

Colorado Office of the State Auditor & the IT Audit Function

Matt Devlin

Deputy State Auditor

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SA

We Set the Standard for Good Government



Overview

- CO Office of the State Auditor (OSA)
- OSA IT Audit Function
- IT and InfoSec Orgs within the State of Colorado

About the Colorado Office of the State Auditor



Colorado OSA

Mission: *To improve government for the people of Colorado.*

- Audits provide transparency, hold state government agencies accountable, and promote positive change in government
- OSA is the independent external auditor for the State of Colorado
- OSA is a non-partisan agency within Colorado's Legislative Branch

Colorado OSA: Statutory Authority

- Specific duties are enumerated in the Colorado Constitution and state statutes:
 - Authority to audit all departments, institutions, and agencies of state government, including educational institutions, and the judicial and legislative branches [Section 2-3-103 (1) (a), C.R.S.]
 - Access at all times to all state documents, records, and information in any department, institution, or agency, including confidential information [Section 2-3-107(2)(a), C.R.S.]

State Auditor

- Constitutional position
- Appointed by the General Assembly, without regard to political affiliation
- Serves a 5-year term
- Must be a licensed CPA in Colorado

Legislative Audit Committee

- 4 state representatives and 4 state senators
- Equal representation of Republicans and Democrats
- Holds public hearings to review audit results
- Approves audit requests from legislators and the Governor
- Power to issue subpoenas

Colorado OSA Audits

How does the OSA's decide what to audit?

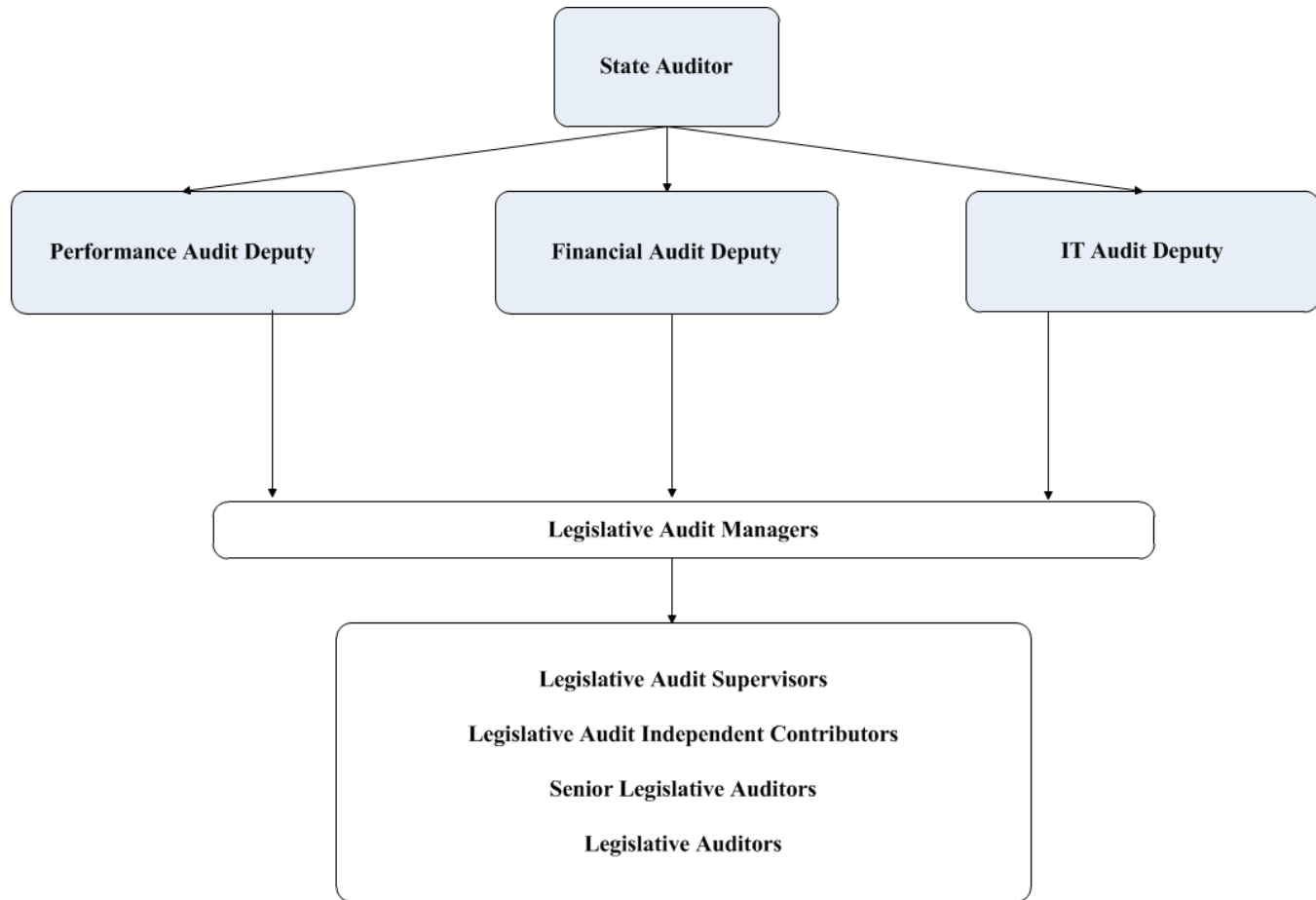
1. Audits conducted pursuant to statutory requirements
2. Audits conducted based on requests from members of the General Assembly or the Governor
3. Discretionary audits determined by the State Auditor
 - Risk and coverage considerations
 - Staffing and resource considerations
 - OSA's jurisdiction and authority

Colorado OSA Audits

3 types of audits:

1. Financial Audits (incl. Local Gov. Division)
 2. Performance Audits
 3. IT Audits (incl. Info Sec Audits)
- Produce about 50 audit reports and other work products per year
 - Approximately 70 professional audit staff

Colorado OSA: Organizational Chart



Financial Audits

- Conduct an annual audit of the State's financial statements
- Conduct an annual compliance audit of federal grants on a statewide level
- Conduct other required audits (e.g., Schedule of TABOR Computations)

Local Government Audits (Financial Audit Sub-Division)

- Local governments must submit an annual independent financial audit (or an exemption from audit application to the OSA)
- Tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law

Performance Audits

- Evaluate whether state programs
 - Operate in an effective and efficient manner
 - Accomplish intended goals
 - Comply with applicable laws and regulations
- Provide objective analysis that management and lawmakers can use to improve program operations, reduce costs, facilitate decision making, etc.

Information Technology Audits

- Evaluate whether state IT and information security processes and controls
 - Operate in an effective and efficient manner
 - Accomplish intended goals
 - Comply with applicable laws, regulations, policies, procedures, standards, guidelines and/or best practices
 - Ensure that the State's critical and essential computer systems and taxpayer data are secure (i.e., confidential, have integrity, and are available as needed)
- Statutory authority to conduct penetration or other similar vulnerability testing of computer networks and information systems [Section 2-3-103 (1.5) (a), C.R.S.]

More About the OSA's IT Audit Function

Colorado OSA: IT Audit Division

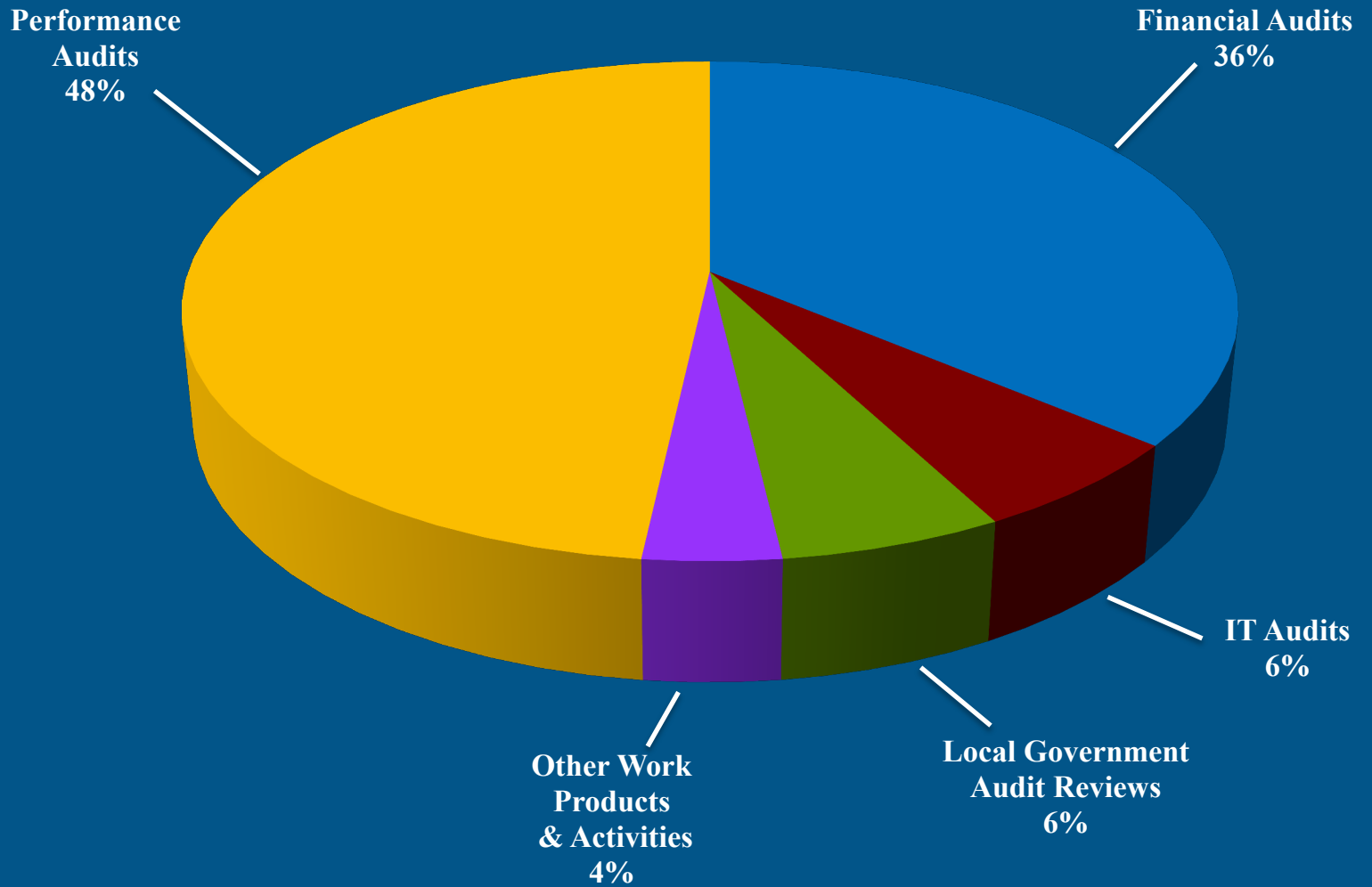
IT Audit Division:

- Est. in February 2006 (approx. 9 ½ yrs. ago)
 - Young compared to FIN & PERF audit divisions
- Current Staffing Model:
 - 1 IT Audit Manager
 - 4 IT Audit Staff (mainly senior-level auditors)

Colorado OSA: IT Audit Types

- IT Audit Engagement Types:
 1. Financial Audit Support (Statewide Single Audit)
 - E.g., Fin. system ITGCs, SSAE 16 SOC 1 reviews, contractor audit reviews
 2. Performance Audit Support
 - E.g., MMJ, Vocational Rehab, Health Exchange, etc.
 3. IT and InfoSec Perf. Audits
 - IT Audit Universe: Technologies / Systems / Processes / Projects / Org. Unit)

FY 2015 Allocation of All Audit Staff



IT and Info. Sec. Orgs. in the State of Colorado

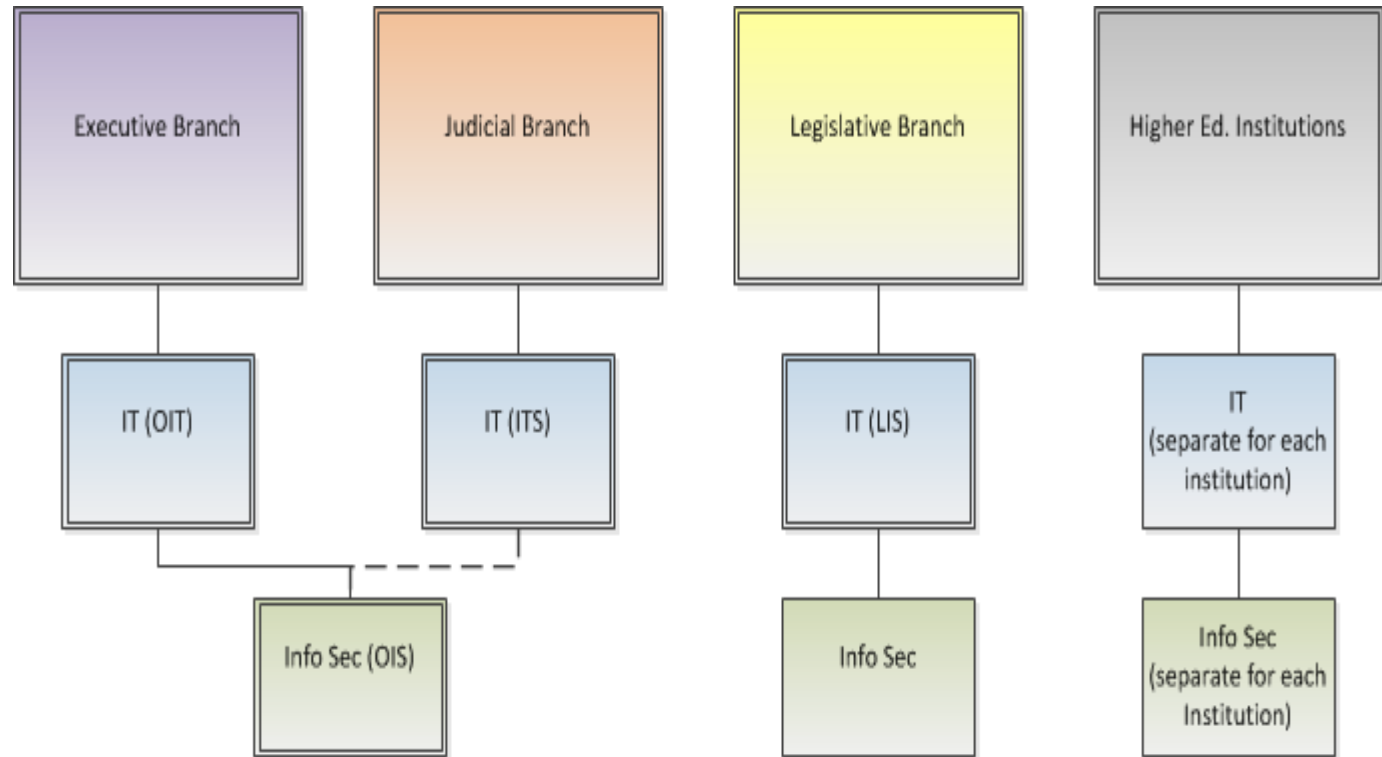
State of Colorado: IT Org. Structures

- Executive Branch
 - Office of Information Technology (OIT)
 - Est. in 2008 through legislation (SB 08-155)
 - Consolidation of IT from a decentralized model
 - OIT sits under the Governor's Office
- Judicial Branch
 - Separate IT (i.e., ITS)
- Legislative Branch
 - Separate IT (i.e., LIS)

State of Colorado: Info. Sec. Org. Structures

- Executive and Judicial Branch
 - Office of Information Security (OIS)
 - Est. in 2006 through legislation (HB 06-1157)
 - Consolidation of Info. Sec. Program (from a decentralized model or non-existent)
 - OIS sits under OIT (i.e., the Exec. Branch IT Unit)
- Legislative Branch & Higher Ed. Institutions
 - Excluded from OIS oversight, but have specific info. sec. reporting requirements

State of Colorado: IT & InfoSec Org Charts



Questions?

- Contact me:
 - Matt.Devlin@state.co.us
 - 303-869-2800



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1525 Sherman Street, 7th Floor, Denver, Colorado 80203

303.869.2800

<http://www.leg.state.co.us/auditor>