
Rick Scott
GOVERNOR



Hunting F. Deutsch
EXECUTIVE DIRECTOR

**FLORIDA DEPARTMENT of
ECONOMIC OPPORTUNITY**

May 17, 2012

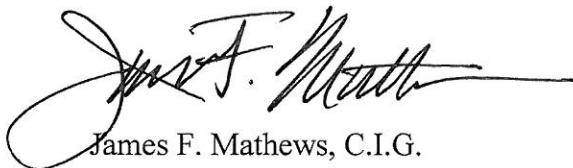
Mr. Hunting F. Deutsch, Executive Director
Department of Economic Opportunity
Suite 212, Caldwell Building
107 East Madison Street
Tallahassee, Florida 32399-4120

Dear Director Deutsch:

As required by Section 20.055(5)(h), Florida Statutes, we have prepared the attached status of corrective actions, as of May 17, 2012, taken by the Department of Economic Opportunity for findings and recommendations contained in Auditor General Audit Report No. 2012-028, *Agency for Workforce Innovation, Unemployment Insurance Program, Information Technology Operational Audit*, issued on November 17, 2011. This audit focused on evaluating the effectiveness of selected information technology controls applicable to the UC System during the period July 1, 2010, through June 30, 2011.

In accordance with Section 20.055(5)(h), Florida Statutes, I am also copying the Joint Legislative Auditing Committee. If you have any questions, please call me at (850) 245-7141.

Sincerely,



James F. Mathews, C.I.G.
Inspector General

JFM/js

Enclosure

cc: Joint Legislative Auditing Committee
Cynthia Lorenzo

Department of Economic Opportunity (DEO)
Auditor General Audit
Agency for Workforce Innovation
Unemployment Compensation (UC) Information Technology (IT)
Audit No. 2012-028, dated November 2011
July 1, 2010 through June 30, 2011
6-Month Status of Audit Findings

Finding No. 1: Appropriateness of Access Privileges

As similarly noted in prior audits of the Agency for Workforce Innovation, most recently in report No. 2011-021, some user access privileges relating to the UC System had been granted in excess of what was necessary for the performance of job responsibilities. In addition, Agency documentation of supervisor authorization for some user access privileges did not explicitly describe the access privileges that had been granted to the users.

Auditor Recommendation: Management should ensure that the security structure does not inappropriately give access privileges to users who do not require access to accomplish their job responsibilities. In addition, management should maintain appropriate documentation of supervisor authorization of all specific levels of access privileges that have been granted to employees.

DEO Response: The Department concurs with this finding. AWI/DEO reduced the number of Domain Administrators from twenty-one to twelve, a 45% reduction. A review was conducted by the Agency Infrastructure Manager. An additional seven staff with current Domain Administrator privileges will have further access restrictions enacted. These restrictions should be in place by December 2011. To further mitigate risk, all IT staff have undergone Level II background screenings.

On October 20, 2011, the Internal Security Unit (ISU) confirmed the five UC benefits employees with access to the debit card interface required the access for the performance of their duties. A draft document to formally establish the UC Program's procedure has been developed and should be approved and implemented prior to the end of November 2011. When implemented, an internal review/audit process to monitor compliance will be initiated.

6-Month Status: To control access to the debit card interface, a stand-alone RACF (Remote Access Control Facility) user group containing transaction BC50 was established with access restricted to designated Special Payment associates. Individuals requiring access must be approved in writing by the Central Office administrator and individuals must execute a DEO Form ISU-27 security agreement form and receive training on the access privileges granted. Once completed, the designated Central Office security officer must forward the request to the ISU for processing to grant the individual access to the transaction BC50. The ISU developed and implemented internal review procedures on May 15, 2012 to be conducted on a semi-annual basis and the first review is scheduled for June, 2012.

Department of Economic Opportunity (DEO)
Auditor General Audit
Agency for Workforce Innovation
Unemployment Compensation (UC) Information Technology (IT)
Audit No. 2012-028, dated November 2011
July 1, 2010 through June 30, 2011
6-Month Status of Audit Findings

Finding No. 2: Periodic Review of Access

The Agency's review of UC System and related IT resource access privileges needed improvement. In addition, Agency procedures for the periodic review of access privileges for the UC System and related IT resources existed only in draft form. A similar finding was noted in report No. 2011-021.

Auditor Recommendation: Management should approve and follow written procedures that describe management's expectations for the periodic review of access privileges for the UC System and related IT resources.

DEO Response: The Internal Security Unit (ISU), in coordination with security officers, conducts semi-annual, documented reviews of access privileges and will include non-mainframe applications and associated databases in future reviews. The ISU will work with Appeals, Benefit Payment Control, and the Special Payments Unit (for the debit cards) to assist in establishing written procedures for requesting and managing access to their respective subsystems. The ISU will then establish written monitoring procedures to ensure compliance. In addition, the ISU will review all applications to ensure the business owners have established written procedures to control access privileges and establish monitoring procedures to support compliance by December 31, 2011.

Network access is currently being monitored as part of daily operations. Periodic reviews of network access will formally be conducted twice a year, in January and July. IT Operations will conduct the first formal review in January 2012.

6-Month Status: The Division of Information Technology, Bureau of Operations Support and User Services section runs a report to identify network user accounts that have not accessed the network within ninety (90) days prior to the scheduled reporting date. This report contains the findings and summary of the DEO network access semi-annual review as outlined in the DEO procedures 5.05.03.10, which states that periodic reviews of network account activity be formally conducted twice a year.

The raw report data was run by the Domain Administrator to gather the information on all DEO network domain accounts established in Active Directory for network logons. The raw data was reviewed to exclude any network accounts that fall outside of the scope of the semi-annual review.

Department of Economic Opportunity (DEO)
Auditor General Audit
Agency for Workforce Innovation
Unemployment Compensation (UC) Information Technology (IT)
Audit No. 2012-028, dated November 2011
July 1, 2010 through June 30, 2011
6-Month Status of Audit Findings

Finding No. 3: Security Controls

Certain Agency security controls were deficient in the area of telecommuting and needing improvement in the area of user authentication. Similar findings were noted in prior audits of the Agency, most recently in report No. 2011-021.

Auditor Recommendation: Management should implement appropriate security controls in the areas of telecommuting and user authentication to ensure the continued confidentiality, integrity, and availability of Agency data and IT resources.

DEO Response: AWI/DEO management has implemented appropriate security controls in the areas of telecommuting and will implement additional user authentication to ensure the continued confidentiality, integrity, and availability of Department data and IT resources as recommended by the OAG.

6-Month Status: As recommended in the confidential findings, DEO management is in the process of implementing the appropriate security controls in the areas of telecommuting and user authentication.

Finding No. 4: UC Operational Security Plan

The Agency's Florida Unemployment Compensation Program Operational Security Plan contained outdated and inaccurate information related to the UC System security environment. Additionally, there was no evidence of a periodic review of the Plan by Agency management. A similar finding was noted in report No. 2011-021.

Auditor Recommendation: Management should update the Recommendation: Florida Unemployment Compensation Program Operational Security Plan to reflect the current system environment and periodically review the Plan to ensure its ongoing effectiveness.

DEO Response: In 2010, a UC Supplemental Budget Request was approved by the United States Department of Labor (USDOL) to obtain the vendor services necessary to update the UC Operational Security Plan. Direct Order (DO) A4B203, Contract C0556 was issued September 16, 2011 to Integrated Computer Solutions to assist UC with this project. Due to the extensive amount of work required and the timeframe allowed by USDOL to use these funds, the revised plan and other requirements included in the contract are scheduled to be completed September 30, 2012.

Department of Economic Opportunity (DEO)
Auditor General Audit
Agency for Workforce Innovation
Unemployment Compensation (UC) Information Technology (IT)
Audit No. 2012-028, dated November 2011
July 1, 2010 through June 30, 2011
6-Month Status of Audit Findings

6-Month Status: As noted above, a contract was executed to provide the expertise necessary through staff augmentation for UC System Risk Assessment and Security Plan consulting services. Due to the extensive amount of work required and the timeframe allowed by USDOL to use these funds, the revised plan and other requirements included in the contract are scheduled to be completed September 30, 2012.

Finding No. 5: Programmed Edits

As similarly noted in prior audits of the Agency, most recently in report No. 2011-021, the UC System needed improvement with regard to editing of data and calculations of certain percentages and amounts to provide increased assurance of the validity of data within the System.

Auditor Recommendation: Management should, where practicable, implement additional edits and system calculations to prevent the entry of invalid data and minimize the risk of calculation errors.

DEO Response: Although no errors were noted in the audit findings, UC will implement, where practicable, additional edits and system calculations to prevent the entry of invalid data. Changes that can be identified will be implemented in the new UC system, *Connect*, that is scheduled for implementation in December 2012.

6-Month Status: As noted above, changes that can be identified will be implemented in the new UC system, *Connect*. The implementation date for project *Connect* has been revised and the current projected deployment is scheduled for fall 2013.