

STATE OF FLORIDA  
DEPARTMENT OF MILITARY AFFAIRS  
Office of the Adjutant General  
St. Francis Barracks, P.O. Box 1008  
St. Augustine, Florida 32085-1008

January 29, 2010


✓ Ms. Kathy DuBose  
Staff Director  
Joint Legislative Auditing Committee  
Claude Pepper Building  
111 West Madison Street, Room # 876  
Tallahassee, Florida 32399-1400

Dear Ms. DuBose:

Pursuant to Section 20.055(5)(g), Florida Statutes, enclosed, herewith, is the report, dated January 29, 2010, of the Inspector General, Department of Military Affairs, State of Florida, on the status of corrective actions taken in connection with the Auditor General's Report No. 2010-005, entitled "Information Technology Operations Audit for the Period October 2008 Through January 2009 and Selected Actions Through March 2, 2009."

If you have any questions, or require any additional information, please contact Edward C. Mosca, CPA, State Inspector General, at (904) 823-0220.

Sincerely,

  
Douglas Burnett  
Major General  
Florida National Guard  
The Adjutant General

Distribution:  
Melinda Miguel  
Chief Inspector General of Florida  
David W. Martin, CPA  
Auditor General of Florida  
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Office of the Florida Auditor General

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SIG

January 29, 2010

MEMORANDUM FOR Major General Douglas Burnett, the Adjutant General of Florida

SUBJECT: Status of Recommendations Included in the Auditor General's Report No. 2010-005

Section 20.055(5)(g), Florida Statutes, requires the State Inspector General (SIG) for the Department of Military Affairs (DMA) to monitor the implementation of the DMA's response to the Auditor General's Report No. 2010-005, entitled "Information Technology Operations Audit for the Period October 2008 Through January 2009 and Selected Actions Through March 2, 2009." Additionally, the above noted statute section requires that no later than six (6) months after the report is published, the SIG is to provide a written response to the Adjutant General (TAG) on the status of the corrective actions taken.

With the above being brought forth, this response regarding the status of corrective actions taken by the DMA is based upon the January 12, 2010 memorandum prepared by Mr. Jesse D. Kinghorn, Director of Financial Management, a memorandum dated January 12, 2010, prepared by Mr. Lewis D. Thompson, Deputy Post Operations Manager of the Camp Blanding Joint Training Center (CBJTC), and appropriate inquiries/discussions with key DMA officials, as considered necessary under the circumstances. The nature of the work performed is further discussed below.

The scope of the work performed surrounding my response was intended solely for the determination of the status of corrective actions taken by the DMA in connection with the above noted Auditor General's report. This work did not, nor was intended to, include all work necessary to be in accordance with generally accepted auditing standards (as promulgated by the Institute of Internal Auditors, the Comptroller General of the United States - "Yellow-Book", and the American Institute of Certified Public Accountants) and, consequently, no opinion is herewith rendered regarding those areas of work performed by the Auditor General or responses by the DMA other than the status of the recommendations as represented by the Director of Financial Management and other previously noted key personnel of the DMA. Further to this regard, no representations of any kind are herewith rendered upon the merit of the status of the recommendations or any supporting documentation, opinions, and/or representations included therein.

Based upon the foregoing, the following constitutes the status of DMA corrective actions relating to recommendations for Finding Nos. 3, 4, 6, 7, and 9 which the Auditor General determined related to the DMA and were included in Report No. 2010-005.

Finding No. 3: Agency Self-Assessments

Recommendation: Agencies should ensure that appropriate versions of the Questionnaire are fully completed to evaluate the necessary controls to meet Payment Card Industry (PCI) Data Security Standard requirements and protect cardholder data.

On, or about, April 21, 2009, the DMA Camp Blanding Joint Training Center Post Exchange completed the appropriate questionnaire. The questionnaire will be completed on an annual basis to ensure compliance with the PCI Data Security Standard.

Finding No. 4: Network Scans

Recommendation: Agencies should ensure that approved scanning vendors are engaged to conduct quarterly network scans for vulnerabilities and that vulnerabilities, when detected, are remedied in a timely manner.

An approved scanning vendor (ASV) has been selected and a quarterly scan has been performed. The ASV will perform external network scans for applicable payment card applications on a quarterly basis.

Finding No. 6: Information Security Policies and Procedures

Recommendation: DMA should develop written information security policies and procedures to document management's expectations for the protection of cardholder data and promote compliance with the PCI Data Security Standard.

Management of the Post Exchange is in the process of developing appropriate policies and procedures to ensure compliance with PCI Data Security Standards.

Finding No. 7: Protection of Cardholder Data

Recommendation: DMA should continue to assess their compliance with the PCI Data Security Standard to ensure the proper protection of cardholder data.

The QuickBooks point-of-sale system was implemented which will ensure that the DMA is in compliance with the PCI Data Security Standard and provide protection of cardholder data.

Finding No. 9: Approval and Reporting Requirements

Recommendation: DMA should seek the prior approval of the CFO before entering into future contracts with service providers not established by the CFO for the acceptance of payment cards. In addition, DMA should file annual reports with the CFO as required by DFA rules.

The DMA has sent a letter to the CFO requesting approval of the use of an alternative service provider. The outcome of the request is pending.

Current period annual reports have been filed with the DFS. However, prior period annual reports have not been filed due to administrative oversight. Procedures have been implemented to ensure annual reports are filed on a timely basis.

If you have any questions, or require any additional information, please do not hesitate to contact me at extension # 0220.



Edward C. Mosca, CPA  
State Inspector General  
Department of Military Affairs

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