

## CLERK & COMPTROLLER, PALM BEACH COUNTY

### IT Risk Assessment

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**TABLE OF CONTENTS**

**1 INTRODUCTION.....2**

    1.1 OVERALL PROJECT DESCRIPTION .....2

    1.2 DESCRIPTION OF SCOPE AND METHODOLOGY .....2

**2 C&C'S IT ENVIRONMENT .....3**

**3 RESULTS .....4**

# 1 INTRODUCTION

## 1.1 Overall Project Description

The use and deployment of information technology (IT) is a critical success factor at The Clerk & Comptroller for Palm Beach County (C&C). To design, implement, operate and maintain an efficient and effective IT solution for many organizations is a difficult task. For all organizations, the speed of change, complexity and new requirements in the technology arena increases the risks for lower customer satisfaction, higher costs, security or privacy breaches and potential non-regulatory compliance.

Transcendent Group has assisted C&C Audit Services Department in performing an IT risk/opportunities assessment of their operations. This project is an independent assessment that identifies and assesses key IT risk areas and opportunities and provides management with recommendations, an overall action plan and a suggested IT audit plan for addressing high risk areas. This included:

- Gather an overall understanding of and analyze key C&C operations, supporting technology, information flows, general IT processes and IT risk management infrastructure
- Identification and description of key IT risk areas and hidden opportunities
- Quality of general IT processes and other mitigating controls
- Description and benchmark of current mitigating controls for high risk areas and general IT processes to IT best practices (industry standards and guidelines)
- Risk/opportunities map indicating technology risks, hidden opportunities and overall risk levels
- Practical and cost effective recommendations for each area of improvement identified as well as for identified hidden opportunities
- Suggested one to three year information technology audit plan that addresses risk areas and other relevant areas.

## 1.2 Description of Scope and Methodology

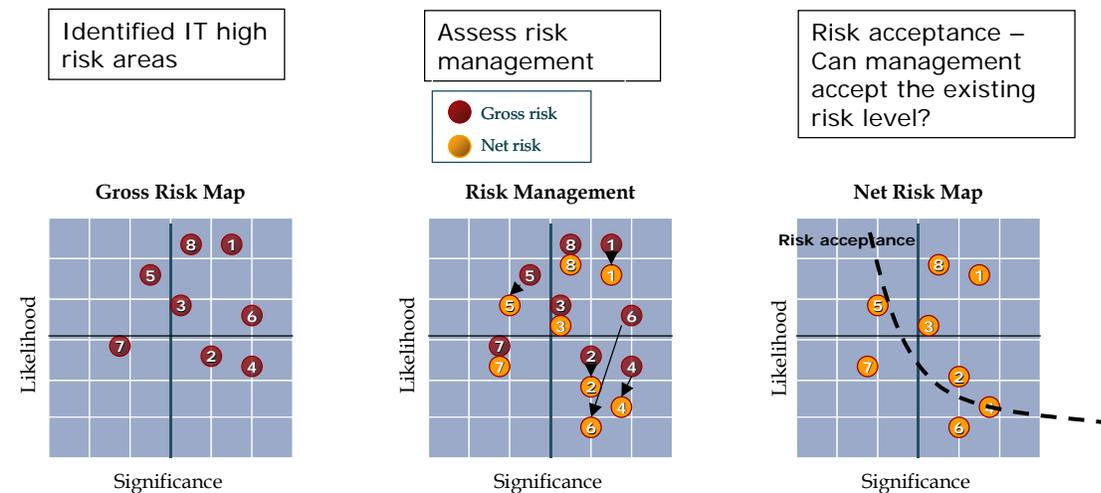
The risk/opportunities assessment includes the IT environment maintained and operated by C&C.

This assessment focused on identifying risk areas, mitigating controls, benchmarking current IT processes against other organizations and to identify hidden opportunities.

The following main work steps were performed:

- Information gathering of IT and business processes
- Workshops to identify and rate IT risks
- Overall assessment of key risk areas and opportunities
- Assessment of the quality of four main IT-processes
- Gap analysis, comparison to best practice and development of suggested actions
- Development of proposed IT Risk Management and Audit plan to address potential risk areas

The methodology used has a risk-based approach and is based on traditional risk management principles by identifying and assessing risks as indicated below:



The IT risk assessment project is first comprised of obtaining critical information about the C&C environment related to:

- Business processes
- IT infrastructure
- Applications and dataflow
- Strategy and culture
- Policies and procedures
- Key IT initiatives

**Quality of IT-processes**

To be able to make an adequate comparison with best practices (domestic and international IT standards) and between organizations regarding their handling of IT risk and quality level, we use recognized international IT standards for each area in the assessment, e.g. ISO 27000 series (27000-27005), ITIL, COBIT and CMMi. In total we have assessed 33 IT sub-processes with a total of 298 requirements and approximately 650 audit steps within the four main IT processes:

- Organization and Management
- System Development
- Computer Operations
- Security

**2 C&C’S IT ENVIRONMENT**

C&C uses approximately 54 critical application systems. There are approximately 130+ servers and 1100 workstations. In addition, the environment is supported by several vendors and partners, such as CSI, ACS Oracle and ISS. At the time of this report there were approximately 42 full time employees in the IT organization. Overall the C&C IT environment is somewhat complex due to the number of systems and interfaces.

### **3 RESULTS**

Potential opportunities and risk areas were identified during the project. Some of these were found to be in need of some level of improvement/adjustment.

Further, 4 Main IT processes were reviewed against best practices. These were:

- Organization and Management
- Application Development and Maintenance
- Computer Operations
- Security

The majority of the IT processes at C&C are fully operational but improvement opportunities exist as they are mostly informal and unstructured as is most technical/configuration documentation. However, C&C scored well against other local governments in the area of Computer Operations.

In addition, recommendations were provided related to areas where there is opportunity for improvement.