

Outsourcing Audit Guidelines

If state or local ARs are authorized to conduct national fingerprint-based background checks based on a state or federal statute, the SCO/CA may not grant permission to outsource noncriminal justice administrative functions unless he/she has implemented a combined state/federal audit program to, at a minimum, triennially audit a representative sample of the Contractors and ARs engaging in outsourcing with the first of such audits to be conducted within one year of the date the Contractor first receives CHRI under an approved outsourcing agreement. A representative sample will be based on generally accepted statistical sampling methods.

Additionally, sections 2.05 of the Outsourcing Standards require certification that an audit was conducted with the Contractor within 90 days of the date the Contractor first receives CHRI under the approved outsourcing agreement. It should be noted that each of the Outsourcing Standards places the auditing responsibility on specific parties. Specifically, the FBI will, and the AR may, conduct an audit of the Contractor performing channeling functions and the FBI is required to certify to the FBI Compact Officer that an audit was conducted; whereas, the AR will certify to the SCO/CA that an audit was conducted of the Contractor performing Non-Channeling functions.

Sample Audit Methodology

The purpose of the audit is to assess compliance with applicable laws, policies, regulations, and rules which pertain to access to CHRI. The audit should be scoped to cover the following areas:

- adherence to Outsourcing Standard requirements;
- use of CHRI
- dissemination of CHRI
- physical and technical security of CHRI
- compliance with other applicable laws, policies, regulations, and rules.

States are encouraged to use the following sample methodology as a guide when creating the state audit process. In addition, Table 2-1 graphically displays the FBI CJIS Division's outsourcing audit methodology. For additional information relating to noncriminal justice agency audits, please refer to the Council's *Audit Guide* which may be found on the Law Enforcement Online Special Interest Group accessible through the Law Enforcement Enterprise Portal.

Pre-audit

Appropriate representatives from ARs and Contractors selected for audit are identified and notified to discuss an overview of the audit process and scheduling of audit activities. Requests for documentation such as copies of signed contracts occur during this phase. Additionally, points-of-contact are informed that pre-audit materials will be forwarded for review and completion. Pre-audit materials are useful for gathering pertinent information prior to on-site visits and may include high-level questionnaires that are used to formulate specific questions about agency processes, as well as data quality surveys comprised of a sampling of transactions or records that are used to validate agency processes.

On-Site Audit

Administrative interviews are conducted on-site with appropriate representatives from selected ARs and Contractors. Questions focus on capturing the specific processes used by agencies to meet Outsourcing Standard requirements. In addition, on-site validation of data quality surveys is conducted. Upon completion of the on-site visit, auditors make an initial determination of compliance and conduct an exit briefing with agency personnel. On-site audit activities also include the identification of any follow-up action items necessary to complete assessments.

Report

A draft audit report of findings and recommendations are completed and forwarded to AR and Contractor personnel responsible for oversight and compliance. Findings and recommendations are sufficiently detailed and directly correlate to specific policy requirements. The draft report solicits a response describing corrective actions and offering any additional comments. Upon receipt of the response, the audit report is finalized.

Sanctions

Final audit reports, which incorporate comments from ARs and Contractors, are forwarded to the appropriate sanctioning body for review. Upon review, the sanctioning body may consider requiring additional corrective actions or information. In addition, the sanctions process incorporates measures to elevate sanctions in a manner such that deficiencies are corrected and the risk of subsequent violations is adequately mitigated.

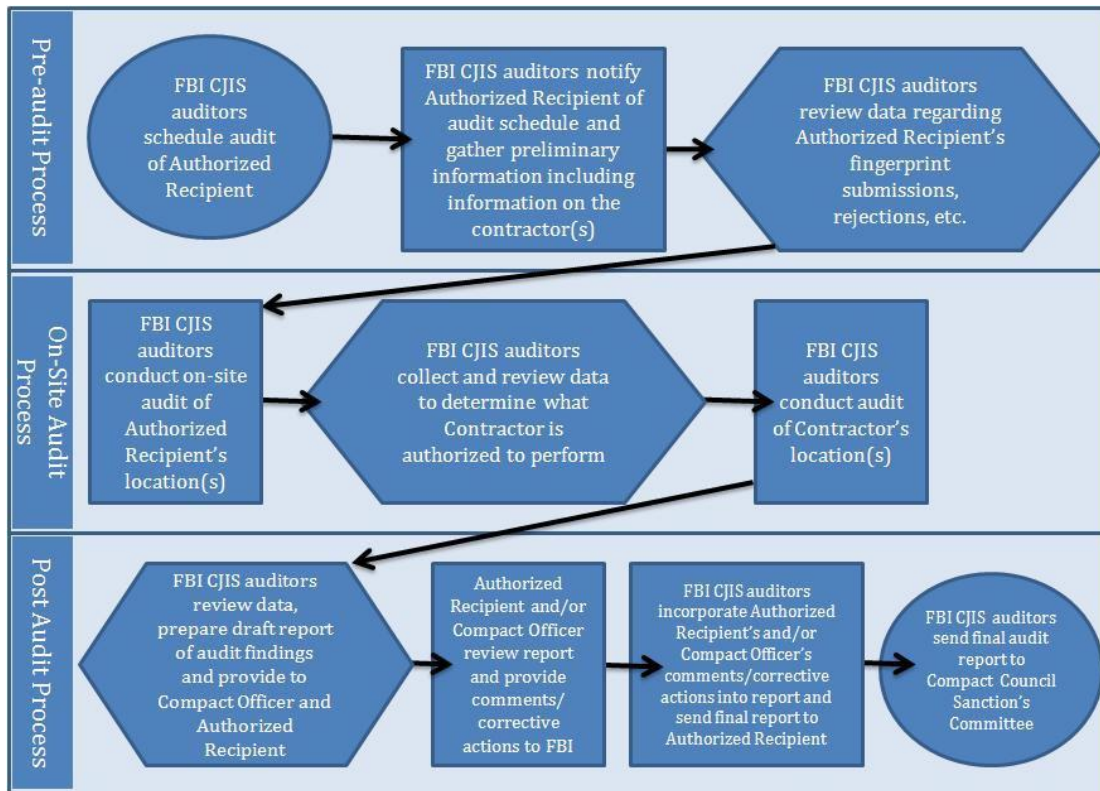


Table 2-1: Outsourcing Audit Methodology

Sample 90 day Audit Checklist for an Authorized Recipient

The Outsourcing Standard for Non-Channelers requires ARs who have been approved to outsource noncriminal justice administrative functions conduct an audit of the Contractor within 90 days of the date that the Contractor first receives CHRI under the approved outsourcing agreement. The following chart has been designed as a tool to assist ARs who are developing an audit process to comply with the 90 day audit requirement based on the Outsourcing Standard for Non-Channelers.

The chart outlines assessment items which have been grouped topically. References to the specific requirements in the Outsourcing Standard for Non-Channelers and the *CJIS Security Policy* have also been provided for each assessment item. Depending on the function outsourced and the specifics of the process, all of the requirements listed may not be applicable.