



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

MEMORANDUM

JLAC Received 8.15.2024

DATE: August 15, 2024

TO: Jimmy Patronis, Chief Financial Officer

THROUGH: Dawn E. Case, Inspector General ^{DEC}

FROM: Debbie K. Clark, Director of Audit ^{DKC}

SUBJECT: Six-Month Follow-up Report on Status of Corrective Action, State of Florida Auditor General Report No. 2024-138, *Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR) and Selected Information Technology General Controls*, published February 23, 2024

Internal auditing standards require that the Office of Inspector General monitor the status of corrective action taken in response to findings and recommendations made by both external and internal audit entities. Accordingly, attached please find our six-month follow-up report on the Status of Corrective Action related to the above-referenced report.

Our six-month review indicates that the Department has completed corrective actions for three findings, including a confidential finding containing five findings.

Please contact me if you have any questions.

DEC/dkc
Enclosure

cc: Frank Collins, Chief of Staff
Scott Fennell, Deputy Chief Financial Officer
Susan Miller, Deputy Chief Financial Officer
Renee Hermeling, Director of Accounting and Auditing
Scott Stewart, Chief Information Officer
Kathy DuBose, Joint Legislative Auditing Committee

**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 | 2024-138 | Department of Financial Services Florida Accounting Information Resource Subsystem (FLAIR) and Selected Information Technology General Controls | 2/23/2024 |
| Finding 1 | Department change management controls continue to need improvement to ensure that all FLAIR program changes are appropriately authorized, tested, reviewed, and approved prior to implementation into the FLAIR production environment, and are managed by, and do not bypass, the Department's change management process. | | |
| Recommendation | We recommend that Department management ensure that Department records evidence through reconciliations that all FLAIR Payroll COBOL program changes are managed by, and do not bypass, the Department's change management process. Also, we again recommend that Department management improve change management controls to ensure that Department records evidence that FLAIR program changes are appropriately authorized, tested, independently reviewed, approved for production, and implemented into the production environment by the appropriate personnel. | | |
| Responsible Division | OIT Nancy Anderson | | |
| Original Response | OIT Concurs, the FLAIR Payroll Bureau Chief and Business Analyst Manager have been granted access to the COBOL change report and are reviewing the report daily to ensure COBOL program changes are managed by the Department's change management process. We will improve change management controls to ensure FLAIR records evidence that program changes have been appropriately authorized, tested, independently reviewed, approved for production, and implemented into the production environment by the appropriate personnel. Expected Completion Date for Corrective Action: 3/29/24 | | |
| Six-month Follow-up: | | | |
| Reported Status | Completed | | |
| Expected Completion Date for Corrective Action | Completed 3/29/24 | | |
| OIG Assessment | Completed. The OIT has implemented corrective action to address this finding based on the information provided. | | |
| Finding 2 | FLAIR Central Accounting Component and Payroll Component Statewide access controls need improvement to ensure that access privileges are appropriately restricted. | | |

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| Recommendation | We recommend that Department management limit Statewide access to FLAIR Payroll and CAC access privileges to only those access privileges that are appropriate and necessary for the users' assigned responsibilities. |
| Responsible Division | A&A Renee Hermeling |
| Original Response | <p>The Bureau of State Payrolls updated the business rules governing PYRL Statewide access in December 2022. At that time, six employees who were previously approved for access for use in daily job duties were reevaluated. It was determined that these employees/positions could obtain needed information in another way or no longer needed this access. A full reconciliation of the updated business rules and the current access was not completed until 2023. This reconciliation has now occurred, and all identified employees have had the access removed.</p> <p>One PYRL user and one CAC user were found to have unnecessary access. In both cases, the employee moved to another position within the Division. The access was retained to help continue completing work until vacant positions could be filled and new staff trained on the needed processes. In the case of the CAC user, the business rules were updated to reflect approval of the temporary access.</p> <p>Our business rules have been further reviewed and refined during the fall of 2023 to standardize the process of updating and approving changes to the business rules. This should ensure that changes are made timely, and all access aligns with the current business rules.</p> <p>Expected Completion Date for Corrective Action: 12/31/23</p> |
| Six-month Follow-up: | |
| Reported Status | Complete |
| Expected Completion Date for Corrective Action | 12/31/2023 |
| OIG Assessment | Completed. The Division of Accounting & Auditing has implemented corrective action to address this finding based on the information provided. |
| Finding 3 | |
| | Certain security controls related to logical access, user authentication, and configuration management continue to need improvement to ensure the confidentiality, integrity, and availability of FLAIR data and Department IT resources. |
| Recommendation | We again recommend that Department management improve certain security controls related to logical access, user authentication, and configuration management. |
| Responsible Division | OIT Stephen McKeough |
| Original Response | <p>Office of Information Technology, Stephen McKeough: The Office of Information Technology agrees to improve certain security controls related to logical access, user authentication, and configuration management.</p> <p>Expected Completion Date for Corrective Action: 6/30/24</p> |

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| Six-month Follow-up: | |
| Reported Status | Complete |
| Expected Completion Date for Corrective Action | Various |
| OIG Assessment | Completed. The OIT has implemented corrective actions to address this finding based on the information provided. |