

Security of Public Health and Welfare— Where Does the Auditor Fit In?

Mid-America Intergovernmental Audit Forum
Robbie Robinson
December 1, 2005

Session Overview

- ◆ Catastrophic Event
- ◆ Auditor Perspective
- ◆ Data Security and Vulnerability Issues
- ◆ Pre-Disaster Louisiana
- ◆ Post-Disaster Louisiana
 - Impact of Two Storms
 - Communication Issues
 - Changing the Role of Office
 - Continuous Audit
 - Understanding FEMA Regulations
 - Financial issues
 - The Future

Auditor Perspective

- ◆ Management
 - Driven by Law
 - Organization of Government
 - Political Climate
- ◆ Independence
- ◆ Ethics
- ◆ Recommendations
- ◆ Enforcement
- ◆ Leadership and Decision Making
- ◆ Accountability

Luckiest Man in Louisiana



Data Security and Vulnerability Issues

- ◆ Changing Environment
 - Electronic Data
 - ◆ Access and Security
 - ◆ Integrity
 - Evolution of Society
- ◆ Changing Our Perspective
 - 1995 Oklahoma City Bombing
 - 9/11 New York Terrorist Attack
- ◆ Auditor Reaction to Changes
 - Financial Audits
 - Performance Audits

Data Security and Vulnerability Issues

- ◆ Emphasis on Security
 - Internal Control—Physical and Logical Access to Data
 - Written Policies
- ◆ Disaster Recovery
 - Data Backup Procedures
 - Offsite Storage of Data
- ◆ Business Continuity Plans
 - Ability to Continue Operations
 - Cost of Implementation
 - Testing
 - Expansion

Data Security and Vulnerability Issues

- ◆ Reporting Considerations
- ◆ Financial Audit
 - Internal Control Finding
 - Confidential Information
- ◆ Performance Audit
 - Vulnerability Assessments
 - Infrastructure Concerns
- ◆ Investigative Audit
 - Data Integrity Issues

Pre-Disaster Louisiana

- ◆ Economy
 - Chemical Industry
 - Agriculture
 - Tourism
 - Population Demographics
- ◆ Louisiana's Financial Condition
 - Government Magazine
 - Bond Security and Redemption Fund
 - Revenue Estimating Conference
 - Balanced Budget \$19 Billion
 - Surplus and Supplemental Appropriations
 - Dedicated Funds

Pre-Disaster Louisiana

- ◆ Local Government Characteristics
 - Similar Yet Dissimilar
 - Independent Entities/Elected
 - Property tax and sales tax
 - Existing Problems
 - ◆ Poverty and Housing Projects
 - ◆ Orleans Parish School Board
 - ◆ Superdome and Convention Center
- ◆ State Government Characteristics
 - Public and Private Universities
 - Health Care Facilities
- ◆ Emergency Preparedness Issues
 - Louisiana Military Department
 - Levees and Levee Districts
 - Coastal Parishes and Marsh
 - Location of New Orleans

Post-Disaster Louisiana

- ◆ Hurricane Katrina 8/29/05
 - Path of the Storm
 - Eastern Coastal Parishes
 - Evacuation Procedures
 - Lack of Preparedness
 - Communication Issues
 - Pointing the Finger
 - Water Damage
 - Wind Damage
- ◆ Hurricane Rita 9/24/05
 - Western Coastal Parishes
 - Path of the Storm

Post-Disaster Louisiana

- ◆ Week One
 - Data Recovery Issues
 - Accounting for Employees
 - Assessment of Damage
- ◆ Week Two
 - Emergency Operations
 - Understanding FEMA Assistance
 - Brainstorming
 - ◆ Continuous Audit/COE
 - ◆ Assisting Local Government
 - ◆ Enhanced Communication
 - Networking with Administration, Legislature, and Courts
 - Joint Field Operations

Post-Disaster Louisiana

- ◆ Week Three
 - Contacting GAO, OIG, Other Auditors
 - Addressing Independence
 - Partner with State IG
 - Assignment of Staff from Legal, Investigative, Performance
 - Training Staff
 - Imbedding Staff in Process
 - Identifying Lost Revenues
 - Draws from FEMA, Cash Management, and Payment Process
 - Establishing Communication
 - ◆ Local, State, and Nonprofit Assistance
 - ◆ Financial Information
 - ◆ Public Information and Website

Post-Disaster Louisiana

- ◆ Week Four
 - Project Worksheets
 - Review of Documentation
 - Tracking Receipts and Payments
 - Enhancing Communication with Weekly Meetings
 - Second Disaster Hits on 9/24/05
- ◆ Beyond Week Four to Present
 - \$1 Billion Lost Revenues
 - Budget Cuts
 - Louisiana Recovery District
 - Community Disaster Loans
 - FEMA Disaster Projection Report

Post-Disaster Louisiana

- ◆ Beyond Week Four to Present
 - Displaced Population
 - ◆ Out of State--where
 - ◆ In State--where
 - ◆ K-12 Students
 - ◆ University Students
 - Rebuilding Towns and Cities
 - Repairing the Levee System
 - Right-sizing State and Local Government
 - Rebuilding State Facilities

Post-Disaster Louisiana

- ◆ Will Business Return?
- ◆ Will Population Return?
- ◆ Can Homes be Rebuilt?
- ◆ Will Leadership Emerge?


