STATE AGENCY INTERNAL AUDIT FORUM

# MEETING MINUTES

## Friday, April 26, 2019

## 8:38 a.m. – 10:00 a.m.

## DPS

## 5805 North Lamar Blvd., Bldg. A

## Austin, Texas 78752

**8:38 a.m. – MEETING CALLED TO ORDER**

Welcome & Introductions:

* Tracey Hall, SAIAF Chair, welcomed attendees

Minutes from March 15, 2019 meeting for approval:

* No changes offered by attendees
* Vote by Acclamation = unanimous AYE, zero NAY, zero ABSTAIN
* RESULT = ACCEPTED

**Presentation: Does Information Security Make Any Difference?**

Robert Stiles, DFPS

There are good, bad and ugly points about information security.

Good:

* Organizations need a method to trust each other when exchanging date or sharing IT resources.
* The trust framework includes common rules of behavior such as rules pertaining to credit card information and cloud service.

Bad:

* An organization might have to comply with multiple frameworks each having different standards.
* Control Catalogues move slowly.

Ugly:

* Can you trust the certificates and what the organization sees as risk?

We think of organizations as hierarchical but one small thing can result in a huge impact (butterfly effect).

The case study presented information about a non-profit who performed services for a federal agency.

* The non-profit was initially compliance focused and risk "unaware."
* Management was stable, there was a project management office and an enterprise architecture team. The organization had 700 people and an IT security team of 7.
* The organization changed from a public to a private non-profit, hired a new CEO who restructured, and there were significant layoffs in IT. The security team was cut in half.
* The culture moved from compliance-oriented to risk-seeking.
* Robert Stiles reviewed revenue, expenses, the IT budget, headcount and spending on cloud as well as penetration test results, Internal Audit findings, security and privacy incidents and security quiz results.
* Pen test findings revealed one bad year but the overall level of security was acceptable.
* Incidents were reduced in the year of layoffs but this could have been caused by non or under reporting.
* FISMA assessments did not define risks or vulnerabilities.
* Positives were: pen test results and new engagement from the Board of Directors.
* Negatives were: inconsistencies between years and lack of identification and reporting of gaps in security.

Controls are only a component of a risk equation. An organization should measure the value of the assets and the strength of a threat.

You should manage and monitor the third parties of your organization closely and quantify risk if possible.

With multiple frameworks for compliance, auditors should look at the risk of non-compliance first.

Credit card breach: Look at and manage risk. Have a response plan.

**Committee Updates**

Legislative Committee - Angelia Harris, Office of the Attorney General

* Approximately, one thousand more items have been introduced since the last SAIAF meeting. Most new items do not relate to House or Senate Bills. Angelia has added H or S in the status column of the Bill Tracking Report to enable users to more readily see if the bill is moving between the Senate and House.
* Angelia will create a report or page showing SAIAF tracked bills that are in Stage 5 or above.
* If bills are moving Angelia’s goal is to provide information to SAIAF on a weekly basis.
* SB 127 has had no movement since the last SAIAF meeting. Internal Auditing text from SB 127 has been incorporated into SB 65.
* June 16 is the last day the governor may sign or veto bills passed during the regular session.
* Last day of the 86th Regular Session is May 27. Note: Only corrections may be considered in the House and Senate.
* Let Angelia know if you have any changes to the bill tracking report.

SACC - Chance Watson

* The meeting will be held on May 9. An update will be provided at the next SAIAF meeting.

**Open Comments**

* May is Internal Audit Awareness Month.
* Tracey is retiring and the Chair position will be assumed by Chance Watson. The Vice Chair position is open. If anyone is interested in assuming this role, contact Chance Watson.
* The CAE position is open at the Department of Insurance.
* Peer Review materials will need to be updated to reflect changes and updates to the Government Auditing Standards.
* The SAIAF Peer Review point system needs to be discussed. Topics to discuss include earning points for meeting attendance and points balances inherited by incoming CAEs.
* DIR is hosting a technology showcase for audit management software on May 1 from 1:00 - 3:00 at the William P. Clements Building. Information about the showcase is on Google Groups.
* Registration is open for the SAO Conference to be held August 5 - 6.
* Tracey requested that SAIAF meeting attendees complete the survey so the CPE files can be complete.
* The next SAIAF meeting will be May 17. Topics will include cloud security and SAO changes.

**10:00 a.m. – MEETING ADJOURNED**