



# Agency Risk Management and Internal Control Standards (ARMICS)

## Overview

Report to the Information Technology Investment Board  
April 18, 2007



## What is ARMICS?

- Sarbanes-Oxley Act of 2002 (SOX)
  - OMB Circular A-123 revised
- Virginia Comptroller's Directive 1-07
  - Issued November 2006
  - Agency Risk Management & Internal Control Standards
  - Maintain Virginia's reputation as "Best Managed State" and excellence in governmental financing
  - Assess agency internal controls and assure accountability
- At the agency level, it requires management to:
  - Assess internal control strengths, weaknesses, and risks in recording of financial transactions
  - Assure compliance with financial reporting requirements
  - Compliance with laws and regulations
  - Stewardship over the Commonwealth's assets



# Roles and Responsibilities

- CIO/ITIB
  - Point of Final Accountability
  - Participate as required in research
  - Review and Certify results
- Executive/Leadership Team
  - Support agency's internal control policies
  - promote compliance
  - maintain control within their areas
  - Commit resources
- Controller/Finance
  - Lead responsibility to oversee implementation
- Internal Audit
  - Sharing existing documentation and recent audits
  - Consultative services regarding control design, function, and assessment
  - Reviewing final Internal Control Assessment for completeness and appropriateness
  - Provide independent monitoring and ITIB reports as needed



# Approach

- Engage contractor to objectively lead implementation
  - Assessment of the current status
    - Identify critical processes,
    - Perform a gap analysis of documentation needs
    - Complete ARMICS assessment tools, checklists and questionnaires
  - Ensure implementation plan is followed and milestones are met
- Keep Board, CIO, and management teams informed of progress



# Schedule

- High-level schedule milestones

