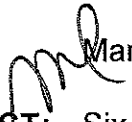




STATE OF FLORIDA
DEPARTMENT OF JUVENILE JUSTICE

**

INTEROFFICE MEMORANDUM

DATE: September 9, 2010
TO: Frank Peterman Jr., Secretary
FROM:  Mary Roe Eubanks, Inspector General
SUBJECT: Six Month Follow-up for Auditor General Audit Report No. 2010-091 –
*Information Technology Controls – Selected Administrative Activities and
Prior Audit Follow-up – Operational*

In accordance with Section 20.055(5)(g), Florida Statutes, the Office of the Inspector General, Bureau of Internal Audit has concluded its six-month follow-up on the status of the Department's corrective action in response to Auditor General Audit Report Number 2010-091, *Information Technology Controls – Selected Administrative Activities and Prior Audit Follow-up – Operational*.

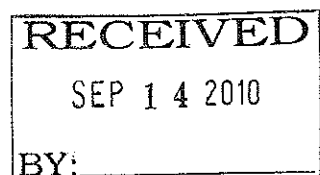
The Auditor General identified issues involving information technology controls, Cost-of-Supervision and Cost-of-Care, contract monitoring, and physical inventories. All findings requiring the Department to initiate corrective actions have been fully or partially addressed. Please see the attached follow-up report.

We have determined additional follow-up may be necessary for some planned corrective actions. If you have any questions, please feel free to contact Michael Yu, Audit Director at 921-5698.

ME/my

Attachment

Cc: Rod Love, Deputy Secretary
Christy Daly, Interim Chief of Staff
Fred Schuknecht, Director of Administrative Services
Rex Uberman, Assistant Secretary for Probation
Darryl Olson, Assistant Secretary for Residential
Julia Strange, Assistant Secretary for Detention
David W. Martin, CPA, Auditor General
Kathryn H. DuBose, Director, Legislative Auditing Committee



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Charlie Crist, Governor

Frank Peterman, Jr., Secretary

The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.

Department of Juvenile Justice
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 Follow-Up On Auditor General Review Number 2010-091
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Information Technology Controls		
Finding 1: The Department did not adequately document its program management processes or separate among employees incompatible change management processes. Additionally, the Department had no written program change management policies and procedures.		
Auditor General Recommendations	Agency Response	Status of Implementation
<p>The Department should develop written policies and procedures for change management controls to better ensure that all program changes or modifications are properly authorized, tested, and approved prior to implementation. The Department should further ensure that duties related to program modifications and the movement of program modifications into the production environment, are appropriately separated among staff. In the absence of this separation of duties, the Department should establish compensating controls whereby appropriate supervisory staff review all program move activities to the production environment.</p>	<p>The Department concurs and will develop a written policy and procedure for change management. Due to resource requirements for Data Center Consolidation and the requirements of DJJ Policy and Procedure 1000, Development and Review of Policies, our estimated time frame is December 31, 2010.</p>	<p>The Bureau of Management Information Services (MIS) developed IT Change Management procedures which incorporated several phases of the Information System Development Methodology process. The Developers are required to complete and submit documentation to the Project Leader or Manager which defines and outlines any proposed changes <i>before</i> any changes are made.</p> <p>The Project Leader/Manager must review, approve and sign-off on the changes before they are moved into the next phase of the ISDM Life Cycle process. Prior review, approval and sign-off by the Project Leader and Manager are required during each phase of the Change Management Process.</p> <p>The Applications Manager requires a Team Manager and Project Leader to be present during the Code Promotion process.</p>
Finding 2: Controls over the physical access to the Department's information technology resources needed improvement.		
Auditor General Recommendations	Agency Response	Status of Implementation
<p>The Department should remove the (server room) access privileges of all who do not require access in order to perform their job duties. The Department should also perform periodic reviews of physical access to ensure that resources remain appropriately restricted.</p>	<p>The Department concurs and has already taken steps to remove access to personnel that do not require access to the server room. The department will also implement a procedure to review server room access on a quarterly basis. Due to resource requirements for Data Center Consolidation and requirements of DJJ Policy and Procedure 1000, Development and Review of Policies, our estimated time frame is December 31, 2010.</p>	<p>The Bureau of MIS moderately restricted physical access to the server room during the time of this audit. The server room is now only accessible by Network team staff, the Chief Information Officer (CIO), the Information Security Manager (ISM), the Applications Manager, and two other staff for inventory and administrative purposes. The Department's Network Manager also periodically reviews the list of people who have access to the server room to ensure that appropriate restriction is maintained. Additionally, as a result of data center consolidation, the majority of DJJ's servers are now housed at the Northwood Shared Resource Center.</p>

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Finding 3: The Department did not always document the granting and terminating of access privileges. In addition, the Department did not periodically review the continuing appropriateness of access privileges.		
Auditor General Recommendations	Agency Response	Status of Implementation
<p>The Department should enhance access control policies and procedures to appropriately document the granting and terminating of IT resource access privileges. In addition, the Department should periodically review access privileges to ensure that the access levels correspond to employee job responsibilities.</p>	<p>The Department concurs and will pursue the development of an appropriate policy for access control in conjunction with the Data Integrity Officers, the IT Steering Committee and the Executive Leadership Team. The policy will include periodic reviews of access privileges to the systems. Due to resource requirements for Data Center Consolidation and the requirements of DJJ Policy and Procedure 1000, Development and Review of Policies, our estimated time frame is December 31, 2010.</p>	<p>The Department currently has several mechanisms in place to ensure appropriate access control: (1) In accordance with FDJJ 1205.50 before access to the Department's network is granted, a Network User Account Request form has to be completed and signed by the user, his/her supervisor and applicable MIS staff. (2) In accordance with FDJJ 1205.60 before providers are granted access to JJIS, a Provider JJIS Access User Agreement form has to be completed and signed by the user, and a DJJ Director or Assistant Secretary. The forms (the Provider JJIS Access User Agreements) are collected by the applicable Contract/Grant Manager and the Data Integrity Officers (DIOs), prior to being submitted to MIS for account creation.</p> <p>Termination of access: The Department currently uses three methods to ensure the timely termination of access. (1) The Separation Notification System (SNS) is used to notify various staff throughout the Department of impending employee separations. (2) After the employee has officially terminated their employment from the Department, in accordance with FDJJ 1205.50, managers/supervisors are required to complete, sign and submit a Network User Account Deletion form to MIS. Upon receiving the deletion forms, MIS disables network access. The network access accounts are permanently deleted (unless otherwise indicated in writing) 30 days from the date of termination. (3) The Chief of MIS sends monthly New Hire and Termination reports to MIS and the DIOs. This report acts as a fail-safe to ensure that proper documentation has been received for new accounts and deletions. Lastly, the monthly People First termination report is used to verify against the information MIS has from the other systems.</p>

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		<p>The following statements will be added to the Network User Accounts Procedure document (FDJJ - 1205.50P) and the Provider Access to JJIS Procedure document (FDJJ - 1205.60P) which require periodic reviews of access privileges to the Department's network and IT systems:</p> <p>Network Accounts Procedure: Section III.RESPONSIBILITY AND DUTIES, B. DJJ Supervisors:</p> <p>7. Shall be responsible for consulting with supporting MIS staff to periodically review the network and systems access privileges for employees under their direct supervision. Managers/Supervisors shall submit a Network User Account Request form and other applicable forms to MIS in order to modify the network and systems access privileges of their employees when necessary.</p> <p>JJIS Access Procedure Document: Section III. RESPONSIBILITY AND DUTIES, E. Data Integrity Officers:</p> <p>9. Shall be responsible for consulting with the Provider and Contract/Grant Managers to periodically review and reassign JJIS user permissions as applicable for provider staff.</p>
<p>Finding 4: Certain application controls in the Juvenile Justice Information System needed improvement.</p>		
<p>Auditor General Recommendations</p> <p>The Department should improve JJIS functionality associated with critical alert notes.</p>	<p>Agency Response</p> <p>The Alerts Notification module was designed to notify DJJ or Provider staff if there are issues of importance with the youth. The purpose of the Alert is to draw attention to important issues but not to provide specific details. The procedure is for the Juvenile Probation Officer to research any necessary details of the case once they have seen an alert. The Department will however, undertake a review of the current process of the alerts to determine if and what improvement can be made. This review will be completed by December 31, 2010.</p>	<p>Status of Implementation</p> <p>The bureau of MIS has redesigned the JJIS/Alert Notification screen to accommodate the Detention Facilities Management System (DFMS) Special Alert Changes Project Scope. The system was modified to display all open Critical Alert information on a single screen. The changes are scheduled for production August 27, 2010.</p>

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Cost-of-Supervision and Cost-of-Care		
Finding 5: Deficiencies continue to exist and impact the billing and reporting of fees assessed parents or guardians when a child is placed under the supervision of care of the Department.		
Auditor General Recommendations We again recommend that the Department continue to take actions to improve policies and procedures and implement necessary system changes to ensure the accuracy of billings and reporting of fees.	Agency Response The Cost of Care (COC) Unit staff turnover and vacancies rate during the audit period delayed progress in implementing prior audit recommendations or further improvements. The COC unit however, continues to work diligently to identify billing issues in ARMS.	Status of Implementation Finance and Accounting, MIS and the affected program units continue to work together to ensure the system bills in accordance with all applicable rules and regulations. Although the billing and reporting of fees is an automated process generated by MIS, the COC staff continues to take actions to identify system issues as well as submit requests for resolution to billing discrepancies to MIS. Immediate issues such as, account status and print flag status is being addressed and procedures will be developed based on workgroup findings. These types of procedures will be in the form of system business rules which will be discussed at an August 26, 2010 meeting with F & A staff, MIS and Probation.
Finding 6: The Department did not always invoice parents for juvenile placements in accordance with statute.		
Auditor General Recommendations The Department should implement procedures to ensure that placements are billed in accordance with Florida Statutes.	Agency Response As noted in the detail of the audit finding, there was a misunderstanding as to the validity of several billable placements. As of January 1, 2009, the Department began billing accounts in accordance with the Florida Statutes. The Department continues to perform account audits and if discrepancies such as a disposition, placement, and waiver billing errors are discovered, the COC Finance and Accounting Director submits a User Project Request Form to the Bureau of Management Information Services to have the issue corrected and the Cost of Care Auditor assigned to the account makes the necessary adjustments.	Status of Implementation A directive was established on January 21, 2010 and has been implemented by COC staff. Desk procedures have been updated and provided to staff.

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	<p>On January 21, 2010 the department issued the following directive "Effective immediately, when auditing accounts, if the disposition date for Non-Residential Minimum Risk Commitment is July 1, 2005 it is billable and if the disposition date for Conditional Release is July 01, 2004, it is billable. The corresponding desk procedures will be updated accordingly and a copy will be provided to the staff."</p>	
Selected Administrative Activities		
Finding 7: Department contract monitoring procedures, instruments, and efforts were not always documented or maintained in contract files.		
Auditor General Recommendations	Agency Response	Status of Implementation
<p>We again recommend that the Department's contract monitoring processes and procedures be fully developed and implemented and that compliance therewith be documented to ensure that providers fulfill the terms and conditions of contracts.</p>	<p>The Department promulgated FDJJ 2000 (which replaced policy FDJJ 1680) in December 2009. This policy includes detailed guidelines that fully address contract monitoring in each program area, including detention. The documents may be found at: http://www.djj.state.fl.us/policies_procedures/index.html.</p> <p>To address specific findings with Detention Services program area contracts:</p> <ol style="list-style-type: none"> (1) Administrative and Programmatic monitoring: Detention Services has now implemented procedures to address the required monitoring. Programmatic monitoring is required once every quarter. A monitoring schedule was also implemented to ensure a programmatic monitoring takes place for every contract each quarter. The administrative review is scheduled for the end of the fiscal year. (2) Monitoring Reports: The Detention Services procedures implemented in December 2009 require that the monitoring report be provided to the provider within thirty (30) days of completion of the monitoring. The provider then has thirty (30) days in which to respond. (3) Food Services: Monitoring of food services is no 	<p>Detention Services: Detention Services is providing programmatic monitoring and scheduling for the monitoring is being sent to Headquarters each quarter. The administrative reviews are being done on contracts for the end of the fiscal year.</p> <p>Monitoring reports are being provided to the provider within the required 30 day completion and the providers are meeting the response requirement within the 30 days.</p> <p>Food Services have been in-sourced in the agency.</p>

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	<p>longer a concern. As of January 1, 2010, food services were in-sourced and will no longer require contract monitoring activities.</p> <p>To address specific findings with Residential and Probation program area contracts:</p> <p>Contracts that were found out of compliance were researched and the following changes implemented:</p> <p>(1) Administrative and Programmatic Monitoring: As indicated during the review, the Offices of Probation and Residential Services have combined staffing resources to conduct monitoring activities and oversight over all providers in these two program areas. The automation of this combined monitoring began November 1, 2009, with completion of training activities and full implementation with the fiscal year 2009-2010. This automation will assist supervisors in ensuring that reports are generated in a timely manner and that all areas of the monitoring plans are addressed/monitored within the fiscal year.</p> <p>(2) Monitoring Instruments: An electronic storage mechanism on our agency's K drive has been developed to store all monitoring instruments. In addition, procedures have been developed to ensure that the documents are scanned into the drive and supervisory oversight is provided.</p>	<p>Residential and Probation:</p> <p>(1) All of the Probation contracts have been loaded into Residential Services Management System (RSMS), a module in JJIS, the agency's data store for monitoring information. A developer is currently working on addressing minor issues related to this in the software. See attachment for screen shots that show examples of Probation contracts in RSMS.</p> <p>(2) The K drive folders have been established and are in use. See attachment for screen shots that show examples.</p>
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Finding 8: Physical inventories were not performed by individuals other than those responsible for the property.		
Auditor General Recommendations		
Agency Response		
Status of Implementation		
<p>The Department should revise tangible personal property policies and procedures to ensure that individuals responsible for property are not performing the annual physical inventory.</p>	<p>The Department concurs and for the current property inventory period, the Bureau of General Services clarified the roles and tasks for property custodians and custodian delegates through conference calls and meetings to ensure that everyone understood roles, functions and how the inventory process is to take place for the current fiscal year. The Bureau of General Services is up-dating DJJ Policy and Procedure 1312: Property Management and Control to reflect each individual's responsibility for property and to ensure separation of duties. It is anticipated this will be completed by June 30, 2010.</p>	<p>New procedures were implemented during the 2009/2010 inventory with no complications. The policy and procedures on property have been updated and should be re-posted by September, 2010.</p>