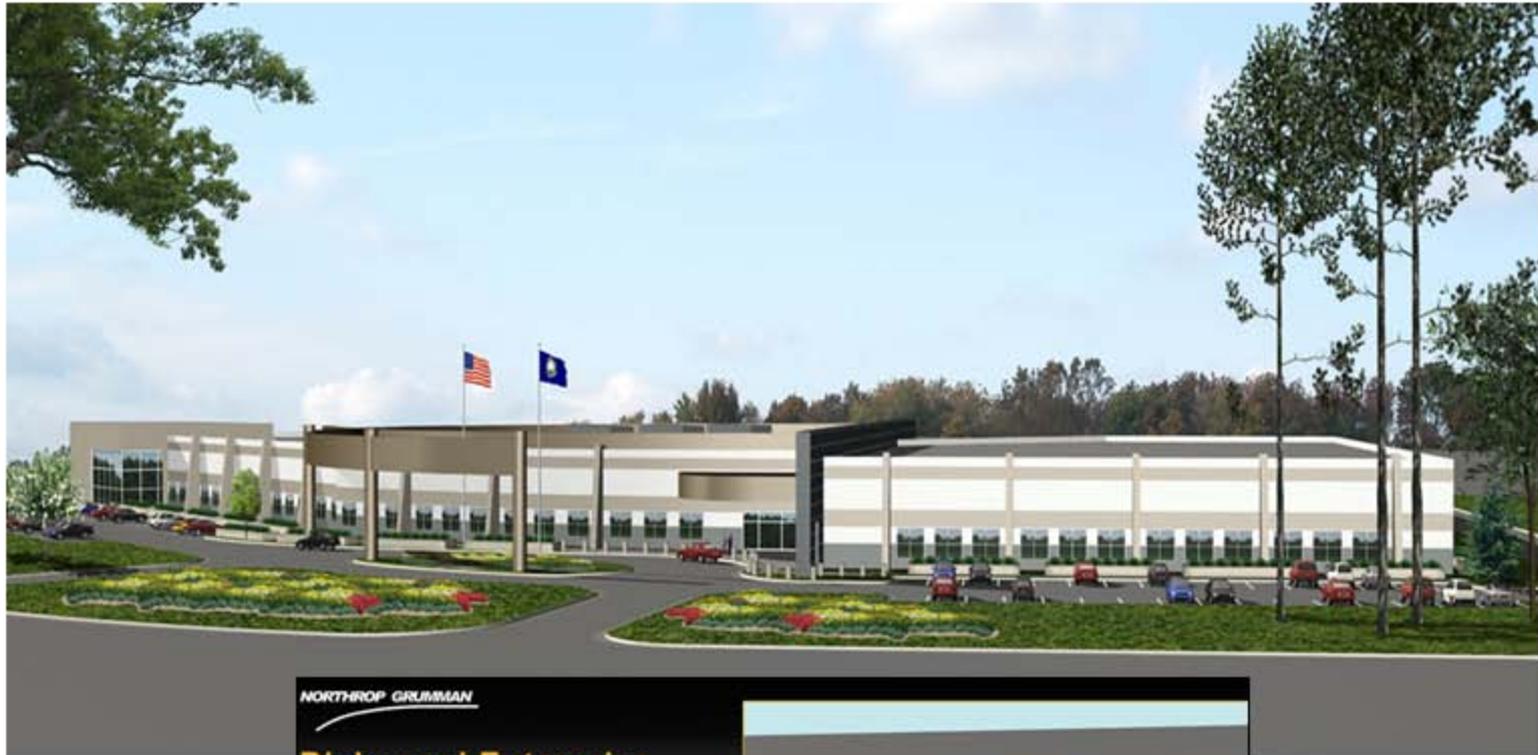
What facilities are proposed?

- Meadowville Enterprise Solutions Center
 - New, Tier III primary data center in Meadowville Technology Park, Chesterfield County
 - VITA Headquarters & Northrop Grumman Richmond Operations
 - Secondary Security Operations Center
- Southwest Enterprise Solutions Center
 - Back-up data center in Lebanon, Russell County
 - Enterprise help desk
 - Disaster recovery within 5-24 hours
 - Primary Security Operations Center
- Dinwiddie Project Support Center





Meadowville Enterprise Solutions Center





Southwest Enterprise Solutions Center

Virginia  is for Lovers™

KENTUCKY

WEST VIRGINIA





Southwest Enterprise Solutions Center





What happens now?

- Commence partnership preparation for transformation
- Final agreement reviews
- Project implementation plan for ITIB approval
- VITA internal organizational transformation
- The interim phase will become final upon the earlier of:
 - Completion of all General Assembly and other approvals
 - June 30, 2006, unless extended
- Commonwealth has the option to terminate with limited exposure
 - Activities permitted by statute include project planning and development

Questions





Regionalization One Step Toward Transformation



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What Is Regionalization

Regionalization is simply an alternative way to provide VITA services. It focuses on local, geographic service delivery versus agency specific service delivery.

It allows VITA to:

- Deliver and track services at the local level
- Focus on key functions required to move VITA forward
 - Planning
 - Strategic relationship building
- Moves VITA senior management closer to our employees and customers



Why Do It?

Previous State	To-Be State	Expected Value
Relationship is not yet strategic; ESD blended role between relationship and ops oversight	Segment and create focused roles for relationship and operations	Increased business with localities and higher education; stronger strategic planning capability
Strong connection between a service and the people that provide the service	Emphasize service delivery; employ operational resource leveling	Adopt standard practices; provide relief for over burdened employees; 'manage the environment'
Inconsistent and under-defined service management across the enterprise	Create service agreements and associated performance measures and costs for each agency	SLM maturity; defined expectations; service reporting; process improvement
Inconsistent service delivery capability across the enterprise	Formalize COIN groups as operational standards-setting organization	Mobilize strength of large workforce; garner best ideas; set common understanding
Lack of enterprise planning; SLD blended role between day-to-day ops and technical planning	Optimize spending through central capacity planning function	Technology planners for small agencies; leveraged technology deployment; lower spend/higher use



Regionalization Goals

- Manage the environment to meet local performance expectations
- Facilitate Customer Relationship Management initiatives
- Create clear roles & responsibilities between VITA & customer
- Optimize service delivery (share resources where possible)
- Move from individual service (direct bill) to service delivery



Regionalization Highlights

- Customer-based staff remain at their locations
- Extra duties assigned to some senior staff
- Reporting structure changes for SLDs and some senior staff located outside of Richmond
- Helpdesk personnel report to VITA Central and follow VCCC operating procedures (ITIL compliant)
- Move from direct bill for labor to MOU for services
- Denotes change from ESD to Enterprise Business Director

Questions





Customer Relationship Management



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Primary Objectives of CRM

- Transform VITA's relationship with our customers by understanding business needs
- Work in partnership with our customers (to include the private sector) to lower service costs and improve productivity
- Recognize and promote enterprise business opportunities



Current and Potential VITA Customers

- Executive Branch
- In-scope Agencies
- Out-of-scope Agencies
- Independent Agencies
- Localities
- Institutions of Higher Education



CRM Business Direction

- 1. Customer Driven**
2. Strategic alignment
3. Business orientation
4. Promote use of VITA offerings
5. Initiate enterprise wide systems
6. Enable a 'model community'
(i.e. web, GIS, applications, business process reengineering & technology)



Business Direction

- **Generate Profits-----NO**
- **Generate re-investment \$\$\$-----YES**

**Director
Customer Relationship Management**



Customer Innovation Management

Market Research & Analysis

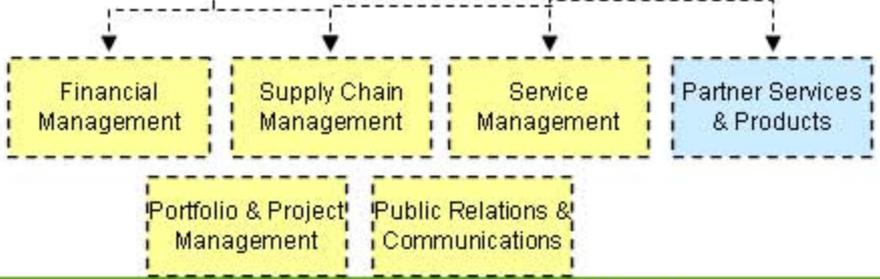
- Customer surveys
- Benchmarking
- Market Analysis
- User Groups

Innovation & Customer Value

- Partner Relationship Mgmt & Innovation
- New Service Development
- Service Bundling & Pricing
- Manage/direct Enterprise solution development

1. Initial focus on Directorates/relationships
- Build focus by industry knowledge/specialty
 - Expand focus by customer size/type:
 - Strategic accounts (dedicated)
 - New customer acquisition
 - Existing Accounts (development role)

- Interfaces with the following horizontal processes
- Communications & Publications
 - Business Analysis & Service Development
 - Performance Management & Reporting
 - Portfolio Mgmt & Business Case Analysis
 - Pricing/Rate Setting





Contrast Roles and Responsibilities of EBD and RSD

Enterprise Business Director (EBD)

- Manage business relationship (highest level of contact, account ownership)
- First point of contact for new service needs
- Identify and promote enterprise solutions
- Collaborate to align strategic business plans with technology plans between customer and VITA
- Negotiate and establish customer agreements
- Make customers aware of VITA service offerings
- Strategic planning
- Dispute resolution

Regional Service Director (RSD)

- Manage service delivery
- Resolve service problems
- Make operational improvements
- Performance and efficiency monitoring
- Implementation of new services
- Make customers aware of operational changes
- Service delivery planning
- Technical Support



VITA MOU Process

Phase 1

- Identify VITA services at agency
- Establish roles and responsibilities

Phase 2

- Initiate target service performance metrics to measure service levels
- Begin transformation of billing from direct bill for labor and procurements to service based billing beginning with labor component

Phase 3

- Complete revised roles and responsibilities
- Complete transformation to service based billing for non-labor costs

Phase 4

- Final agreement on the Agency service profile - roles and responsibilities
- Agree to go forward with metrics and SLA's established in phases 2 and 3



Service Based MOU Framework

- Amendment A is the vehicle for adding global provisions to the standard MOU that apply to all agencies; these provisions will be incorporated into future versions of the MOU.
- Amendment B is used to provide for service delivery outside of VITA standards to meet the unique requirements of an agency.
- Any other amendments (C, D, etc.) will be used to document agency specific exceptions to the standard MOU language after an agreement has been signed.
- Appendices may be added for reference documents or supplemental detail.



MOU Milestones and Expected Completion

- Revised sections defining roles and responsibilities for audit and security will be completed April, 2006.
- Service based billing for labor component will commence March 1, 2006.
- Service based billing for non-labor component will commence May 1, 2006.
- Phases 1 and 2 are completed. Phase 3 will be completed in June-July, 2006 timeframe.

Questions





Highlights of VITA Financial Management



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VITA's Funding

- Primarily an Internal Service Fund (ISF) Agency
 - Rates are approved by JLARC
 - Fees must cover VITA's operational costs
 - Small amount of General Funds but legislative direction seeks to reduce or eliminate those, replacing them with ISF through additional rates
 - Some Enterprise Funds (E-911) as well as federal and special revenue funds



VITA FY 2006 Budget

FUNDING SOURCE

	<u>Internal Service</u>	<u>Enterprise</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
Operating Revenues	\$248,968,827	\$39,005,696	\$2,885,187	\$3,880,000	\$950,000	\$295,689,710
<i>Share of Total Revenues</i>	<i>84.20%</i>	<i>13.19%</i>	<i>0.98%</i>	<i>1.31%</i>	<i>0.32%</i>	<i>100.00%</i>
Expenses	\$246,567,038	\$39,005,696	\$2,885,187	\$4,033,401	\$1,192,125	\$293,683,447
<i>Share of Total Expenses</i>	<i>83.96%</i>	<i>13.28%</i>	<i>0.98%</i>	<i>1.37%</i>	<i>0.41%</i>	<i>100.00%</i>
Net Change	\$2,401,789	\$0	\$0	-\$153,401	-\$242,125	\$2,006,263
Retained Earnings 7/1	\$29,576,780	\$20,442,577	\$0	\$1,165,722	\$242,125	\$51,427,204
Ending Retained Earnings	\$31,978,569	\$20,442,577	\$0	\$1,012,321	\$0	\$53,433,467



About Internal Service Funds (ISF)

ISFs finance State operations that provide services to other governmental units on a cost-reimbursement basis.

ISFs are used to:

- Ensure that certain activities are managed in a businesslike manner
- Promote efficient use of services by agencies paying the full costs associated with providing the goods or services
- Allocate the costs of operations across all fund types, so that federal & other non-general fund programs pay their proportionate share of the operations



JLARC Rate Approval Process

JLARC requires ISF operations to submit all rates and rate changes for approval.

VITA's ISF rate proposals are based on projected costs & volume of services and then submitted to the Information Technology Investment Board through the Finance and Audit Committee for approval to submit to JLARC.

JLARC reviews the rate proposal and determines:

- the reasonableness of assumptions and accuracy of calculations for costs, revenues, and rates
- the reasonableness of direct and indirect costs
- the adequacy of rates to recover full costs of services
- the adequacy of rates to ensure that the fund remains solvent, but without excessive balances
- the financial and service impact on customer agencies

JLARC staff recommend approval, modification, or denial of the proposed rates to the full Commission at a regularly scheduled monthly meeting.



New Internal Service Fund Rates

Two new rates: IT investment management & security management

- Investment management \$1.7M
 - Based upon Project Management work distribution
 - Provides for agency oversight services including APRs, major IT project support/approvals/oversight/reporting and PM development program training
 - Provides for governance & enterprise programs including IT strategic planning support, IT portfolio management, policies/standards/guidelines



New Internal Service Fund Rates (cont'd)

- Security management \$3.5M
 - Provides for
 - Security incident management
 - Risk management



Summary of projected annual ISF revenue

(updated 2/06)

Legacy Telco services	\$70M
Legacy mainframe services	\$45M
Legacy server support services	\$4M
Miscellaneous services	\$5M
Integration services (currently direct bill)	
MOU phase 1 – labor	\$52M
MOU phase 2 – non-labor	<u>\$71M</u>
Projected annual VITA revenue	\$247M



Transition:

Direct Bill to MOU to Shared Services Rates

- Future rates are being developed for shared services based upon IT hardware, software, maintenance, and service level standards.
- The MOUs are the first step & are based on each agency's spending history under direct bill, VITA's related administrative costs & externally mandated cost increases (e.g. employee COLAs).
- As VITA/NG leverages collective buying power & infrastructure, overall costs to agencies are expected to remain relatively constant w/2006 levels while service delivery -- including response times to service calls, frequency of hardware and software refreshes & upgrades, e-mail & other communications -- will continue to be enhanced.



MOU Project Description

Objective - Ensure consistent revenue stream to facilitate transformation activities by charging agencies a fixed monthly fee that covers VITA's cost of personnel & non-personnel spending required to provide support. Meeting this objective will eliminate the current direct bill.

Scope - This chargeback method will apply to in-scope agencies. The charge will replace items currently billed through direct bill. The charge will apply to services provided at agency locations. Legacy services (mainframe, servers at VITA and Telco) are not included.

Proposal - Using historical spending data available since agency transition, project the personnel & non-personnel spending by agency. Include the total in the MOUs, which define the services VITA will provide.

Proposal Components - The above proposal is split into two phases. The first MOU billing (**March 1**) will recover the cost of personnel expenses, including full-time, part-time & contract employees performing in-scope activities. The second phase (**July 1**) will increase the MOU billing to include the cost of hardware, software, maintenance and contracts.

Assets

Asset Ownership

Is equipment purchased with federal funds owned by the Commonwealth or the acquiring agency?

Answers:

- The Commonwealth is the owner. “Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Governments,” Section 92.32 (a), provides that title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee, respectively.
- Section 92.3 defines a grantee as the government to which the grant is awarded, that is, the entire legal entity even if a particular component of the entity is designated in the award document.



Assets

Changes in Equipment Utilization

Can VITA use equipment acquired by an agency with federal funds & used solely on a federal program to serve multiple agencies and/or programs?

Answer:

- Yes, unless specifically provided otherwise in the grant program regulations. “Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Governments,” Section 92.32, paragraph (b) provides that a State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures.
- Paragraph (g) of the foregoing section provides that a federal agency may reserve the right to transfer title of equipment acquired with federal funds. VITA gives careful consideration to these provisions in taking possession of equipment acquired with federal funds.
- VITA will not use equipment acquired with federal funds for any purpose other than the purpose for which it was acquired without coordinating such a change with the original purchasing agency.



Assets

Sale of Equipment

How will VITA handle proceeds from the sale of equipment acquired with federal funds?

Answers:

- “Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Governments,” Section 92.32, paragraph (b) provides that a State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures.
- Paragraph (g) of the foregoing section provides that a federal agency may reserve the right to transfer title of equipment acquired with federal funds. VITA gives careful consideration to these use provisions when it takes possession of equipment acquired with federal funds.
- VITA does not sell equipment acquired with federal funds without coordinating such a sale with the original purchasing agency.



Financial Benefits

Achieving financial benefits is one of VITA's transformation goals.

- Promotion of enterprise systems & collaboration
- Improved IT investment management & oversight
- Value-added services for citizens
- Value-added programs and support for customer agencies & localities

The financial benefits achieved consist of information technology-related *cost savings* AND *cost avoidances*.

- Cost savings represent direct reductions to budgeted or obligated expenditures. VITA's cost savings are realized through activities such as consolidations, standardization, rate reductions, and the negotiation of statewide discounts.
- Cost avoidances are benefits realized by avoiding a relatively certain future expenditure, although the expenditure has not been budgeted or obligated. IT cost avoidances have been realized in such areas as software licensing, reduced server purchases, *Virginia.gov* services, database consolidation, and project costs avoided due to process improvements in State IT project management.

VITA expects that that in the longer term, the value of the non-financial benefits of IT transformation will significantly exceed the value of the cost savings and cost avoidances.

Questions





Virginia Information Technologies Agency

Highlights of VITA Information Security & Audit



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Security Services

- Enterprise IT Security Policy & Standard & Auditing Standard currently are being prepared for publication.
 - Will define the overall COV IT Security Program
- Implementation requirements are planned to allow adequate time for Agency compliance.
- Currently developing implementation guidance documents, templates, etc. to assist agencies in meeting new standards.
 - Will provide consultative assistance on compliance with standard



VITA and NG Security Responsibilities

- Under the Partnership Agreement:
 - VITA will
 - Govern Commonwealth & VITA security programs
 - Define security policies, standards, & guidelines
 - Define enterprise security architecture & initiatives
 - Review and approve NG security policies & standards
 - Assess risk trends & identify control & security weaknesses & mitigation strategies
 - NG will
 - Provide operational security services that meet Commonwealth security policies & standards & agencies' needs, including operating the information technology infrastructure in accordance with Commonwealth security policies & standards, & with federal statutes & directives
 - Conduct Security Audits & report the results



Agreement: 13.1.7. Security Audits

"Each Contract Year, Vendor shall have a third party provider develop an IT infrastructure review plan, for the Commonwealth's approval, based on relative risk delineating the locations, planned testing and frequency of security reviews of all the Locations for which Vendor has agreed in Section 3.10 to provide or manage physical security. The third party vendor selected must be one approved by the Commonwealth. The Commonwealth shall work with the third party provider to ensure planned testing includes all pertinent Commonwealth security standards as well as any customer agency requirements, such as Federal tax tape handling requirements or HIPPA. Once approved by the Commonwealth, the third party provider shall execute the plan providing the Commonwealth and Vendor with written reports describing all results for each review conducted within two weeks of completion of the review."



Audit Resources

Available Auditing Capability

- VITA annual audits required of partner
- VITA internal audits
- APA audits
- Agency audits
- JLARC, federal, other



Partner Audit Requirements

VITA Annual Audits Required in Partnership Agreement:

- Security audits – infrastructure reviews
- SAS 70 Type II – service delivery controls & effectiveness
- Financial audits – payment and invoice processing
- Operational – scope to be determined based on need

Other Reviews:

- Most Favored Customer & benchmarking – price protection
- Commonwealth right-to-audit clause



Audit Coordination

VITA and customer agencies place reliance on partner provided audits & any existing audits by other sources such as APA.

If this does not meet agency auditing needs, contact VITA Internal Audit Services to communicate unmet needs & collaboratively develop a plan to meet them.



Agency Internal Audit Observations

Determine whether your agency has:

- Inventoried business processes and conducted a valid business impact analysis
- Identified threats and probabilities of occurrence in a risk assessment (including coordinating with VITA staff for IT infrastructure risk information)
- Documented and communicated data with unique security requirements supported by the VITA IT Infrastructure to VITA (VITA will be providing a template to assist)
- Provided VITA with the disaster recovery component of the agency's Continuity of Operations Plan (COOP)
- Coordinated with VITA Internal Audit Services concerning any unique auditing needs



Future

VITA looks forward to working with our customer agencies as we move forward.

The ideas from you -- our Information Security Officers and Internal Auditors -- are greatly appreciated and valued.

Questions

