



Internal Audit Services

Audit Plan Construction

- ✓ **Drafted the "VITA Audit Universe" capturing VITA organizations & functions using:**

VITA Web Organization Chart
 VITA Web Services Offerings Listing
 VITA Web Organization Units Description
 The Code of Virginia

- ✓ **Validated the VITA Audit Universe by Meeting with Directors to Review the Draft, Making Appropriate Revisions & Identifying Contact Persons.**

Loyd Lane	Director of Business Development (Acting)
Deborah Dodson	Director of Business System Services
Chris Saneda	Director of Customer Services
Austin Matthews	Director of Financial Management Services
Susie Witter	Director of HR Management
Jerry Simonoff	Director of Strategic Management Services

- ✓ **Developed VITA Risk Assessment Questionnaire, Legend & Spreadsheet**

Risk Assessment Tools from William & Mary, Department of General Services & Other entities as well as the Institute of Internal Auditors "Assessing Risk" 2nd Edition by David McNamee, VITA's Business Impact Analysis and Risk Assessment and Fraud Risk Assessment.

- ✓ **Conducted Risk Assessment Interviews with the 23 Contact Persons**

- ✓ **Compiled Risk Scores for each of 31 Auditable Units Using 10 Risk Factors**

	Factor	Weight
F1	Size of unit in terms of FY 05 budget/transactions	1.5
F2	Complexity	1.0
F3	Liquidity of assets	0.5
F4	Impact of adverse publicity	0.5
F5	Impact of service delays	1.0
F6	Impact of inaccurate information	1.0
F7	Sensitivity/Confidentiality of data	1.5
F8	Degree of change/lack of stability	1.5
F9	# & Significance of review comments & fraud in the past 3 yrs.	1.0
F10	Time since last audit	0.5

✓ **Normalized Risk Scoring Results**

Adjusted 4 units size to the \$ volume of transactions conducted
Integrated Sourcing & Contract Management; Billing; General Accounting; &
Telco Reconciliation

✓ **Assigned Audit Frequencies (1-3 years) and Estimated Project Hours**

A 3 Year Audit Cycle was used so that each area is audited not less than once every 3 years.

Two 1 person Audit Units were not scheduled but audits may be done upon request
"Strategic Plans & Metrics" and "Business Services Development"

Repeat Annual & Biennial Audits were assigned less hours than initial audits.

✓ **Added in 8 Audit Units that were not Risked but will Consume Audit Hours:**

PPEA Infrastructure	2005
PPEA Enterprise Solutions	2005-2006
APA Liaison	Annually
Tax Tape Review	Annually
PM IV&V	2005
Database Auditing	2005
Fraud Investigations	Annually
Special Projects	Annually

✓ **Estimated Available Hours**

✓ **Scheduled Audit Activities**

Staffing constraints require staggering initial audits

✓ **Deducted for potential PPEA affect to avoid overstaffing**

✓ **Estimated Staffing Needs** (Current Staffing 2 FTE)

To Execute Entire Audit Plan: 6 FTE

To Execute Plan Excluding Infrastructure Areas In-Scope to PPEA are excluded: 4 FTE

Recommend increasing IAS staff to 4 FTE now & reassessing in Fall 2005

✓ **Briefed CIO & Deputy CIO**

NEXT STEPS:

Brief Finance & Audit Committee and make any revisions

Recruit Staff & Implement the Audit Plan

Update Risk Assessment & Revise Audit Plan in Fall 2005