

Florida Department of Economic Opportunity
Six-Month Status of Audit Findings
Auditor General Report No. 2017-039
(RA Claims & Benefits Information System Audit)
April 28, 2017

Finding No. 1: Application Design Documentation –

Auditor Recommendation: We recommend that Department management maintain current RA System application design documentation to help management ensure that the RA System continues to align with management’s business requirements.

Department of Economic Opportunity (DEO) Response: The Department’s business unit continues to work with IT management to update use case documentation and complete data flow diagrams of the RA System. We are scheduled to have this project completed within the next four months.

Six-Month Status:

RA System application design documentation continues to be a priority for the RA System Program. The Department implemented a number of changes to better align with this priority. The Department adjusted the RA System’s software development lifecycle (SDLC) from a 2-week release cycle to a 1-month release cycle in order to allow more time for better documentation. The Department sent staff to Watermark Learnings’ *Business Analyst Fundamentals* and *Visual Modeling Essentials* training courses in November 2016. The practices learned in this training should improve application design documentation and upkeep. The Department is piloting a new Scrum-based software development methodology (SDM) intended to increase collaboration among the business subject matter experts (SMEs) to better align with management’s business requirements. The Department is unable to provide an estimated date of completion as this will be an ongoing effort whenever enhancements are made to the system. Documentation is updated as changes are made to the system.

Finding No. 2: Use of Social Security Numbers

Auditor Recommendation: We again recommend that, in the absence of establishing an imperative need for the use of SSNs as claimant user IDs for the RA System, Department management take appropriate steps to establish another identifier for claimant user IDs.

Department of Economic Opportunity (DEO) Response: The Department implemented an enhancement on September 24, 2016 that allows claimants to log in with their Claimant ID or SSN. The enhancement to further disallow the use of SSNs entirely for login purposes is currently in the development stage. We expect to have this enhancement implemented in production by March 2017.

Six-Month Status:

The Department did implement an enhancement that allows a claimant to use his or her Claimant ID for logging in. The use of SSNs still exists as an option for claimants. A ticket exists to eliminate the use of SSNs as user IDs and we expect to have this enhancement implemented in production by March 2018.

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Finding No. 3: Passwords

Auditor Recommendation: We recommend that Department management establish appropriate authentication controls for RA System claimants to ensure the confidentiality, integrity, and availability of RA System data and related IT resources.

Department of Economic Opportunity (DEO) Response: The Department is currently developing additional criteria to require claimants to use passwords with more complexity. Passwords would conform to the requirements of being defined as a complex password. This enhancement will be pursued with Finding No. 2 above related to claimants creating their own unique user IDs. We expect to have this enhancement implemented in production by March 2017.

Six-Month Status:

The Department has not changed password complexity for claimants. An enhancement ticket does exist to change password complexity to conform to Department requirements and we expect to have this enhancement implemented in production by March 2018.

Finding No. 4: Application Input Edits –

Auditor Recommendation: We again recommend that Department management improve controls related to application input edits to ensure the accuracy of RA System data and to ensure compliance with ET Handbook 301.

Department of Economic Opportunity (DEO) Response: Department staff continue to manually enter the postmark date when scanning and indexing documents into the RA System. A fix was entered to have the postmark and received dates of documents corrected from defaulting to the current date. That fix, along with the enhancement to track the “life cycle” of a document when scanned and indexed into the RA System would address these concerns. This fix is planned, but currently not completed.

The Department also implemented a change on July 23, 2016 regarding the “mandatory notes fields” issue, which requires staff to type at least four alpha characters to enter a note in the RA System.

Six-Month Status:

The Department has not implemented the changes to date. An enhancement ticket does exist to have the postmark and received dates of documents corrected from defaulting to the current date. That fix, along with the enhancement to track the “life cycle” of a document when scanned and indexed into the RA System would address these concerns. This fix is planned, but currently not completed. The enhancement regarding the “life cycle” of a document is a very large effort and we have estimated approximately 700 hours for the first phase of the enhancement. We expect to have this enhancement implemented in production by December 2018.

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Finding No. 5: Input Forms, Documents, and Messages –

Auditor Recommendation: To help ensure the completeness, accuracy, and validity of the RA System input data, we recommend that Department management continue efforts to implement effective controls related to language translations on forms and documents and enhance the appropriateness of error messages.

Department of Economic Opportunity (DEO) Response: The Department resolved the issue regarding the error message received when entering accurate employment dates. Additional fixes were identified to correct the error messages notated in the finding.

The Department's IT Management currently has a developer assigned to address the standardized input forms. His primary task is to review and update missing or inaccurate fact finding documentation. The review is being done for all three languages in which the documents are available (English, Spanish, and Creole). Each production deployment includes several of these corrections under one fix.

Six-Month Status:

As stated in the Department's original response, the Department has improved all known message issues. The Department continues to improve forms and documents as there is an ongoing effort to do so. A developer is assigned to address the standardized input forms. His primary task is to review and update missing or inaccurate fact finding documentation. The review is being done for all three languages in which the documents are available (English, Spanish, and Creole). Each production deployment includes several of these corrections under one fix and we expect to have this enhancement implemented in production by July 2017.

Finding No. 6: Timely Review and Processing of Received Documents –

Auditor Recommendation: We recommend that Department management improve procedures for the document intake and indexing processes to ensure that all documents received for processing in the RA System are timely and accurately indexed to the appropriate claimant, claim, and claim issue to improve the accuracy of claim determinations, benefit payments, and employer charges.

Department of Economic Opportunity (DEO) Response: The enhancement referenced in Finding No. 4 will assist the Department with improving procedures for the document intake and indexing processes as it would track the "life cycle" of a document when scanned and indexed into the RA system.

Six-Month Status:

This finding is similar to Finding No. 4; the Department has not implemented the changes to date. An enhancement ticket does exist to assist the Department with improving procedures for the document intake and indexing processes as it would track the "life cycle" of a document when scanned and indexed into the RA system. The enhancement regarding the "life cycle" of a document is a very large

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effort and we have estimated approximately 700 hours for the first phase of the enhancement. We expect to have this enhancement implemented in production by December 2018.

Finding No. 7: Manual Overrides –

Auditor Recommendation: We recommend that Department management continue to execute the newly implemented procedure for monitoring manual overrides applied to transactions in the RA System to ensure that the overrides are restricted to authorized personnel and are appropriate.

Department of Economic Opportunity (DEO) Response: The Department has implemented three levels of security for monitoring manual overrides. This includes: unit supervisors performing random reviews, the Internal Security Unit (ISU) reviewing the *Forced Override Report*, and the fraud unit (FIRRE) performing reviews. In addition, we have made changes to restrict the amount of staff with override roles to those individuals whose job duties require the roles.

Six-Month Status:

The Department has implemented the changes for compliance and this finding is resolved.

Finding No. 8: Monitoring of Claim Issues

Auditor Recommendation: To ensure that claim determinations are based on accurate data, we recommend that Department management improve monitoring procedures for relevant claim issues and claims.

Department of Economic Opportunity (DEO) Response: The Department continues to work on process improvements as it relates to work assignments. Adjudication Management's business process instructions are to require that the adjudicator review all issues and request assignment of all pending issues on the claim be handled by the same adjudicator. There is an enhancement in our pending inventory to allow for more efficient use of the system for assigning and handling issues by adjudication staff.

Six-Month Status:

The Department continues to improve business processes, including the implementation of additional system enhancements. The Department continues to improve its percentage of issues determined with original information (full kit) and we expect to have this enhancement implemented in production by May 2017.

Finding No. 9: Timely Distribution of Claim Notices –

Auditor Recommendation: We recommend that Department management continue their efforts to

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identify and correct RA System processes and improve monitoring procedures to help ensure that claim notices are timely distributed to claimants and employers.

Department of Economic Opportunity (DEO) Response: The Department continues to identify and correct sporadic reports received of issues remaining “in progress.” A fix for this reported issue is scheduled to be deployed to production on November 19, 2016.

In the instance of certain employer claim notices not “distributed” the following business day, the fix has been identified and will be scheduled for a production build in the near future. In the meantime, the Department is identifying these notices daily and updating the status nightly in order for the notices to be distributed timely.

An enhancement is scheduled for production on October 29, 2016 that will provide a written notice of determination to claimants determined ineligible due to identity issues identified by the fraud unit (FIRRE).

Six-Month Status:

The Department has revised the enhancement implementation in production to April 2017.

Finding No. 10: Generation of Claim Issues –

Auditor Recommendation: We recommend that Department management continue efforts to identify and correct RA System processes related to the appropriate generation of claim issues to ensure that claims are accurately and timely processed.

Department of Economic Opportunity (DEO) Response: A fix for this issue is currently targeted for production deployment on December 3, 2016. The Department will continue to identify and correct the underlying issue until that time.

Six-Month Status:

The Department has revised the enhancement implementation in production to August 2017.

Finding No. 11: Technical System Errors

Auditor Recommendation: We recommend that Department management continue their efforts to identify and correct technical system errors in the RA System to ensure the completeness, accuracy, and integrity of RA System data.

Department of Economic Opportunity (DEO) Response: The Department continues to work diligently to resolve these issues as reported. A planned process change for the Adjudication unit is scheduled for production in early 2017.

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Six-Month Status:

The Department has resolved this finding.

Finding No. 12: Reports and Interfaces –

Auditor Recommendation: We recommend that Department management continue efforts to identify and correct defects related to reports and interfaces and implement reconciliation controls for all data exchange interfaces with the RA System to ensure accurate claim determinations and complete and accurate data transfers.

Department of Economic Opportunity (DEO) Response: The Department will continue working to implement reconciliation controls in relation to reports and interfaces.

Six-Month Status:

The Department continues to add reconciliation controls to reports and interfaces. The resolution is dependent upon third party vender (ICON) providing the necessary information to reconcile particular interfaces' records. To date, information has not been received. The reconciliation control for the interface with DOR is estimated to be completed by August 2017.

Finding No. 13: Overpayments and Charges –

Auditor Recommendation: To prevent inaccurate and erroneous payments and charges from being generated by the RA System, we recommend that Department management continue efforts to enhance RA System automated controls and improve the processing of data.

Department of Economic Opportunity (DEO) Response: The Department will continue to identify and implement enhancements to the RA System's automated controls to improve the processing of data. An enhancement was put into production on July 23, 2016 that prevents certain inaccurate and erroneous payments and charges from processing. The functionality issue related to employer chargeability was corrected and deployed to production on March 26, 2016. The appeal issue referenced regarding the not applicable status was resolved in February 2016. In addition, the reference to some employers being charged more than their maximum benefit amount was addressed, and those charges were corrected as of June 2016.

Six-Month Status:

The Department has implemented changes and continues to implement system enhancements for automated controls and improving the processing of data especially around payments and charges. No estimated date of completion can be provided. As issues or new processes are identified, the Department works to ensure the processing of data is accurate.

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Finding No. 14: Date Calculations –

Auditor Recommendation: We recommend that Department management continue efforts to identify and correct RA System program code errors to ensure that calculated dates are accurate.

Department of Economic Opportunity (DEO) Response: The Department will continue to identify and correct the issues noted above. The example referenced in bullet one was actually a cosmetic (screen) error. The RA System was correctly giving the parties 48 hours to respond as the issues were not pushed to an adjudicator to work until the fact finding document was received or the 48-hour deadline had passed. For the other two examples referenced, the fix for this issue has been planned.

Six-Month Status:

The Department has improved all known calculated date issues and the estimated date of completion for the cosmetic issue (screen display) is December 2017.

Finding No. 15: Data Fixes –

Auditor Recommendation: We recommend that Department management continue efforts to improve the functionality of the RA System to reduce the need to perform corrections and modifications (data fixes) outside the RA System application controls.

Department of Economic Opportunity (DEO) Response: The Department continues to improve functionality to reduce the need for data fixes. As more time passes since the implementation of the new RA System, there will be less need for data fixes as they are mostly the result of conversion issues. Department staff requesting data fixes are responsible for logging the requests and validating the results in a testing environment prior to approving the data fix be deployed to production. Copies of the validation process are uploaded to our online application lifecycle management system.

Six-Month Status:

System functionality has improved, reducing the need for data fixes. However, due to system design, data fixes will never be completely eliminated.

Finding No. 16: RA System Claim Logs –

Auditor Recommendation: We recommend that Department management continue efforts to identify and resolve the cause of inaccurate RA System claim logs.

Department of Economic Opportunity (DEO) Response: The Department continues to identify and resolve any reports of inaccurate claim logs. An enhancement has been scheduled to track certain claim

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processes by creating a claim log when these issues are handled. The Department has resolved the issue regarding claim logs not reflecting accurate information as of January 2016.

Six-Month Status:

As stated in the Department's original response, the Department implemented enhancements regarding claim logs not reflecting accurate information as of January 2016. An additional enhancement ticket does exist to track certain claim processes by creating a claim log when these issues are handled. The Department has revised the enhancement implementation in production to August 2017.

Finding No. 17: Security Control Documentation and Procedures –

Auditor Recommendation: We recommend that Department management enhance the access authorization forms used to authorize RA System access roles. In addition, we recommend that Department management enhance security procedures to identify the access roles applicable to each position as well as the access roles that cannot be combined for the purpose of maintaining an appropriate separation of duties. Security procedures should also be enhanced to provide guidance for assigning access roles to users in other business units. We also recommend that Department management continue efforts to develop procedures for performing security investigations of suspicious activities of RA System users.

Department of Economic Opportunity (DEO) Response: The Department's Internal Security Unit (ISU) is reviewing the recommendations above and is in the process of enhancing access authorization forms. The ISU will work with management to identify roles that should not be combined in order to maintain appropriate separation of duties. Additionally, ISU will work with the FIRRE unit to develop procedures for performing security investigations within the RA System.

Six-Month Status:

In addition to the actions described in the Department's original response, the ISU continues to work with the RA management team to identify roles that should not be combined within the RA system. The ISU is also working with DEO IT in their efforts to improve enterprise access monitoring and identity management. This project will enhance access authorizations for all Department systems, including the RA system. Work on this project will begin in May 2017.

Finding No. 18: Periodic Access Review –

Auditor Recommendation: We recommend that Department management establish and implement appropriate procedures for the periodic review of user access accounts within the privileged access groups of the Department and RA System domains of the Department's network to ensure that user access privileges are authorized and appropriate.

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Department of Economic Opportunity (DEO) Response: The Department continues to work to ensure access privileges are authorized and appropriate through a semi-annual review of user accounts, as well as daily/weekly review of the RA System track data access functionality. The Internal Security Unit will enhance its semi-annual user access review procedures to provide additional guidance for reviewing user accounts.

Six-Month Status:

In addition to the efforts Described in the Department’s original response, the ISU has created draft procedures that provide guidance to staff for conducting the semi-annual user access reviews. Work on this project will begin in May 2017.

Finding No. 19: Appropriateness of Access Privileges –

Auditor Recommendation: We recommend that Department management limit account access privileges to the RA System and the Department domain to promote an appropriate separation of duties and to restrict users to only those functions necessary for their assigned job duties.

Department of Economic Opportunity (DEO) Response: The Department continues to conduct periodic reviews of access privileges to the RA System and the Department domain. Reviews are conducted by the Internal Security Unit, department security officers, and the fraud unit (FIRRE). In addition, only those users whose job duties require the ability to update or remove necessary information currently have this access.

The Department has also implemented a track data access review within the RA System. Unit supervisors and the ISU review user’s transaction history within the RA System weekly. As to service access accounts, the restriction from interactive log-on, and the removal of administrative privileges, the Department will further evaluate potential changes based upon the auditor’s recommendations.

Six-Month Status:

In addition to the actions described above, the Department has investigated and prioritized a phased approach to improving enterprise access monitoring and identity management. Work on this project will begin in May 2017.

Finding No. 20: Shared Access Accounts –

Auditor Recommendation: To provide for individual accountability for system activities, we recommend that Department management limit account access privileges to the RA System and related IT resources.

Department of Economic Opportunity (DEO) Response: The Department has created individual user accounts for daily activities. Elevated account privileges are limited and are shared for system

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maintenance with only a small group of IT professionals. This access, like all access to the system, is tracked in the system logs and is reviewed on a weekly basis.

Six-Month Status:

The Department has resolved this finding.

Finding No. 21: Change Management Controls –

Auditor Recommendation: We recommend that Department management establish controls to ensure that only authorized, tested, and approved program changes related to the RA System are implemented into the production environment.

Department of Economic Opportunity (DEO) Response: The Department continues working to establish tighter controls for the change set management. Currently, the Department uses Microsoft's Team Foundation Server (TFS) to manage version control and tracking on the program. The code for the program branch in TFS is locked to prevent any future changes to the code before it is promoted and tested on multiple lower environments. After the testing process is completed and the change management team approves the build, the same code for the program branch in TFS is deployed to production.

Six-Month Status:

The Department has resolved this finding.

Finding No. 22: Other Security Controls – User Authentication, Access Controls, and Logging and Monitoring –

Auditor Recommendation: We recommend that Department management improve certain security controls related to user authentication, access controls, and logging and monitoring for the RA System and related IT resources to ensure the confidentiality, integrity, and availability of RA System data and related IT resources.

Department of Economic Opportunity (DEO) Response: The Department continues working to ensure that the current security measures are reviewed and tested on a weekly basis. The Department strives to improve security controls to ensure confidentiality, integrity and availability of RA System data and related IT resources.

Six-Month Status:

The Department has resolved this finding. The Department continually strives to improve security controls to ensure confidentiality, integrity and availability of RA System data and related IT resources.