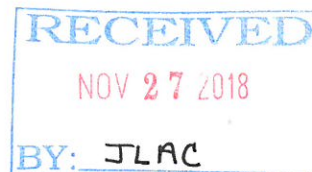




CHIEF FINANCIAL OFFICER  
JIMMY PATRONIS  
STATE OF FLORIDA

December 6, 2018



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

Dear Jimmy 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 2018-210 *Department of Financial Services Unclaimed Property Management Information System (UPMIS)* published June 6, 2018.

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

Very Respectfully,

A handwritten signature in black ink, appearing to read "David T. Harper".  
David T. Harper  
Inspector General

DH:es

Attached

cc: Ryan West, Chief of Staff  
✓Kathy DuBose, Coordinator, Joint Legislative Auditing Committee  
Walter Graham, Director of Unclaimed Property  
Charles Ghini, Chief Information Officer

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

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

<b>Reviewing Entity</b>	<b>Report</b>	<b>Report Title</b>	<b>Date Published</b>
Auditor General	2018-210	<b>Unclaimed Property Management Information System (UPMIS)</b>	June 6, 2018
<b>Finding 1</b>	The Department did not conduct an annual inventory audit of the unclaimed property vault during 2017 and could not demonstrate that the required background screenings had been performed for two employees who participated in the 2016 annual inventory audit.		
<b>Recommendation</b>	We recommend that Department management ensure that the annual inventory audit of the unclaimed property vault is timely performed and that all team members conducting the audit have received the required background screening, including fingerprinting within the preceding 6 months of the inventory audit.		
<b>Responsible Division</b>	Division of Unclaimed Property		
<b>Original Response</b>	<p>The Department concurs. The Division of Unclaimed Property's procedures have been updated to include obtaining assistance with the annual inventory audit from other divisions, and, if needed, from the Department's Office of Inspector General.</p> <p>The annual inventory in previous years had been performed by individuals not associated with the Division. The Division of Accounting and Auditing provided staff to conduct the inventory in those years. In 2017, that assistance was unable to be arranged. It will be in 2018. The Division will ensure the inventory is completed in all future years.</p> <p>The Division's procedures have been updated to require supporting documentation for background screenings and finger-printing for the required time period, for any employee involved in the annual inventory audit.</p> <p>In addition to the annual inventory audit, a monthly "random box audit" of a randomly selected bin's contents has been performed each month for several years by the Division. All monthly random box audits are conducted by staff who are independent of the unclaimed property vault. The randomly computer-selected bin's contents are inventoried and reconciled to the data for the bin in the unclaimed property database.</p> <p>Procedures also require vault staff to perform a reconciliation of bin contents each time it has been opened and closed, and again each time it has been reviewed by the contracted personal property descriptor/appraiser. All items are reconciled to UPMIS.</p>		
<b>Six-month Follow-up:</b>	November 8, 2018		
<b>Reported Status</b>	The Division submitted their updated procedure for the unclaimed property vault annual inventory. The inventory team will consist of volunteers from the Division		

**DEPARTMENT OF FINANCIAL SERVICES  
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	<p>of Accounting and Auditing and from the Division of Unclaimed Property (DUP). The DUP volunteers work in the Accounts Receivable and Accounts Payable Sections and their duties are separate from and not associated with the Asset Management Vault Section.</p> <p>The unclaimed property vault annual inventory audit is scheduled for November 26, 2018 through completion. Background checks will be conducted in accordance with the attached approved unclaimed property procedure for the complete inventory of the unclaimed property vault. The background screening for the inventory team members will be completed by November 21, 2018.</p>
<b>Expected Completion Date for Corrective Action</b>	December 7, 2018
<b>OIG Assessment</b>	<b>Partially Closed.</b> Based on Division's responses, management has made good progress on their corrective action by updating their procedure, and planning to perform their annual inventory audit by December 7, 2018. The OIG will continue to monitor this finding until Unclaimed Property management has fully addressed the issues identified in the Auditor General's report.

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

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

\*\*\* Confidential Finding \*\*\*

<b>Reviewing Entity</b>	<b>Report</b>	<b>Report Title</b>	<b>Date Published</b>
<b>Auditor General</b>	<b>2018-210</b>	<b>Unclaimed Property Management Information System (UPMIS)</b>	<b>June 6, 2018</b>
<b>Finding 2</b>	Certain security controls related to user authentication need improvement to ensure the confidentiality, integrity, and availability of UPMIS data and Department IT resources.		
<b>Recommendation</b>	We recommend that Department management improve certain UPMIS security controls related to user authentication to ensure the confidentiality, integrity, and availability of UPMIS data and Department IT resources.		
<b>Responsible Division</b>	Division of Unclaimed Property, Office of Information Technology		
<b>Original Response</b>	Responsible staff has been made aware of this finding. Impact to the current process is considered low. This control will be addressed and meet the auditor's recommendation.		
<b>Six-month Follow-up:</b>	November 8, 2018		
<b>Reported Status</b>	The application is in the process of migrating to a new database platform. This will completely remedy the issue. The new platform does not use RACF authentication.		
<b>Expected Completion Date for Corrective Action</b>	May 8, 2019		
<b>OIG Assessment</b>	<b>Partially Closed.</b> 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 finding related to user authentication.		

*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.*