



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

May 17, 2016

The Honorable Jeff Atwater
Chief Financial Officer
The Capitol, PL-11
Tallahassee, Florida 32399-0301

Dear Mr. Atwater:

As required by Section 20.055, Florida Statutes, I am providing the Department's six-month status report of corrective actions taken in response to Auditor General Report Number 2016-032, *Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR)*, published November 17, 2015.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Teresa Michael".

Teresa Michael
Inspector General

TM:rlg

Attached

cc: Robert Kneip, Chief of Staff
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee
Charles Ghini, Chief Information Officer
Christina Smith, Director of Accounting & Auditing

**DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSPECTOR GENERAL**

**SIX-MONTH FOLLOW-UP REPORT
STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report No.	Report Title	Date Published
Auditor General	2016-032	Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR)	November 17, 2015
Finding 1	The access privileges for some FLAIR users did not promote an appropriate separation of duties or did not restrict users to only those functions necessary for their assigned job duties.		
Recommendation	Department management should limit user access privileges to FLAIR data and IT resources to promote an appropriate separation of duties and restrict users to only those functions necessary for their assigned job duties.		
Original Response	<p>We concur. As of July 29, 2015, the Division of Information Systems (DIS) concluded its review and restriction of staff access to the RDS reports. Additionally, as of July 24, 2015, DIS modified the distribution of the production program change move reports to ensure that they were distributed to and reviewed by another staff member.</p> <p>On October 14, 2015, the Division of Accounting and Auditing (A&A) changed the access to the cash receipts function from update to inquiry only for the two users identified. On May 11, 2015, A&A changed the user's access privileges from update to inquiry for the Tax Reporting payroll function.</p>		
Six-month Follow-up:	April 28, 2016		
Responsible Division	Division of Information Systems, Division of Accounting and Auditing		
Reported Status	As of July 29, 2015, DIS concluded its review and restriction of staff access to the RDS reports. Additionally, as of July 24, 2015, DIS modified the distribution of the production program change move reports to ensure that they were distributed to and reviewed by another staff member. The access was changed for the two A&A employees.		
Expected Completion Date for Corrective Action	Not applicable		
OIG Assessment	PARTIALLY CLOSED. It appears that DIS management has initiated action to address the recommendation. Also, A&A took some action to address the recommendation. The OIG will continue to monitor DIS efforts to limit user access privileges to FLAIR data and IT resources and will review A&A's supporting documentation when provided.		

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Auditor General	2016-032	Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR)	November 17, 2015
Finding 2	Department procedures for the periodic review of user access privileges needed improvement to ensure that the access privileges assigned to users are authorized and appropriate.		
Recommendation	Department management should improve written procedures for periodic reviews of user access privileges to include all programming and reporting systems to ensure that the user access privileges assigned are authorized and appropriate.		
Original Response	We concur. The DIS is working through the development and implementation of processes for reviewing UNIX and COBOL accesses on an ongoing basis. Existing review processes for the DAC State Chief Financial Officer Files (SC) function, and related DAC SC Electronic Funds Transfer (EFT) Authorization Inquiry Request (ET) mini-menu function will be evaluated and revised, where appropriate. The Bureau of State Payrolls (BOSP) is developing a quarterly access review for all RDS generated payroll reports.		
Six-month Follow-up:	April 28, 2016		
Responsible Division	Division of Information Systems, Division of Accounting and Auditing		
Reported Status	<p>The DIS has conducted an initial UNIX account review and clean-up in addition to implementation of a recurring review process and completion of the first recurring review. COBOL access was identified as a component of an existing monthly access review process. Additionally, it was determined that the report containing the mini menu functions cannot be modified to include the additional mini menu function detail as it will render the existing report detail unusable and hinder the completion of a more extensive access review. The mini menu function detail is currently available upon request.</p> <p>The Department implemented a quarterly review of RDS generated payroll reports; the first review was completed in January 2016.</p>		
Expected Completion Date for Corrective Action	Not applicable		
OIG Assessment	PARTIALLY CLOSED. It appears DIS management has initiated action to address the recommendation. The OIG will continue to monitor DIS efforts to improve written procedures for the periodic reviews of user access privileges.		

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**SIX-MONTH FOLLOW-UP REPORT
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Auditor General	2016-032	Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR)	November 17, 2015
Finding 3			
	Certain Payroll Component application controls were not effective in ensuring the completeness, accuracy, and availability of payroll transactions and data.		
Recommendation	Department management should improve Payroll Component application controls to ensure the completeness, accuracy, and availability of payroll transactions and data.		
Original Response	The Department will continue to evaluate and address application controls, as appropriate.		
Six-month Follow-up: April 28, 2016			
Responsible Division	Division of Accounting and Auditing		
Reported Status	The Division has evaluated the process and is working with the Department of Management Services on addressing the applicable controls.		
Expected Completion Date for Corrective Action	December 31, 2016		
OIG Assessment	OPEN. The OIG will continue to monitor actions taken to improve controls.		