



**Charlie Crist**  
*Governor*  
**Monesia T. Brown**  
*Director*  
**James F. Mathews**  
*Inspector General*

May 21, 2008

Ms. Monesia T. Brown, Director  
Agency for Workforce Innovation  
MSC100E, Caldwell Building  
107 East Madison Street  
Tallahassee, Florida 32399-4120

Dear Ms. Brown:

As required by Section 20.055(5)(g), Florida Statutes, we have prepared the attached status of corrective actions as of May 2008, taken by the Agency for Workforce Innovation, for the findings and recommendations contained in the Auditor General Audit Report No. 2008-037. This report covered information technology issues within the Unemployment Compensation program for the fiscal year ending June 30, 2007.

In accordance with Section 20.055(5)(g), Florida Statutes, I am also copying the Joint Legislative Auditing Committee. If you have any questions, please call me at (850) 245-7141.

Sincerely

  
James F. Mathews, C.I.G.  
Inspector General

JFM/js

Enclosure

cc: Joint Legislative Auditing Committee  
Ms. Cynthia Lorenzo  
Ms. Barbara Griffin  
Ms. Rosa McNaughton  
Mr. Tom Clendenning  
Mr. Scott Stewart  
Ms. Carolyn McGriff

**Office of Inspector General**

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**Agency for Workforce Innovation**  
**Status of Audit Recommendations as of May 2008**  
**Auditor General - Information Technology Audit No. 2008-037**  
**Unemployment Insurance (UI) Program**  
**For the Period July 1, 2006 through June 30, 2007**

**Finding and Recommendation No. 1:**

The Agency had not designated positions of special trust and had not performed adequate background checks, including fingerprinting, of employees occupying positions with sensitive information technology (IT) responsibilities and access privileges.

The Agency should complete the implementation of its policy for positions of special trust and employee background screening. Given the existence of Agency positions with sensitive IT responsibilities and access privileges, the Agency should continue to evaluate whether IT positions warrant designation as positions of special trust. Based on the results of the evaluation, the Agency should, for applicable positions, conduct appropriate background screening, including fingerprinting, on individuals occupying those positions.

**Original Agency Response:** In accordance with the Agency's policy on positions of special trust, positions with sensitive information technology responsibilities and access privileges have now been designated as positions of special trust. Employees in these positions will be subjected to background screening, including fingerprinting.

**Status as of May 2008:** On June 26, 2007, the Agency Director adopted and began implementation of AWI Policy No. 1.08, Positions of Special Trust. In accordance with this policy, Agency staff identified Information Technology (IT) positions that met the definition of "special trust" due to their sensitive location and/or ability to access and alter confidential data. On October 9, 2007, the Agency Director designated these identified IT positions as those of special trust, and the Agency subsequently notified the affected personnel. On January 29, 2008, the Agency finalized and executed a criminal history information sharing agreement with the Florida Department of Law Enforcement (FDLE). This agreement will allow FDLE to obtain State and Federal background screenings (Level 2) and share the resulting information with the Agency. All staff occupying these positions have been fingerprinted and requests for Level 2 criminal history checks have been submitted to FDLE. The results of a Level 2 screening request are typically received within approximately two months from the date of submission, depending upon processing by the Federal Bureau of Investigations (FBI). Criminal history check results have now been received from FDLE. It was reported in May 2008 that seven employee fingerprint cards were returned from the FBI as not being readable. These employees will be required to furnish new fingerprints for processing.

**Finding and Recommendation No. 2:**

Improvements were needed regarding access controls.

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The Agency and the Department of Management Services (DMS) should strengthen system access privileges to ensure an appropriate segregation of duties and monitor and review the ongoing appropriateness of access privileges to promote the integrity of the Unemployment Compensation (UC) System and data. The Agency should also develop a formal access authorization process, including written evidence of access requests and authorizations, production of access monitoring reports, and periodic review of user access privileges and access violations. Additionally, the Agency should ensure that the Resource Access Control Facility (RACF) security architecture does not inappropriately give access privileges to users who do not require access to accomplish their job responsibilities and that the access privileges of terminated employees are removed in a timely manner. Furthermore, the Agency should ensure that dataset violations are monitored, investigated, and corrected in a timely manner.

**Original Agency Response:** The Agency and DMS have reviewed and established proper access configurations to ensure an appropriate segregation of duties. In addition, the Agency will review its current procedures and implement the necessary process improvements to ensure sufficient documentation exists to support access to cross match information and allow effective monitoring of the access privileges and responsibilities.

**Status as of May 2008:** FAWI has identified the mainframe reports and settings necessary to eliminate this audit finding. FAWI has worked collaboratively with the Florida Department of Management Services (DMS) staff to modify current settings and reports to provide appropriate access privileges and provide necessary monitoring. Testing and implementation were completed in May 2008.

**Finding and Recommendation No. 3:**

Improvements were needed in certain security controls protecting the UC System, in addition to the matters noted in Finding No. 2.

The Agency and DMS should implement appropriate controls to correct the identified security issues.

**Original Agency Response:** The Agency has been working collaboratively with DMS to test and implement the RACF settings recommended in the confidential finding. AWI anticipates completion of testing and adoption of recommended operational standards by January 2008.

**Status as of May 2008:** After extensive testing of settings in the UC mainframe, the appropriate controls required to address the audit finding were implemented on March 21, 2008.

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**Finding and Recommendation No. 4:**

Improvements were needed in the Department of Highway Safety and Motor Vehicles (HSMV) cross-match application processing.

The Agency should develop specific procedures for claims takers and supervisors responsible for the daily processing of the HSMV cross-match mismatches to ensure prompt and accurate resolution of UI claims.

**Original Agency Response:** The Agency will develop specific procedures for claims staff and their supervisors to ensure daily processing of the mismatches identified in the HSMV cross match application.

**Status as of May 2008:** On March 11, 2008 the UC Operations Manager issued Procedural Instruction 08-02, which replaces earlier instruction issued with respect to the handling of the HSMV cross-match data. The UC Operations manager has also worked with the managers of the Tallahassee and Ft. Lauderdale claims hubs to ensure that procedures are established for supervisors to adequately review the work of the individuals assigned to work the mismatched claims to ensure timeliness and accuracy.

**Finding and Recommendation No. 5:**

Improvements were needed in the Social Security Administration cross-match application processing.

The Agency should take the necessary steps to promote adherence to established procedures for claims takers and supervisors responsible for the daily processing of the SSA cross-match mismatches to ensure prompt and accurate resolution of UI claims.

**Original Agency Response:** The Agency will review its current procedures with staff and their supervisors and implement the necessary process improvements to ensure daily processing of cross match mismatches.

**Status as of May 2008:** On March 11, 2008, the UC Operations Manager issued Procedural Instruction 08-02, which replaces earlier instruction issued with respect to the handling of the SSA cross-match data. A printout is produced daily that indicates the cross-match mismatches each day. The UC Operations manager has also worked with the managers of the Tallahassee and Ft. Lauderdale claims hubs to ensure that procedures are established for supervisors to adequately review the work of the individuals assigned

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to work the mismatched claims to ensure timeliness and accuracy. The supervisors review the mismatch reports daily to ensure that they are worked.

**Finding and Recommendation No. 6:**

The Benefit Accuracy Measurement (BAM) unit placement within the Agency was not independent of areas subject to its evaluation.

The Agency should evaluate the placement of the BAM unit and consider an organizational alignment independent of UC Claims and Benefits.

**Original Agency Response:** The Agency is reviewing the organization of the UC program units and anticipates that the BAM unit will be placed under the supervision of the UC Program Director.

**Status as of May 2008:** The Agency has reorganized the Office of UC Services to provide for the separation of functions as recommended by the AG. The BAM unit was placed under a unit that includes Quality Improvement, Federal reporting, BAM and internal security. This section is independent of the Claims and Benefits Operations section.

**Finding and Recommendation No. 7:**

The Agency did not maintain adequate policies and procedures or other guidance to support the decision-making process for the methodology used in the annual calculation of employers' experience-based tax rates. Neither was there sufficient systems documentation of the calculation process.

The Agency and Florida Department of Revenue (DOR) should ensure that, as key decisions are made in the application of governing law in the tax rate calculation methodology, the bases for their decisions are clearly documented through written policy, procedure, or other guidance, especially where aspects of the calculation are not explicitly defined in the law. In addition, the aforementioned agencies should establish and maintain current, comprehensive systems documentation for the UI tax rate calculation.

**Original Agency Response:** The Agency has been working closely with DOR staff to ensure the effective migration of the Unemployment Tax program to DOR's System for Unified Taxation (SUNTAX) system. The Agency has confidence that the information

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sought by the Auditor General will be available upon the completion of the project in January 2008.

**Status as of May 2008:** Effective March 10, 2008, the Unemployment Tax program has been fully converted to the SUNTAX system operated by the Department of Revenue. The calculation of the tax rate parameters affecting the 2009 rates for Florida employers will occur after September 30, 2008. The Agency has been working with the Department of Revenue to ensure that, where key decisions are required, documentation is available.

**Finding and Recommendation No. 8:**

Improvements were needed in program change controls over the UC System.

The Agency should enhance program change controls to provide increased assurance of the ongoing integrity of its UC System and data.

**Original Agency Response:** The AWI Application Development Group is currently in the process of expanding the change control management process to include all applications within its domain. This will include the Mainframe, PowerBuilder, and all web applications. The change control policy will be updated to include the following fundamental change management processes:

- Change Authorization
- Change Testing
- Change Customer Approval
- Change Implementation

**Status as of May 2008:** The AWI Application Development Group has developed a change control process and approval tracking system to manage developmental changes for all applications within its domain. This effort included the Mainframe, PowerBuilder, and all web applications. The change control policy was updated to include the following fundamental change management processes:

- Change Authorization
- Change Testing
- Change Customer Approval
- Change Implementation

The revised procedures have been documented and testing of the process has been completed. To complete the implementation process, the Change Control Board held its inaugural meeting on March 28, 2008.