



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

June 10, 2019

The Honorable Jimmy Patronis
Chief Financial Officer
The Capitol, PL-11
Tallahassee, Florida 32399-0301

Dear CFO Patronis:

As required by Section 20.055, Florida Statutes, I am providing the Department's six-month status report of corrective actions taken in response to Auditor General Report Number 2019-068, *Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR)*, published December 10, 2018.

If you have any questions, please do not hesitate to contact me.

Very Respectfully,

A handwritten signature in blue ink, appearing to read "D. Harper", with a long horizontal line extending to the right.

David T. Harper
Inspector General

DH:swm

Attachment

cc: Ryan West, Chief of Staff
Kathy DuBose, Coordinator, Joint Legislative Auditing Committee
Charles Ghini, Chief Information Officer
Paul Whitfield, Director of Accounting and Auditing

**DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSPECTOR GENERAL**

**SIX-MONTH FOLLOW-UP REPORT
STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2019-068	Florida Accounting Information Resource Subsystem (FLAIR)	December 10, 2018
Finding 1	The Department did not timely deactivate the FLAIR user accounts with access privileges to the Central Accounting Component (CAC) and Payroll Component for some former or suspended employees. A similar finding was noted in our report No. 2018-025.		
Recommendation	We recommend that Department management ensure that the FLAIR user accounts with CAC and Payroll Component access privileges for former or suspended employees are timely deactivated upon the employee's separation or suspension from Department employment.		
Responsible Divisions	Division of Accounting and Auditing (A&A)		
Original Response	We concur. The Division of Accounting and Auditing (A&A) is working on updating procedures to ensure timely deactivation of access privileges. The Division is also coordinating efforts with the Division of Administration to suspend or terminate access control privileges when an employee is either suspended or terminated in an appropriate manner.		
Six-month Follow-up:	May 17, 2019		
Reported Status	The Division of Accounting and Auditing has updated our procedures to ensure timely deactivation of access privileges. A monitoring report for PYRL access control custodian activity has been created and is currently in production. The monitoring reports for CAC access control activity is currently in development testing with the Office of Information Technology and anticipated to be in production by July 1, 2019. In addition, the Division of Accounting & Auditing is continuing to develop procedures for revoking access on suspended employees.		
Expected Completion Date for Corrective Action	July 1, 2019		
OIG Assessment	Partially Completed. Based on the information provided, it appears that A&A initiated some corrective action to address the finding. The OIG will continue monitoring the A&A's efforts until documentation is provided that demonstrates procedures for revoking suspended employees are implemented.		

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**SIX-MONTH FOLLOW-UP REPORT
STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2019-068	Florida Accounting Information Resource Subsystem (FLAIR)	December 10, 2018
Finding 2	Change management controls related to hardware and systems software changes for high-risk network devices related to FLAIR need improvement to ensure that only approved hardware and systems software changes are implemented into the production environment. A similar finding was noted in our report No. 2018-025.		
Recommendation	We again recommend that Department management improve change management controls to ensure that approvals are appropriately documented for all high-risk network device changes prior to implementation into the production environment.		
Responsible Divisions	Office of Information Technology (OIT)		
Original Response	We concur. The Office of Information Technology (OIT) policies will be revised to more granularly define the approval process. Specifically, OIT policy OIT-028 will be revised to reflect that only access control list (ACL) changes need to go through the change management process.		
Six-month Follow-up:	May 17, 2019		
Reported Status	The Compliance Officer, hired in May 2019, has been tasked to review and revise all OIT policies and procedures to ensure they are current.		
Expected Completion Date for Corrective Action	November 2019		
OIG Assessment	Open. The OIG will continue monitoring OIT's efforts until documentation is provided that demonstrates management controls are implemented to ensure high-risk device changes are approved prior to implementation.		

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**SIX-MONTH FOLLOW-UP REPORT
STATUS OF CORRECTIVE ACTION**

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2019-068	Florida Accounting Information Resource Subsystem (FLAIR)	December 10, 2018
Finding 3	As similarly noted in our report No. 2018-025, the Department had not established a comprehensive policy for the performance of background screenings of employees and contracted consultants in positions of special trust. Additionally, background screening processes for contracted consultants need improvement to ensure all consultants are screened prior to the start of the contract and that evidence of the background screenings is maintained.		
Recommendation	We again recommend that Department management continue efforts to establish a comprehensive Departmentwide background screening policy and related procedures and ensure the timely performance of background screenings of contracted consultants in positions of special trust.		
Responsible Division	Administration		
Original Response	We concur. The Division of Administration will continue its efforts to establish a comprehensive Departmentwide background screening policy and related procedures, both of which will be designed to ensure the timely performance of background screenings of employees and contracted consultants, being designated into positions of special trust.		
Six-month Follow-up:	May 17, 2019		
Reported Status	The Division of Administration is continuing its efforts to establish a comprehensive Departmentwide background screening policy. As of May 17, 2019, this policy is still being reviewed and finalized.		
Expected Completion Date for Corrective Action	August 30, 2019		
OIG Assessment	Partially Completed. Based on the information provided, the Division of Administration initiated corrective action to address the finding. The OIG will continue monitoring the Division of Administration's efforts until documentation is provided that demonstrates the comprehensive background screening policy is finalized and implemented.		

**DEPARTMENT OF FINANCIAL SERVICES
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**SIX-MONTH FOLLOW-UP REPORT
STATUS OF CORRECTIVE ACTION**

***** Confidential Finding *****

Reviewing Entity	Report	Report Title	Date Published
Auditor General	2019-068	Florida Accounting Information Resource Subsystem (FLAIR)	December 10, 2018
Finding 4	Certain security controls related to physical security, logical access, user authentication, logging and monitoring, and configuration management continue to need improvement to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources.		
Recommendation	We again recommend that Department management improve certain security controls related to physical security, logical access, user authentication, logging and monitoring, and configuration management to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources.		
Responsible Division	Office of Information Technology Accounting & Auditing		
Original Response	The OIT has performed some corrective action to address security controls. The OIG will continue to monitoring OIT's and A&A's efforts until documentation is provided that demonstrates security controls related to physical security, logical access, user authentication, logging and monitoring are improved.		
Six-month Follow-up: May 17, 2019			
Reported Status	The OIT implemented modifications to the authentication controls from June 2018 to May 2019. More modifications are planned in June 2019. Additionally, procedures related to configuration management and physical security were enhanced. The OIT has corrected many of the confidential findings, but are further evaluating controls and making additional enhancements where appropriate.		
Expected Completion Date for Corrective Action	December 2019		
OIG Assessment	Partially Completed. Based on the information provided, it appears OIT initiated and implemented some corrective action to address this finding. The OIG will continue to monitor this finding until security controls related to physical security, logical access, user authentication, logging and monitoring, and configuration management are implemented.		

Note: Due to the confidential nature of this finding, and to ensure the security of DFS systems, detailed information is not provided in this status report.