



Auditor of Public Accounts



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Who is the APA?

- The APA is the independent auditor serving the Commonwealth of Virginia.
- Elected by the General Assembly.
- Organized under the legislative branch of government.
- Responsible for conducting audits of executive and judicial branch agencies and institutions such as the Department of Accounts, VITA, Department of Transportation, Lottery, Supreme Court, to name a few.



Authority

- Duties and powers are set out in the Code of Virginia (Chap. 14 §§ 30-130 — 30-142)
 - Audit all state agencies, institutions, boards, commissions, officers, or other agency handling state funds.
- The APA has authority to access records of all state institutions, departments and agencies and they are required to furnish all information requested and cooperate with him to the fullest extent.



APA Mission

The APA serves Virginia citizens and decision-makers by providing unbiased, accurate information and sound recommendations to improve accountability and financial management of public funds.



Organization

- Organized by specialty areas such as financial management, performance budgeting, systems security, systems development.
- As audits are planned, teams are formed from these specialists to address audit needs.



Types of Audits

- Financial and performance audits follow Government Auditing Standards.
- Some audits are mandated by Code while others are identified using a risk-based approach.
- Examples of financial audits we perform annually include the Commonwealth of Virginia Comprehensive Annual Financial Report, public colleges and universities, and the Lottery.
- Performance audits vary from year to year based on risk to the Commonwealth, unusual trends noted in performing data analysis, and legislative requests.



Workplan

- Annual workplan is presented to and approved by the Joint Legislative Audit and Review Commission.
- The workplan contains mandatory projects and those that we identify through our risk model.
- While some projects are agency specific, often performance audits are issue specific and may cross-cut multiple agencies.



Report Distribution

- Reports are distributed to the legislature and executive management as deemed appropriate for the report topic.
- Reports dealing with information technology and systems development are generally distributed to the CIO and members of the ITIB.
- All reports are made available on our website at www.apa.virginia.gov approximately one week after hardcopy distribution.



Systems Development Audit Team

- Code of Virginia § 2.2-803 :
 - All systems so developed shall require the approval and certification of the Auditor of Public Accounts that they are adequate for purposes of audit and financial control.
- Mid-1990's identified a need to have a group of auditors specializing in Systems Development Project Management.



Systems Development Audit Team

- 6 members including 1 Director
- Members work part-time on assigned development projects with other time dedicated to financial and performance audit activities.
- Accounting and Information System education with project management training.



Systems Development Audit Team

- Team workplan includes 2500 hours for project monitoring activities:
 - VITA related audit activities – 900 hrs
 - VSU Banner – 350 hrs
 - Elections VERIS – 200 hrs
 - Longwood Banner – 170 hrs
 - Social Services PPEA – 250 hrs



Systems Development Audit Team

- Monitor sources for potential development projects to include:
 - ITIB
 - Governor's budget
 - Appropriations Act
 - Legislative Meetings
 - Contact with agency management
 - VITA PMD and Dashboard
 - Meetings with other APA Audit staff



Systems Development Audit Team

- We track all potential projects in our database.
- Projects are assessed for risk criteria.
 - Budget, management support, mission criticality, agency experience and history, technology complexity, project phase
- Projects ranked based on risk and assigned to staff for monitoring.



Systems Development Audit Team

- Monitoring consists of various activities:
 - Attending steering committee meetings
 - Reviewing important documents
 - Monitoring project baseline changes
 - Meeting with agency management and project manager
 - Comparing project results to other audit activities
 - Comparing results with VITA PMD staff, Dashboard, and ITIB briefings.



Systems Development Audit Team

- Report results in various ways:
 - As a blue-bound report with the systems development project as the sole subject.
 - As a blue-bound report coupled with other audit activities relative to the agency.
 - Letter to agency management or steering committee.
 - Semi-annual progress report.



Information Systems Security Audit Team

- Developed from a need to obtain assurance over data in critical information systems
- Auditing standards require us to consider and review the controls built in the system to ensure the accuracy of financial information



Information Systems Security Audit Team

- Currently consists of 5 members – 1 director, 1 specialist, and 3 auditors
- Members work almost exclusively on IS security projects, however, when possible, we like for them to have exposure to other financial and performance audit activities
- IT or IT and Accounting backgrounds



Information Systems Security Audit Team

- The team performs three types of audits:
 - Audits to provide assurance on information technology controls over financial systems at agencies and colleges and universities
 - Compliance audits with Commonwealth IT standards
 - Special studies on information technology



Information Systems Security Audit Team

We perform security reviews at all higher education institutions, material state agencies, and high risk agencies. Risk is identified either by APA staff or project manager and APA risk identification process.

Our audits are budgeted between 80 to 250 hours.



Information Systems Security Audit Team

- Our reviews consist of reviewing the agency or institutions' security plan and policies and procedures over critical control elements.
- If security plan and policies and procedures are deemed reasonable, we perform test work to ensure compliance.



Information Systems Security Audit Team

We audit the following areas against Commonwealth and Industry Best Practices:

- Security Management Structure
- Data Protection, Integrity, Availability, Confidentiality
- Change/Configuration Management
- Monitoring/Logging



Information Systems Security Audit Team

Standards and Best Practices:

- Commonwealth Standards – SEC 2001
- Industry Best Practices
 - COBIT
 - NIST
 - ISO 17799



Information Systems Security Audit Team

- Most of the results of our reviews are reported in the annual audit of an agency.
- By end of Calendar Year 2005 we will issue a combined report on security of the Commonwealth.
- Special reviews are issued in a separate performance report, for example, surplus equipment and VITA Review of security controls over IT.