



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

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:rlg

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

**DEPARTMENT OF FINANCIAL SERVICES
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**SIX-MONTH FOLLOW-UP REPORT
STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2018-025	Florida Accounting Information Resource Subsystem (FLAIR) And Origami Risk Insurance Management System (Origami)	October 24, 2017
Finding 1	The access privileges for some FLAIR users did not promote an appropriate separation of duties and did not restrict users to only those functions necessary for assigned job duties.		
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	<p>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.</p> <p>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.</p>		
Six-month Follow-up:	April 23, 2018		
Reported Status	<p>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.</p> <p>The OIT is currently evaluating access control procedures for FLAIR access to promote an appropriate separation of duties.</p>		
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.		

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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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Reviewing Entity	Report	Report Title	Date Published
Auditor General	2018-025	Florida Accounting Information Resource Subsystem (FLAIR) And Origami Risk Insurance Management System (Origami)	October 24, 2017
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	<p>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.</p> <p>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.</p>		
Six-month Follow-up:	April 23, 2018		
Reported Status	<p>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.</p> <p>The OIT implemented a change request to the reporting environment to produce an additional report containing the information necessary to review the ET mini-menu function.</p>		
Expected Completion Date for Corrective Action	June 2018		
OIG Assessment	<p>Partially Closed. Based on the information provided, it appears that A&A and OIT initiated some corrective action to address the finding.</p> <p>The OIG will continue monitoring A&A's efforts until documentation is provided that demonstrates DACA Access Control Business Process Procedures were updated and implemented.</p>		

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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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Reviewing Entity	Report	Report Title	Date Published
Auditor General	2018-025	Florida Accounting Information Resource Subsystem (FLAIR) And Origami Risk Insurance Management System (Origami)	October 24, 2017
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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Auditor General	2018-025	Florida Accounting Information Resource Subsystem (FLAIR) And Origami Risk Insurance Management System (Origami)	October 24, 2017
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.		

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*** Confidential Finding ***

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2018-025	Florida Accounting Information Resource Subsystem (FLAIR) And Origami Risk Insurance Management System (Origami)	October 24, 2017
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.