

OFFICE OF GROUP BENEFITS  
DIVISION OF ADMINISTRATION  
STATE OF LOUISIANA



MANAGEMENT LETTER  
ISSUED JANUARY 30, 2008

LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
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BATON ROUGE, LOUISIANA 70804-9397

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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

January 16, 2008

**OFFICE OF GROUP BENEFITS  
DIVISION OF ADMINISTRATION  
STATE OF LOUISIANA**  
Baton Rouge, Louisiana

As part of our audit of the State of Louisiana's financial statements for the year ended June 30, 2007, we considered the Office of Group Benefits' internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the State of Louisiana's financial statements; and we tested the office's compliance with laws and regulations that could have a direct and material effect on the State of Louisiana's financial statements as required by *Government Auditing Standards*.

The Annual Fiscal Report of the Office of Group Benefits was not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The office's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management's consideration.

**Access to Electronic Data Processing Not Properly Restricted**

The Office of Group Benefits (OGB) does not have sufficient user access controls for its health claims system (IMPACT) or the state's Advanced Governmental Purchasing System (AGPS) and the Contract Financial Management System (CFMS), which are components of the Integrated Statewide Information System (ISIS). Good internal control would provide that user ID codes are deleted timely and employees are permitted business-need-only access to data files and functions necessary to perform their duties. OGB Security Policy Numbers 4 and 4-A include written procedures for the timely issuance and deletion of user ID codes.

A review of IMPACT and ISIS security revealed the following:

- Fifteen of 424 (3.5%) IMPACT user IDs were determined to be either unnecessary or unused. Twelve of the 15 user IDs were assigned to personnel who are not current employees/contractors. The length of time

between the date the employee/contractor separated from the agency and the date that the exceptions were noted ranged from 16 days to 335 days. The remaining three user IDs involved three employees who had multiple user IDs with no legitimate business need. Two of these employees changed positions at OGB and their former user ID was not terminated and the other employee had a second user ID created in error.

- OGB did not timely delete the user ID of the one employee with AGPS/CFMS access that terminated during the year. The employee terminated on June 7, 2007, and the former employee's access was not terminated until July 26, 2007.

Employees responsible for user access controls did not comply with agency policy that requires timely notification of termination and/or transfer, review of user ID codes, and timely deletion of user IDs for terminated and/or transferred employees. Failure to promptly delete unnecessary or unused user IDs increases the risk that unauthorized access to IMPACT, AGPS, and CFMS could occur, that data could be compromised, and that assets could be misappropriated.

OGB management should ensure the timely removal of user IDs of terminated employees/contractors and should restrict user IDs to employees with a valid business need. Management concurred with the finding and provided a corrective action plan (see Appendix A).

The recommendation in this letter represents, in our judgment, that which is most likely to bring about beneficial improvements to the operations of the office. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the office should be considered in reaching decisions on courses of action.

This letter is intended for the information and use of the office and its management, others within the office, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document and it has been distributed to the appropriate public officials.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

SLG:EFS:PEP:dl

OGB07

MANAGEMENT'S CORRECTIVE ACTION  
PLAN AND RESPONSE TO THE  
FINDING AND RECOMMENDATION





State of Louisiana  
Office of Group Benefits  
P.O. Box 44036  
Baton Rouge, Louisiana 70804



November 5, 2007

Mr. Steve J. Theriot, CPA  
Legislative Auditor  
Office of Legislative Auditor  
State of Louisiana  
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Re: Access to Electronic Data Processing Not Properly Restricted

Dear Mr. Theriot:

In reference to your letter of October 25, 2007, the Office of Group Benefits concurs with the audit finding that OGB did not timely delete user IDs and that duplicate IDs were issued. However, no breach of security occurred as the IDs were not used to gain access to the OGB systems and no data was accessed by the individuals.

Corrective action has now been taken:


1. OGB Security Procedure Number: 4-A-3 will be revised as follows: Upon notification of termination the Human Resources section generates a "Personnel Notification" Outlook form to the Personnel email group. This will centralize the termination process in an effort to avoid missing any terminated employees. This corrective action was taken by Belynda Gauthier, HR Director.
2. In all cases of an employee ID change, a new ID will be assigned and the old ID will be deleted to avoid duplicate IDs. This corrective action was taken by Brad Jennings, I.T. Security Officer.
3. Bi-weekly personnel action reports "HR Changes" will be issued to the I.T. Security section as a second check for terminated employees. The corrective action was taken by Belynda Gauthier, HR Director and Brad Jennings, I.T. Security Officer.

An  
Equal  
Opportunity  
Employer

Mr. Steve J. Theriot, CPA  
Legislative Auditor  
November 5, 2007  
Page Two

The corrective action has now been completed. OGB feels that these actions will prevent a reoccurrence of these deficiencies.

Sincerely,

  
Tommy D. Teague  
Chief Executive Officer