

Matilde Miller, Interim Secretary

Rick Scott, Governor

MEMORANDUM

TO: Matilde Miller, Interim Secretary

FROM: Lynne T. Winston, Inspector General 

DATE: June 21, 2017

SUBJECT: Twelve-Month Follow-Up Response to Auditor General Report Number 2016-198,
*Department of Business and Professional Regulation - Information Technology
Operational Audit – Versa: Regulation*
(Project Number G-1617BPR-031)

Section 20.055, Florida Statutes, requires that I monitor and report to you on the status of implementation of findings and recommendations made in audits issued by the Auditor General. Accordingly, the attached report is our twelve-month follow-up response to Auditor General Report Number 2016-198, *Department of Business and Professional Regulation – Information Technology Operation Audit – Versa: Regulation* (published June 21, 2016).

Our review concluded that management has taken substantive action to address one of the two remaining issues noted in the audit report. As described in the attached report, management is actively working to address the remaining issue. We will continue to monitor and report to you on progress in these areas.

We would like to thank the management of the Division of Technology for their assistance.

Please contact me if you have any questions.

LTW:sbh

Attachment

cc: Eric Miller, Chief Inspector General
Kathy DuBose, Coordinator, Legislative Auditing Committee
Reginald Dixon, Chief of Staff
Joseph Martin, Chief Information Officer



**DEPARTMENT OF BUSINESS & PROFESSIONAL REGULATION
Office of Inspector General**

**Matilde Miller
Interim Secretary**

**Lynne T. Winston
Inspector General**



**Twelve-Month Follow-up Response to
*Information Technology Operational Audit -
Versa: Regulation*
Auditor General Report Number 2016-198
June 21, 2017**

OVERVIEW

Section 20.055, Florida Statutes, and internal auditing standards require the Officer of Inspector General (OIG) to monitor and report to the Secretary on the status of management's actions to implement findings and recommendations made in external audits of the agency.

In June 2016, the Auditor General published Report Number 2016-198, *Information Technology Operational Audit - Versa: Regulation*. The audit evaluated selected information technology controls applicable to Versa: Regulation. The OIG issued the required six-month follow-up response to this audit in December 2016.¹ This assessment determined that management had taken sufficient corrective action to close 3 of the 5 open audit findings.

The purpose of this report is to inform the Secretary of the status of management's response to any remaining open audit findings and recommendations.

STATUS REPORT

In May and June 2017, our office requested that management of the Division of Technology (DIT) provide information and supporting documentation on corrective actions taken since our initial follow-up review. The results of our assessment are presented below.

Auditor General Finding 1: Change Management Controls

The Auditor General found that change management controls related to Versa: Regulation program changes need improvement to ensure that only authorized, tested, and approved program changes are implemented into the production environment.

The Auditor General recommended that department management establish controls to ensure that only authorized, tested, and approved program changes related to Versa: Regulation are implemented into the production environment.

¹ Section 20.055, Florida Statutes, requires the Office of Inspector General to monitor the implementation of the agency's response to any report on the state agency issued by the Auditor General no later than six months after the report publication. On December 21, 2016, the OIG issued a six-month follow-up response on the status of the agency's corrective action. As required, the OIG provided a copy of this report to the Secretary, the Chief Inspector General, and the Joint Legislative Auditing Committee.

Status as of June 2017

In the original response to the audit, DIT noted that the department's existing change management policies and procedures are designed to ensure that only authorized, tested, and approved program changes are implemented into the Versa: Regulation production environment. DIT has made additional updates to the change management process so that both DIT staff and department Versa: Regulation users closely monitor these program changes.

Our office determined that program change authorization is tightly monitored and the ability to make unauthorized program changes would be limited to a very small number of trusted employees. Further, unauthorized program changes would be quickly discovered through DIT oversight efforts and usage of the Versa: Regulation system by department users.

OIG Assessment:

CLOSED. The department and DIT have established appropriate controls to ensure that all program changes implemented into the production environment comply with the department's existing change management process. During the course of our follow-up review, DIT further provided evidence of a Quality Assurance review process for changes made to the Versa: Regulation licensing software.

**Auditor General Finding 5: Security Controls –
User Authentication, Logging, and Monitoring**

The Auditor General determined that certain security controls related to user authentication, logging, and monitoring for Versa: Regulation and related IT resources need improvement to ensure the confidentiality, integrity, and availability of Versa: Regulation data and related IT resources.

The Auditor General recommended that department management improve certain security controls related to user authentication, logging, and monitoring for Versa: Regulation and related IT resources to ensure the confidentiality, integrity, and availability of Versa: Regulation data and related IT resources.

Status as of June 2017

The department has implemented improved security controls with respect to user authentication, logging, and monitoring. However, DIT is actively working to develop and implement additional improvements to comply with these recommendations.

OIG Assessment:

OPEN. The department is currently working to establish controls related to user authentication, logging, and monitoring for Versa: Regulation and related IT resources. The Office of Inspector General will continue to monitor this issue pending adoption and implementation of these controls.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this follow-up report was to determine the status of action taken by management of the Division of Technology in response to the findings and recommendations made in Auditor General Report Number 2016-198, *Information Technology Operational Audit - Versa: Regulation*. Our review focused on corrective action taken since release of our six-month follow-up report in December 2016.

In May and June 2017, Division of Technology management provided updated information on the status of its implementing actions. We reviewed the information and supporting documentation and met with division management regarding specific issues the Auditor General did not disclose in the written report.

This work product was prepared pursuant to Section 20.055, Florida Statutes, and in accordance with applicable *Principles and Standards for Offices of Inspector Generals* (as published by the Association of Inspectors General) and *International Standards for the Professional Practice of Internal Auditing* (as published by the Institute of Internal Auditors, Inc.).

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This review was conducted by Steven Henry, CIGA, CGAP, Senior Internal Auditor, under the supervision of Karen Barron, Director of Auditing.

This and other reports prepared by the Office of Inspector General of the Department of Business and Professional Regulation can be obtained by telephone (850-414-6700) or by mail (2601 Blair Stone Road, Tallahassee, FL 32399-1018).