Maine State Government
Dept. of Administrative & Financial Services
Office of Information Technology (OIT)

OIT Audit Policy

1.0 Purpose

This policy establishes expectations for OIT personnel regarding any I.T. audit the Executive Branch is subject to.

The purpose of audit monitoring/tracking is to ensure that audit responses are provided to auditors with full information needed and audit findings are addressed in a timely manner.

2.0 Definitions

OIT Director: The OIT Director/Manager (CTS Hosting Manager or App Dev. Director, etc.) that is responsible for the section that is required to provide detailed responses to audit findings.

3.0 Applicability

3.1 OIT participates in a variety of audits, both State and Federal.

   3.1.1   State Audit: "The Office of the State Auditor's primary responsibility is to audit the financial statements of the State of Maine and expenditures of federal programs. They conduct our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement." From http://www.maine.gov/audit

   3.1.2   Federal Audits:
      3.1.2.1 IRS Audit (every 2 years) – involving MRS, Labor, and DHHS
      3.1.2.2 Medicaid, Social Security, and other Federal programs where agencies are audited, and there are questions for OIT about OIT-supported systems

   3.1.3   Software license audits

   3.1.4   Other party audits, such as Mac Page

4.0 Responsibilities

4.1 OIT Finance Director

   4.1.1   Enforces the OIT Audit Policy to ensure that it is being followed.
   4.1.2   Facilitates workflow to ensure responses are provided timely to auditors (State or Federal).
   4.1.3   Oversees audit management process. See Work Flow below for details.
   4.1.4   Identifies *OIT Directors* who are responsible for preparing detailed responses.

4.2 OIT Audit Monitor

    4.2.1   Keeps a log of all audit requests (to track timely response).
    4.2.2   Keeps a log of all Corrective Action Plan items (to resolve audit findings).

4.3 OIT Directors

    4.3.1   Ensure that information the auditors need is provided fully and timely.
    4.3.2   Ensure that Corrective Action Plans are in place so that audit findings are resolved.

4.4 D. Project Manager

    4.4.1   Coordinate and oversee the Corrective Action Plan work of an audit.
    4.4.2   Provide information to operational managers as well as the audit monitor on status of work related to audit findings.

5.0 **Directives**

5.1 Work Flow

    5.1.1   Work Flow Directives may be best summarized by the following chart:

Step 1:	Step 2:	Step 3:	Step 4:	Step 5:
Audit starts – receive notice or attend initial meeting or "entrance conference" called by the Finance Director	Tracking log of all audit responses (to ensure timely management response) – OIT Audit Monitor will track	OIT Directors assign staff to provide information to auditors, and to draft response to each finding, with Corrective Action Plan (CAP)	CIO approves and sends the management response for each audit finding and CAP (with agency concurrence)	After the audit... quarterly meetings to track implementation of promised CAP actions – OIT Finance Director will host meetings

5.2 Tracking of audit requests and responses:

    5.2.1   OIT Finance Director oversees audit responses from a senior management level.
    5.2.2   OIT Audit Monitor keeps a log to track audit requests and responses.
    5.2.3   When there are active audits going on, OIT Finance Director calls periodic meetings of key Directors and those staff working on findings, to check on progress. OIT Audit Monitor keeps a log of all audit findings and corrective actions needed to resolve.

5.3 Coordination of Responses:

    5.3.1   OIT Directors and teams who have subject-matter expertise related to specific audit questions are responsible for providing that information in a full and timely manner.
    5.3.2   All responses to audit inquiries should go through protocol to ensure proper review of accuracy and completeness.

5.3.3   At the beginning of each audit, there should be an entrance conference where auditors lay out the audit scope, and a list of questions to be asked. OIT Directors should attend the conference, and identify key staff best able to answer questions.

5.3.4   Once key staff are identified at the entrance conference, or subsequently, auditors may reach out to them directly to ask questions. Any written responses should be coordinated with the staff's management chain.

5.3.5   Auditors should conduct an exit conference to share what their expected findings will be, and to fill in any final unanswered questions.

5.4 Agency Management Response and Corrective Action Plan (CAP):

5.4.1   After auditors make formal findings based on information gathered, the agency must provide a management response to concur or non-concur with the findings, along with comments. For the State Audit, agency management response must be vetted through (and be issued by) the Office of the State Controller's Internal Audit section.

5.4.2   For State Audit findings that require a Corrective Action Plan (CAP), it should identify "what is going to be done" and "when it's going to be done." OIT is often dependent on other agencies. So identifying "who" is going to do what steps in the CAP is important. Specifically, the State Controller's Office is expecting *both* the management response from the agency and from OIT to include the following information, regarding issue resolution:

5.4.3   Priority assigned to resolution of this issue

5.4.4   Resources that will be dedicated to (or necessary to) resolve this matter

5.4.5   Expected timeframe for complete resolution

5.4.6   For other audits (such as IRS, Medicaid, Social Security), responses should be vetted through the OIT management team, and for the OIT Finance Director to oversee and for the OIT Audit Monitor to track.

6.0 <u>References</u>

6.1 Title 5, Maine Revised Statutes, Chapter 147 §1621, Section 4:
http://www.mainelegislature.org/legis/statutes/5/title5ch147sec0.html

6.2 State of Maine Office of the State Controller Internal Audit Division:
https://www.maine.gov/osc/internal-audit

7.0 <u>Document Information</u>

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Point of Contact: Finance Director, OIT
Approved By: Chief Information Officer, OIT

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Waiver Process: See the Waiver Policy[2].

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[1] http://legislature.maine.gov/statutes/5/title5ch163sec0.html
[2] https://www.maine.gov/oit/sites/maine.gov.oit/files/inline-files/waiver.pdf