

December 2019

## Internal Control News



The purpose of this quarterly newsletter is to provide departments with articles on good business practices, internal control, and responsibilities. Through articles intended to promote educational and professional development opportunities for employees, this newsletter seeks to raise awareness across state government on the importance of internal control. We hope that by providing this array of information, we can keep you informed of internal control related activities, and help you implement and maintain effective controls in your areas of operations.

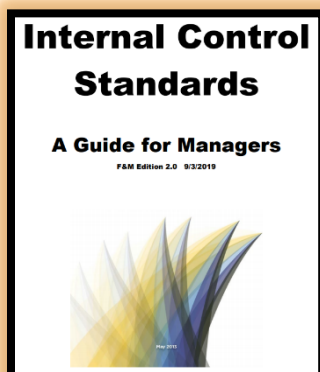
<https://finance.vermont.gov>

<https://finance.vermont.gov/policies-and-procedures/internal-controls>

Volume 1 Issue 08

### Reminder: Internal Control Standards: A Guide for Managers (Updated) 2.0 is now available

Just in case you missed our prior quarterly newsletter announcement, the F & M team has updated our latest guide to assist ***new and existing Agency and Department Managers*** on the components of ***COSO, Internal Control – Integrated Framework Principles***. Our condense version is ***SAIC - Internal Control Standards, A Guide for Managers***. Please consider downloading & reading this guide to enhance your department's knowledge and understanding of Internal Control Standards within the State of Vermont.



IC Standards Guide:

[https://finance.vermont.gov/sites/finance/files/documents/Pol\\_Proc/IC/FIN-Internal\\_Control\\_Standards\\_Managers\\_Guide\\_Master.pdf](https://finance.vermont.gov/sites/finance/files/documents/Pol_Proc/IC/FIN-Internal_Control_Standards_Managers_Guide_Master.pdf)

IC Website:

<https://finance.vermont.gov/policies-and-procedures/internal-controls>

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# Audit: Baltimore Data Losses Due to Insufficient Backups, Poor Internal Controls

Author: Lucas Ropek 09.30.19

<https://www.govtech.com/security/Audit-Baltimore-Data-Losses-Due-to-Insufficient-Backups.html>

A recent audit of Baltimore's IT department found that the agency lost important data during this year's ransomware attack due to poor storage practices. Staff for the Baltimore City Information and Technology department (BCIT) routinely saved data on their local servers instead of backing it up on an external cloud system, according to a newly released audit. When the attack hit, some of that data was compromised by the malware. As a result, data that was supposed to aid in the analysis of four performance measures metrics meant to determine if the agency was meeting its goals in an efficient and cost-effective manner, could not be accounted for throughout the 2017-18 fiscal years, according to the report. The news was broken to lawmakers during a city council audit committee meeting last week. "The BCIT was not able to provide documentation to support actual amounts of the four selected performance measures reported in the Budget Books," the report, filed by auditor Josh Pasch, reads. "Due to the lack of data backup, the supporting data for the four selected measures were unavailable."

"One of the things I've learned in my short time here is a great number of Baltimore city employees store entity information on their local computers. And that's it," Pasch reportedly told councilors at the meeting. Eric Costello, city councilor for the city's 11th district and head of that committee, said in an interview with Government Technology that these practices were problematic. "It's a problem on multiple levels, least of which is that this is the agency that is supposed to be educating other agencies on how to effectively manage IT resources," Costello said. "One of two things happened: either they weren't following [existing] protocol or the protocol didn't exist — both of which are unacceptable." The BCIT's performance during and after the ransomware attack has been roundly criticized. The city's IT director Frank Johnson, who bore the brunt of that criticism, recently took leave without pay, leaving the ongoing recovery efforts in the hands of his deputy, Todd A. Carter. Those recovery efforts, which have been ongoing since May, are nearing completion, officials say. "I think we're in the final phases of the recovery process. Atlanta, a year later they were still recovering," said James Bentley, communications officer for the Mayor's Office, comparing the city's attack to the one that struck the Georgia state capital last year. Though the Baltimore audit cited failures in the data backups, the city is far from alone when it comes to less than ideal storage practices. In many cases, resource limitations and a lack of personnel training are behind these kinds of oversights. Nick Psaki, federal CTO at Pure Storage, said that while he couldn't speak to the frequency of this kind of misstep in governments, he did stress the importance of backing up data in a secure way — especially at a time when ransomware seems to be the cyberattack of choice. "Most of the folks I talk to do indeed back up their data," he said. "Clearly there's a huge appetite for improved and modernized data backup and recovery because we're seeing a huge growth in that space and a lot of new companies have moved into that space in the past few years." The heightened threat landscape has also diminished the delusion that cyberattacks are some abstract and faraway problem, he added. "Until this year, there's been the belief that it couldn't happen to us," he said. *"The reality has reared its ugly head and dispelled that myth. Hope is not a method. You have to test this stuff and you have to test it from end to end and do it rigorously."*

## New for 2019

## Our 1<sup>st</sup> Annual F&M Internal Control:

## SAIC DVR – Certificate of Achievement Award for Highest DVR Rating - 100% Score

Original Signed Certificates have been mailed to the Agencies







**Congratulations to 03310 - VCW & 08110 - AOT GAR, Job Well Done!**



## **F & M Staff Happenings - Promotions & New Hires**

### **Promotions:**

**Danielle Brochu**, VISION Support Specialist, Financial Operations Division, Department of Finance and Management has been promoted to the position of Statewide Financial Reporting Analyst, Financial Operations Division, Department of F & M.

*"I am pleased to announce the promotion of Danielle Brochu to Statewide Reporting Analyst. Danielle has worked for the State for two years at the Department of Finance & Management. Prior to this she worked for National Life for 14 years. Danielle was a key contributor in the upgrade of VISION from 8.8 to 9.2. Along with her work in the VISION Support section she has developed a strong knowledge of the State's ERP system. Please help me congratulate Danielle on her promotion."*

*- Joe Harris, Assistant Director of Statewide Reporting – Department of Finance and Management*

**Lisa Hickory**, VISION Support Specialist I, Financial Operations Division, Department of Finance and Management has been promoted to the position of VISION Support Specialist II, Financial Operations Division, Department of F & M.

*"I am pleased to announce the promotion of Lisa Hickory to VISION Support Specialist II. Lisa has worked in the Department of Finance and Management for a year and a half and prior to this she worked at the Department of Motor Vehicles and the Stowe Middle School. Lisa was part of the VISION Upgrade team, has wonderful customer service skills, and is a valued member of the VISION Support Team. Please join me in congratulating Lisa on her promotion."*

*- Karen Symonds, VISION Support Manager, Department of Finance and Management.*

### **New Hires:**

**Cassandra Ryan**, Statewide Grants Administrator, Financial Operations Division, Department of F & M.

*"I am pleased to announce the hiring of Cassandra Ryan. She started as the Statewide Grants Administrator in September. Cassandra worked for the Agency of Education for over 13 years and brings very strong grant, federal and state regulation knowledge and experience to the team. Conversations about internal controls and grants management processes fuel her professional energy. Cassandra lives in Williamstown, VT with her husband and two dogs. She enjoys sunshine, baking (not cooking), time with her family and friends, and anything that makes her laugh. Please join me in congratulating Cassandra on her new role at F & M."*

*- John Becker, Director of Statewide Reporting – Department of Finance and Management.*

**Samantha Beaudoin**, VISION Support Specialist I, Financial Operations Division, Department of F & M.

*"I am pleased to announce the hiring of Samantha Beaudoin to the VISION Support Team as a VISION Support Specialist, beginning 11/25/19. Samantha was most recently an Accounts Payable Rep for Keurig Dr Pepper FKA Keurig Green Mountain. Samantha has worked in PeopleSoft and other ERP systems and brings a wealth of accounting and customer service experience to this position. Please join me in welcoming Samantha to our team."*

*- Karen Symonds, VISION Support Manager, Department of Finance and Management*



# Agency of Administration, Department of Finance & Management

November 2019

