Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Six copies of this public document were produced at an approximate cost of $13.98. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor’s Web site at www.lla.state.la.us. When contacting the office, you may refer to Agency ID No. 3317 or Report ID No. 06700912 for additional information.

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March 23, 2006

MENTAL HEALTH AREA C
OFFICE OF MENTAL HEALTH
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Pineville, Louisiana

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at Mental Health Area C. Our procedures included (1) a review of the mental health area’s internal controls; (2) tests of financial transactions for the period from July 1, 2004, through March 23, 2006; (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities for the period from July 1, 2004, through March 23, 2006; and (4) a review of compliance with prior report recommendations. Our procedures were more limited than would be necessary to give an opinion on internal controls and on compliance with laws, regulations, policies, and procedures governing financial activities.

Specifically, we interviewed management personnel and selected mental health area personnel and evaluated selected documents, files, reports, systems, procedures, and policies, as we considered necessary. After analyzing the data, we developed recommendations for improvement. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

The Annual Fiscal Reports of Mental Health Area C were not audited or reviewed by us, and, accordingly, we do not express an opinion on these reports. The mental health area’s accounts, under the Office of Mental Health, Department of Health and Hospitals, are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

In our prior report on Mental Health Area C, dated March 29, 2004, we reported a finding relating to payroll and personnel control weaknesses. This finding has been substantially resolved by management.

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

Information Technology Controls Deficiencies

Mental Health Area C does not have adequate controls over its information technology (IT) systems to ensure that all data and system processes can be recovered after a disaster and that user access is terminated in a timely manner for all employees that resign, retire,
or transfer. Good internal control provides that a formal disaster recovery and business continuity plan should exist for the timely restoration of all critical entity operations in the event that normal data processing facilities are unavailable for an extended period of time. Provisions of the plan should be tested periodically and updated when necessary to ensure a timely and orderly return to regular operations. In addition, the Office of Information Technology (OIT) Policy Number 11 requires state entities to develop, test, and maintain disaster recovery and business continuity plans designed to ensure the availability of mission-critical services and functions in the event of a disaster or unscheduled event that would impact the agency’s IT and telecommunications systems. Good internal control also provides that access be terminated immediately for employees who resign, retire, or transfer. In addition, Mental Health Area C’s Fiscal Policy Number 03, Section D, states that the Fiscal Officer would review the security groups of Integrated Statewide Information Systems (ISIS) users periodically to ensure that they have a business need for the authority they have been granted and any necessary changes would be initiated. A review of the Mental Health Area C controls revealed the following:

- Mental Health Area C has not developed a formal disaster recovery and business continuity plan for its material and supply inventory system or its patient account system. The material and supply system had receipts and issues of $5,672,993 and $6,465,084, respectively, for fiscal year ended June 30, 2005, and $2,489,189 and $3,434,182, respectively, as of December 31, 2005.

- Access was not terminated to the Louisiana Property Assistance Agency Protégé System and/or ISIS for nine employees from three to 19 months after they resigned, retired, or transferred.

Management of Mental Health Area C indicated that, because of administrative turnover, the development of a disaster recovery and business continuity plan has not been addressed. Failure to develop and implement a disaster recovery and business continuity plan for all systems increases the risk that in the event of a disaster, there will be an untimely or excessive delay in processing critical data and that critical data may be lost. Furthermore, the mental health area’s policy for modifying or terminating user access does not clearly indicate lines of responsibility, specify the time period within which termination notification must be made, and how the notification is to be made. Failure to timely terminate user access exposes critical information to unauthorized use and increases the risk that such information could be used inappropriately.

Management of Mental Health Area C should develop and implement a comprehensive disaster recovery and business continuity plan for all system processes that allows critical operations to be reestablished and data to be restored from an alternative location within an acceptable time frame should a disaster occur. The plan should be tested periodically and updated as necessary to ensure that it continues to meet the mental health area’s needs. In addition, management should revise its policy relating to granting, modifying, and terminating user access. The policy should clearly indicate lines of responsibility, specify the time period within which the status change notification must be made, and
how the notification is to be made. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix A).

The recommendations in this report represent, in our judgment, those most likely to bring about beneficial improvements to the operations of Mental Health Area C. The varying nature of the recommendations, their implementation costs, and their potential impact on the operations of the mental health area should be considered in reaching decisions on courses of action. The finding, which relates to Mental Health Area C’s compliance with OIT policy, should be addressed immediately by management.

This report is intended solely for the information and use of Mental Health Area C and its management 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 report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Steve J. Theriot, CPA
Legislative Auditor

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Management’s Corrective Action Plan and Response to the Finding and Recommendations
February 14, 2006

Steve J. Thieriot, CPA
Legislative Auditor
State of Louisiana
Office of Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Audit Finding – Information Technology Controls Deficiencies

Dear Mr. Thieriot,

This letter is our formal written response to the above referenced finding noted in the Control and Compliance Audit.

We concur with the finding and recommendation.

Mental Health Area C management will develop and implement a comprehensive disaster recovery and business continuity plan for all system processes that allows critical operations to be reestablished and data to be restored from an alternative location within an acceptable time frame should a disaster occur. The plan will be tested periodically and updated as necessary to ensure that it continues to meet the mental health area’s needs.

Management will also revise its policy relating to granting, modifying, and terminating user access. The policy will clearly indicate lines of responsibility. It will also specify the time period within which the status change notification must be made and how the notification is to be made.

The contact person responsible for corrective action for this finding is Will Haynes, I.T. Technical Support Supervisor. Corrective actions are expected to be in place by April 30, 2006.

Sincerely,

[Signature]

Thomas L. Davis, L.C.S.W.
Acting Area C Director

tgd

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