

**AGENDA ITEM DETAILS**

- Subject:** Consideration of Internal Audit Reports
- External Call Center Audit
  - Continuity of Operations Planning Audit
  - Cloud Management Audit
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As part of the approved FY23 Audit Plan, Internal Audit completed the External Contact Center Audit, included as Exhibit A, the Continuity of Operations Audit, included as Exhibit B, and the Cloud Governance Audit, included as Exhibit C.

External Contact Center Audit

The External Contact Center is staffed by a vendor with oversight provided by ERS. Certain, non-technical calls are routed to the vendor agents that assist ERS members with questions related to general support, retirement account withdrawals and insurance enrollment. In May 2023, those agents began taking more complex insurance calls, which is expected to increase their workload.

**Audit Objective:** To determine if oversight of the ERS external call center ensures services are in accordance with contractual requirements to meet customer service objectives.

Based on the audit scope areas reviewed, the system of internal controls substantially address significant risks related to operational execution and provide reasonable assurance that program objectives will be achieved. Control gap corrections and improvement opportunities were identified, including:

1. Improve annual vendor reviews with more performance indicator data (Significant)

Continuity of Operations Audit

The goal of Continuity of Operations Planning is to ensure citizens continue to receive essential goods/services in the event of a disaster. Federal guidance recommends performing the following to ensure the plan addresses the needs of citizens:

- Entity-wide Risk Assessment to identify essential functions
- Business Process Analysis (BPA) to describe process flow including identification of key systems and personnel of essential functions
- Business Impact Analysis (BIA) to identify specific threats and hazards related to key processes that may disrupt the delivery of specific services/goods and develop mitigation/recovery strategies

**Audit Objective:** To determine if processes and procedures are in place to ensure essential services continue to be provided in the event of a disruption.

Based on the audit scope areas reviewed, internal controls require improvement and only partially address significant risks related to continuity of mission essential functions including:

1. Scope of current Business Impact Analysis (BIA) should be narrowed to allow for a more detailed assessment and response to event level disruptions (Significant)

## Cloud Governance Audit

Cloud computing is a type of computing that shares responsibility for the infrastructure, development and maintenance with a vendor (provider). This is in contrast to having all systems housed at the agency's data center. Because of the shared responsibility with the vendor, contract management develops a new risk profile where the contract manager must review additional documentation and processes to ensure the vendor is protecting data and will be available for use.

Audit Objective: To determine if procedures are in place to ensure cloud management vendors adhere to ERS standards for availability and security.

Based on the audit scope areas reviewed, the system of internal controls substantially address significant risks related to operational execution and provide reasonable assurance program objectives will be achieved. Control gap corrections and improvement opportunities were identified, including:

1. Continue to mature Cloud Governance (Moderate)

### ATTACHMENTS:

1. Exhibit A – External Contact Center Audit
2. Exhibit B – Continuity of Operations Audit
3. Exhibit C – Cloud Governance Audit
4. Slides – Internal Audit Reports