



Charlie Crist
Governor
Cynthia R. Lorenzo
Director
James F. Mathews
Inspector General

September 4, 2009

Ms. Cynthia Lorenzo, Director
Agency for Workforce Innovation
Suite 212, Caldwell Building
107 East Madison Street
Tallahassee, Florida 32399-4120

Dear Director Lorenzo:

As required by Section 20.055(5)(g), Florida Statutes, we have prepared the attached status of corrective actions, as of September 5, 2009, taken by the Agency for Workforce Innovation for findings and recommendations relating to the Agency contained in Auditor General Audit Report No. 2009-144, *State of Florida, Compliance and Internal Controls over Financial Reporting and Federal Awards*, issued on March 5, 2009. This report covered Federal Awards issues within the Agency for Workforce Innovation for the fiscal year ending June 30, 2008.

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

cc: Joint Legislative Auditing Committee
Barbara Griffin
Brittany Birken

Office of Inspector General

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**6-Month Status Report
Federal Awards Audit Report No 2009-144
Florida Agency for Workforce Innovation
September 2009**

<u>Paragraph/Finding No(s).</u>	<u>Program/Area</u>	<u>Brief Description from Auditor General Findings</u>	<u>Status</u>	<u>Comments</u>
Finding # FA 08-006	Workforce Services	FAWI had not established a process to ascertain the appropriateness of security controls for the vendor-owned Employ Florida Marketplace (EFM) System.	Partially corrected. The monitoring process is planned for full implementation during FY 09-10 with June 30, 2010 being the anticipated completion date.	AWI has contracted with The North Highland Company, a consulting firm, to develop a system monitoring tool which will be used as a security control to monitor the EFM system. The monitoring tool was completed June 11, 2009 and the Agency's staff is determining the most appropriate method for implementing the tool and incorporating it into the monitoring process of the EFM system. N/A
Finding # FA 08-007	UC	This audit finding is an informational finding and refers the reader to Auditor General Report No. 2009-070 issued December 19, 2008 relating to the UC system used by FAWI. A 6-month follow-up to this report has already been completed and submitted to the appropriate parties.	N/A	
Finding # FA 08-008	UC	FAWI had not completed a review of all Unemployment Compensation (UC) positions to: identify those which require access to confidential UC information, designate those positions as positions of special trust, and complete security background investigations on employees in those positions.	Partially corrected. The estimated completion date is October 1, 2009.	Effective February 4, 2009, the Agency's Interim Director at the time adopted Policy Number 1.08 relating to Positions of Special Trust. Based on the Policy, the Director of Unemployment Compensation Services determined that individuals serving as UC Security Officers are designated as special trust positions. Level 2 background screenings on those individuals have been conducted by the Agency's Human Resource Management (HRM) unit. The results of the screenings are confidential and are maintained by HRM. Several of the fingerprint cards were rejected due to image quality but have been resubmitted by HRM.

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Finding # FA 08-009	IT	To ensure confidentiality and integrity of the UI system, enhancements were needed in FAWI's security policy regarding security control settings.	Fully Corrected	FAWI agreed with the recommendation contained in the confidential finding received from the Auditor General and has implemented corrective action. In April 2009, AWI implemented an inactivity timeout to all AWI desktops. Any desktop that is inactive for 30 minutes will automatically lock, requiring the user to log back into their desktop. This fully addresses the report finding.
Finding # FA 08-011	UC	Although FAWI and FDOR implemented some corrective actions, deficiencies continued to exist in the 2008 UI tax rate calculation process.	December 31, 2009	Because of the level of effort required by the Agency's IT resources to successfully convert the unemployment tax (UT) program from the FAWI legacy mainframe (TRAIN - Tax Registration and Accounting Information Network) to FDOR's SUNTAX system, programming relating to the reconciliations of the summary benefit charge and wage data were not undertaken for the 2008 tax rates. No further tax rates will be computed by the FAWI's TRAIN system. FAWI has created reports that identify the universe of benefit overpayments. However, three years of report data to mirror the rate calculation data will not be available for two years. FAWI intends to continue to work on programming to automate benefit overpayment noncharges; however, other pressing business requirements prevented completion of this work by June 30 th . These include the implementation of (1) Emergency Unemployment Compensation (EUC) funds, (2) the reauthorization of the EUC funds in 2 tiers, (3) the Federal Additional Compensation funds, (4) the extension of the EUC funds, and (5) the extended benefits.
Finding # FA 08-049	IT	Contrary to its security policy, FAWI did not develop a security plan and did not complete security certification and accreditation of the Enhanced Field System (EFS) and the One Stop Management Information System (OSMIS).	Partially corrected. Anticipated completion date is October 1, 2009.	The SSPs (System Security Plans) have been completed for both EFS and for OSMIS. Both have been submitted for owner approval and signature. In August 2009, the Office of Early Learning (OEL) completed its evaluation of the certification and accreditation (C&A) process as it relates to the Enhanced Field System (EFS). With the impending transition of OEL's client information system from

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Finding # FA 08-050	FMSAS (Support Services)	FAWI monitoring procedures did not include monitoring of subrecipient established Enhanced Field System (EFS) and One Stop Management Information System (OSMIS) security policies and controls during the 2007-08 fiscal year.	Fully corrected	<p>EFS to the new Early Learning Information System (ELIS), AWI management has made a risk and cost based decision to not seek C&A for the retiring EFS. OEL intends to seek C&A of the ELIS system as part of its initial stages of the Software Development Life Cycle (SDLC). In addition, with the completion of a 2009 SSP and subsequent risk assessment, AWI continues to monitor the security controls of the EFS system.</p> <p>In January 2009, OSMIS ownership transferred from Workforce Services to Financial Management. This transfer coincided with the transfer of most of the programmatic functionality from OSMIS to the Employ Florida Marketplace (EFM) system. The reduction in the system's functionality has led to re-categorizing OSMIS from a major system to a minor system. Accordingly, a C&A will not be conducted on OSMIS since it is no longer considered a major information system.</p> <p>The Agency updated the written instructions in the 2008-09 Internal Control Survey Form d to clearly state the Information Technology related questions apply to workstations with access to OSMIS or EFS. Each Regional Workforce board (RWB) and Early Learning Coalition (ELC) must complete this form annually, and sampling of the responses provided is part of the Agency's planned monitoring tasks. This fully addresses the audit finding.</p>