

FLORIDA DEPARTMENT OF EDUCATION



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Commissioner of Education



May 2, 2012

Commissioner Gerard Robinson
325 West Gaines Street, Suite 1514
Tallahassee, Florida 32399-0400

Dear Commissioner Robinson:

In accordance with section 20.055(5)(h), Florida Statutes, I am submitting for your information a six month status of corrective actions taken concerning the Auditor General audit report, *Cash Advance and Reporting of Disbursements System (CARDS)-Information Technology Operational Audit*, issued November 16, 2011.

If you have any questions, please contact me at 245-9416 or greg.white@fldoe.org.

Sincerely,

A handwritten signature in cursive script that reads "Greg White".

Greg White

GW/dm
Attachment

cc: Linda Champion
Auditor General
Chief Inspector General
Legislative Auditing Committee
OPPAGA

Information Technology Operation Audit
Report No. 2012-027
Six-Month Update: Submitted April 25, 2012

Finding No. 1

Finding: The Department did not have written procedures and had not implemented processes for monitoring subgrantee cash on hand from Federal cash advances and for subgrantee calculation and remittance of interest earned on cash advances.

FDOE Response: The Department does monitor cash requests by the subgrantees through review of the Auditor General's audit reports and through the Cash Advance and Reporting of Disbursements System (CARDS) to ensure that requests are reasonable. The Department will document these existing processes. Since the inception of CARDS, only three audit findings related to districts' cash management or federal interest remittance have been received. This fact indicates that districts are appropriately identifying the specific federal programs prior to requesting advances for their cash needs. Furthermore, the recent monitoring visit by the U.S. Department of Education on the State Fiscal Stabilization Funds revealed no issues with the Department's monitoring processes on subgrantee's cash management or remittance of interest earned. The Department believes these processes are appropriate and that they meet the requirements. However, since the Department does require the subgrantees to report expenditures on a monthly basis, the Department will compare expenditures with the cash disbursed to identify the subgrantee's cash position to further strengthen the monitoring process.

Six-Month Update: The Department continues to work on developing written procedures for monitoring subgrantee cash management. These procedures will include a comparison of expenditures with cash disbursed as described in the FDOE response to this finding.

Finding No. 2

Finding: The access privileges of some employees and contractors to CARDS and related IT resources were not appropriate for their job responsibilities and did not enforce an appropriate separation of incompatible duties.

DOE Response: Response No. 2: Reduced staffing resources limit the ability to achieve complete separation of duties. However, procedures to review access privileges have been developed and are being implemented to ensure that inappropriate access privileges are addressed. The Department will mitigate this issue through Change Management processes and Emergency Change Management processes as outlined in internal operating policies that have been developed for executive management approval. Additionally, audit logs will be used to track changes and activity by appropriate staff. Shared common accounts will no longer be allowed. Each user will authenticate with an individual account. Accounts will be reviewed on a regular basis to ensure inactive accounts are disabled in a timely manner.

Six-Month Update: All IT resources have been identified to ensure only the approved and appropriate staff have access to the CARDS application and database servers. All employees

and contractors accounts, whose job responsibilities did not require they have access to the CARDS servers, have been deleted from the server accounts.

Finding No. 3

Finding: The Department did not timely disable the CARDS access privileges of two former employees.

FDOE Response: At the time of the audit, the Department was implementing a process to ensure that access privileges of former employees were disabled in a timely manner. Reorganization of staff resources to accomplish this, as well as additional documentation of procedures, was finalized by the end of the audit.

Six-Month Update: The recommendation stated in the finding has been fully implemented and is therefore complete.

Finding No. 4

Finding: The Department's CARDS access authorization forms were not reflective of the actual CARDS access privileges that had been granted to some employees. Additionally, the access authorization form for one Department employee included in our sample lacked the approval signature of the employee's supervisor.

FDOE Response: As previously discussed in Response No. 3, procedures for access authorization were addressed during the time of the audit. The Department had already resolved this issue by the end of the audit.

Six-Month Update: The Department has developed a process to ensure that CARDS access authority and the appropriate signatures are accurately represented on the form.

Finding No. 5

Finding: Contrary to the requirements of the State of Florida, General Records Schedule, for the retention of access control records, the Department did not retain complete access control records for CARDS.

FDOE Response: A manual tracking process was developed in June 2011 to ensure appropriate records retention to comply with the State of Florida's *General Records Schedule*. The Department will investigate the potential for modifications to the existing database in order to maintain this history electronically.

Six-Month Update: The Department has created a manual tracking process to ensure that records are retained according to the State of Florida's General Records Schedule. Work is beginning to enhance CARDS to maintain such records.

Finding No. 6

Finding: Certain security controls related to user authentication needed improvement.

FDOE Response: Prior to the audit, the Department's Password Policy was submitted and is currently under review for formal adoption by the Department's Executive Management. The proposed policy addresses the auditor's findings related to authentication controls. The proposed Application Development Security Standards and Guidelines (a counterpart document to the proposed Information Systems Development Methodology) addresses security requirements in application development.

Six-Month Update: Review of the Department's proposed Password Policy has been completed by the General Counsel. The Policy has been forwarded to the next step in the approval process for formal adoption by the Department's Executive Management.