April 23, 2018

The Honorable Jimmy Patronis
Chief Financial Officer
The Capitol, PL-11
Tallahassee, Florida 32399-0301

Dear CFO Patronis:

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 2018-025, Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR) and Origami Risk Insurance Management System (Origami), published October 24, 2017.

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

Sincerely,

Teresa Michael
Inspector General

TM:rig

Attached

cc: Ryan West, Chief of Staff
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee
Charles Ghini, Chief Information Officer
Paul Whitfield, Director of Accounting and Auditing
## Reviewing Entity

**Auditor General**

### Finding 1

**Report**

- Florida Accounting Information Resource Subsystem (FLAIR) And Origami Risk Insurance Management System (Origami)

**Date Published**

- October 24, 2017

### Recommendation

We recommend that Department management limit user access privileges to FLAIR to promote an appropriate separation of duties and to restrict users to only those access privileges and functions necessary for the users' assigned job duties. In doing so, Department management should ensure that the FLAIR access privileges of former employees are timely deactivated. We also recommend that Department management ensure that, prior to implementation into the production environment, program changes are reviewed by an individual not associated with the program changes.

**Responsible Divisions**

- Division of Accounting and Auditing (A&A)
- Office of Information Technology (OIT)

**Original Response**

We concur. The Division of Accounting and Auditing is updating access control procedures to FLAIR to promote an appropriate separation of duties and to restrict users to only the access necessary for the users' assigned duties. The Division will also improve controls to ensure that user accounts are timely deactivated.

The Office of Information Technology is aware of the remediation responsibilities and will coordinate the effort over the next 12 months. The concerns are expected to be remediated or otherwise compensated for. FLAIR access control procedures will be updated to address separation of duty concerns and to ensure separated user accounts are timely deactivated, and to remediate the OIT program file change concern. The Compliance Office will be tracking this concern to ensure that the reviewer roles are appropriate and separate, and automated email access review requests will be tracked through our ticketing system.

### Six-month Follow-up: April 23, 2018

**Reported Status**

- The A&A updated and implemented access control procedures for Central FLAIR to promote an appropriate separation of duties to restrict users to only the access necessary for the users' assigned duties.

- The OIT is currently evaluating access control procedures for FLAIR access to promote an appropriate separation of duties.

**Expected Completion Date for Corrective Action**

- June 2018

**OIG Assessment**

- Partially Closed. Based on the information provided, it appears that A&A and OIT initiated some corrective action to address the finding.
The Office of Inspector General (OIG) will continue monitoring A&A's efforts until documentation is provided that demonstrates controls are in place to ensure that the FLAIR access privileges of former employees are timely deactivated.

The OIG will continue monitoring OIT's efforts until documentation is provided that demonstrates program changes are reviewed by an individual not associated with the program changes prior to moving the program changes to the production environment.
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**Finding 2**

The Department's procedures and processes for assigning FLAIR user access privileges and conducting periodic reviews of these privileges need improvement to ensure access privileges assigned to users remain appropriate.

**Recommendation**

We recommend that Department management ensure that FLAIR access review procedures are current and that the access privileges granted for all applicable FLAIR functions are reviewed.

**Responsible Divisions**

- Division of Accounting and Auditing (A&A)
- Office of Information Technology (OIT)

**Original Response**

We concur. The Division of Accounting and Auditing (A&A) is updating OLO 4390 DACA Access Control Business Process Procedures and Central Accounting Access Control Business Process Procedures used for authorizing and reviewing user access privileges.

The OIT is aware of the remediation responsibilities and will coordinate the effort over the next 12 months. The concerns are expected to be remediated or otherwise compensated for. The listed access control procedures will be reviewed and revised to address the associated concerns. Additionally, a report will be generated containing the access changes and will be reviewed weekly checking for anomalies and/or inappropriate changes. The Compliance Office will be tracking this concern to ensure that the access review emails are being generated and responded to, and the access change report is accurate and configured to be automatically generated and sent to the correct group in A&A. The corresponding procedure for reviewing the access change report will also be generated.

**Six-month Follow-up:**

<table>
<thead>
<tr>
<th>Reported Status</th>
<th>Expected Completion Date for Corrective Action</th>
<th>OIG Assessment</th>
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<tbody>
<tr>
<td>April 23, 2018</td>
<td>June 2018</td>
<td>Partially Closed. Based on the information provided, it appears that A&amp;A and OIT initiated some corrective action to address the finding. The OIG will continue monitoring A&amp;A's efforts until documentation is provided that demonstrates DACA Access Control Business Process Procedures were updated and implemented.</td>
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The OIG will continue monitoring OIT's efforts until documentation is provided that demonstrates that an adequate report process was implemented with respect to the ET mini-menu function.
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### Finding 3
Change management controls related to hardware and systems software changes for network devices related to FLAIR need improvement to ensure that only approved hardware and systems software changes are implemented into the production environment.

### Recommendation
We recommend that Department management improve change management controls to ensure that approvals are appropriately documented for all network device changes prior to implementation into the production environment.

### Responsible Division
Office of Information Technology

### Original Response
We concur. The Office of Information Technology will create a stronger process to ensure change request approvals are properly documented.

### Six-month Follow-up: April 23, 2018
- **Reported Status**: The Compliance Manager is working with the Change Manager to create a report that is reviewed regularly based on a triggered event to ensure approvals are appropriately documented for all network device changes prior to implementation into the production environment.
- **Expected Completion Date for Corrective Action**: June 2018
- **OIG Assessment**: Open. The OIG will continue monitoring OIT's efforts until documentation is provided that demonstrates program changes are reviewed by an individual not associated with the program changes prior to moving the program changes into the production environment.
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**Finding 4**
The Department had not established a comprehensive policy for the performance of background screenings of employees and consultants in positions of special trust. Additionally, required background screenings for employees and consultants were not always performed.

**Recommendation**
We recommend that Department management continue efforts to establish a comprehensive background screening policy and ensure the timely performance and reperformance of required background screenings for employees and consultants in positions of special trust, responsibility, or sensitive location.

**Responsible Division**
Division of Administration

**Original Response**
We concur. The Division of Administration will continue its efforts to establish a comprehensive background screening policy. Background screenings for the two OIT employees and one of the three consultants cited in Finding No. 4 have been completed. The other two consultants are no longer under contract with the Department.

**Six-month Follow-up:** April 23, 2018

**Reported Status**
The Division of Administration is continuing its efforts to establish a comprehensive background screening policy.

**Expected Completion Date for Corrective Action**
July 1, 2018

**OIG Assessment**
Partially Closed. The Division of Administration initiated action to address most of the recommendation. The OIG will continue monitoring the Division of Administration's efforts until documentation is provided that demonstrates the comprehensive background screening policy is finalized and implemented.
**DEPARTMENT OF FINANCIAL SERVICES**
**OFFICE OF INSPECTOR GENERAL**

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

*** Confidential Finding ***

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**Finding 5**

Certain security controls related to physical security, access controls, user authentication, logging and monitoring, and configuration management need improvement to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources.

**Recommendation**

We recommend that Department management improve certain security controls related to physical security, access controls, user authentication, logging and monitoring, and configuration management to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources.

**Responsible Division**

Office of Information Technology

**Original Response**

As of October 10, 2017, the Office of Information Technology (OIT) implemented corrective action to address several of the physical security, access control, and authentication concerns. The OIT will evaluate the additional security concerns and, where appropriate, implement additional controls.

**Six-month Follow-up:** April 23, 2018

**Reported Status**

The various issues addressed in this finding were assigned to staff responsible for remediating the issues. Some of the issues have been remediated.

**Expected Completion Date for Corrective Action**

June 2018

**OIG Assessment**

Partially Closed. Based on the information provided, it appears that OIT initiated some corrective action to address the finding. The OIG will continue to monitor this finding until OIT fully implements corrective action or documents the acceptance of risk for the findings related to physical security, access controls, user authentication, logging and monitoring, and configuration management.

*Note: Due to the confidential nature of this finding, and to ensure the security of DFS systems, detailed information is not provided in this status report.*