



CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
STATE OF FLORIDA

March 9, 2015

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 audit Report Number 2015-014 *Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR)*, published September 9, 2014.

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	2015-014	Florida Accounting Information Resource Subsystem (FLAIR)	September 9, 2014
<b>Finding No. 1</b>	The access privileges of some FLAIR users did not promote an appropriate separation of duties, restrict users to only those functions necessary for their assigned job duties, or provide for individual accountability.		
<b>Recommendation</b>	The Department should limit user access privileges to data and IT resources to promote an appropriate separation of duties, restrict users to only those functions necessary for their assigned job duties, and provide for individual accountability. Additionally, the Department should only grant access privileges on an as-needed basis to those users who periodically need access for data comparison and troubleshooting issues.		
<b>Original Response</b>	We concur. The Division of Information Systems terminated the inappropriate access to the Departmental Accounting Component (DAC) State CFO Files (SC) Function and Related SC ET (EFT Authorization Inquiry Request) Mini-Menu Function on May 13, 2014. Additionally, the Division of Information Systems evaluated access to the Report Distribution System (RDS) Payroll Reports and determined that all users except one required this access for ongoing job responsibilities. Access was terminated on June 2, 2014, for the one user determined to no longer require the access.		
<b>Six-month Follow-up:</b>	February 20, 2015		
<b>Responsible Division</b>	Division of Information Systems		
<b>Reported Status</b>	The Division of Information Systems removed unnecessary access privileges and continues to monitor access to ensure that it remains appropriate on an ongoing basis.		
<b>OIG Assessment</b>	<b>Partially Closed.</b> The Division has taken some action to address this finding. The Office of Inspector General (OIG) will continue to monitor this finding until corrective action is fully implemented.		

**Department of Financial Services  
Office of Inspector General**

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

<b>Reviewing Entity</b>	<b>Report No.</b>	<b>Report Title</b>	<b>Date Published</b>
Auditor General	2015-014	Florida Accounting Information Resource Subsystem (FLAIR)	September 9, 2014
<b>Finding No. 2</b>	Department procedures for the periodic review of access privileges needed improvement.		
<b>Recommendation</b>	The Department should improve procedures to include periodic reviews of all user access privileges to ensure that the privileges assigned are authorized and appropriate.		
<b>Original Response</b>	We concur. The Department is currently evaluating access reviews to ensure all FLAIR related access is included in the review process.		
<b>Six-month Follow-up:</b>	February 20, 2015		
<b>Responsible Division</b>	Division of Information Systems		
<b>Reported Status</b>	The Department is currently evaluating access reviews to ensure all FLAIR related access is included in the review process.		
<b>OIG Assessment</b>	<b>Partially Closed.</b> The Division has taken some action to address this finding. The OIG will continue to monitor this finding until corrective action is fully implemented.		

**Department of Financial Services  
Office of Inspector General**

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Auditor General	2015-014	Florida Accounting Information Resource Subsystem (FLAIR)	September 9, 2014
<b>Finding No. 3</b>	Department processes relating to the performance of periodic special reviews of agency-exempt invoice payment types needed improvement. In addition, the Department did not have written procedures defining the periodic special review of agency-exempt invoices.		
<b>Recommendation</b>	The Department should improve its processes relating to the performance of periodic special reviews of agency-exempt invoice payment types to ensure that agencies remain eligible to use Auto Pay and therefore exempt from post audits. In addition, the Department should establish written procedures defining the periodic special review of agency-exempt invoices.		
<b>Original Response</b>	We concur. The Division of Accounting and Auditing will improve its processes related to the periodic and special review of agency-exempt invoices. The written procedures for the periodic and special review will be incorporated into the Bureau of Auditing's annual audit plan.		
<b>Six-month Follow-up:</b>	February 20, 2015		
<b>Responsible Division</b>	Division of Accounting and Auditing		
<b>Reported Status</b>	The written procedures for the periodic and special review of agency-exempt invoices have been updated and incorporated into the Bureau's fiscal year 2014/2015 Auto Pay Audit Plan, which was revised in January 2015.		
<b>OIG Assessment</b>	<b>Partially Closed.</b> The Division has taken some action to address this finding. The OIG will continue to monitor this finding until sufficient action is taken to address this finding.		

Department of Financial Services  
Office of Inspector General

**SIX MONTH FOLLOW-UP REPORT  
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Auditor General	2015-014	Florida Accounting Information Resource Subsystem (FLAIR)	September 9, 2014
<b>Finding No. 4</b>	Certain security controls related to logical access and the protection of confidential and exempt information needed improvement.		
<b>Recommendation</b>	The Department should improve certain security controls related to logical access and the protection of confidential and exempt information to ensure the confidentiality, integrity, and availability of Department data and IT resources.		
<b>Original Response</b>	The Department will continue to address security controls, as appropriate.		
<b>Six-month Follow-up:</b>	February 20, 2015		
<b>Responsible Division</b>	Division of Information Systems		
<b>Reported Status</b>	The Department has addressed some of the areas noted and will continue to evaluate and address security controls, as appropriate.		
<b>OIG Assessment</b>	<b>Partially Closed.</b> The Division has taken some action to address this finding. The OIG will continue to monitor this finding until corrective action is fully implemented.		