

DEPARTMENT OF WILDLIFE AND FISHERIES
STATE OF LOUISIANA



PROCEDURAL REPORT
ISSUED NOVEMBER 8, 2006

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
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October 23, 2006

DEPARTMENT OF WILDLIFE AND FISHERIES
STATE OF LOUISIANA
Baton Rouge, Louisiana

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at the Department of Wildlife and Fisheries for the period from July 1, 2004, through June 30, 2006. Our procedures included (1) a review of the department's internal controls; (2) tests of financial transactions; (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities; and (4) a review of compliance with prior year report recommendations. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

Specifically, we interviewed management personnel and other selected departmental 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 the Department of Wildlife and Fisheries were not audited or reviewed by us, and, accordingly, we do not express an opinion on these reports. The department's accounts 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 the Department of Wildlife and Fisheries, dated December 2, 2004, we reported findings relating to (1) internal control weaknesses in the electronic license and boat registration system; (2) inadequate controls over revenue collection; (3) inadequate inventory control procedures; and (4) deficiencies in information system security and disaster recovery/contingency plan. The findings relating to internal control weaknesses in the electronic license and boat registration system, inadequate controls over revenue collections, inadequate inventory control procedures, and deficiencies in the disaster recovery/contingency plan have been resolved by management. The finding relating to deficiencies in information system security is addressed again in this report.

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

Deficiencies in Information System Security

The Department of Wildlife and Fisheries did not establish adequate controls to effectively monitor user access to its information systems. Good information systems controls require that terminated employees' access is disabled in a timely manner and users are assigned business-need-only access.

Audit procedures identified the following deficiencies:

- For the third consecutive year, the department has not established adequate controls for disabling terminated employees' access rights to both the Advantage Financial System (AFS) and the Advanced Governmental Purchasing System (AGPS) in a timely manner. Access for seven of the 17 (41%) terminated users was not deleted until five to 28 days after the date of termination. Employee access rights should be removed the same day that the employee leaves the department.
- For the second consecutive year, the department has not developed a procedure to adequately monitor business-need-only access and delete access for employees who no longer have a business need. Three of seven (43%) employees interviewed with access to AGPS stated that they did not have a business need for access.

These deficiencies occurred because management has not placed sufficient emphasis on monitoring user access to its information systems. Failure to effectively monitor users' access increases the risk of fraud or errors in processing transactions.

Management should develop procedures to timely disable terminated users' access and to monitor business-need-only access to computer systems. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A).

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

This report is intended solely for the information and use of the department 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 Recommendation



KATHLEEN BABINEAUX BLANCO
GOVERNOR

State of Louisiana
DEPARTMENT OF WILDLIFE AND FISHERIES
OFFICE OF MANAGEMENT AND FINANCE

DWIGHT LANDRENEAU
SECRETARY

JANICE A. LANSING
UNDERSECRETARY

August 23, 2006

Steve J. Theriot, CPA
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804

RE: Audit Finding: Deficiencies in Information System Security

Dear Mr. Theriot:

The department concurs with the above stated finding and recommendations. We offer the following response and proposed corrective action plan.

Disabling terminated employees' access rights to the AFS & AGPS systems in a timely manner

In August of 2004, as a result of the prior years audit finding, the department established procedures whereby supervisors were to e-mail notices of separation to parties responsible for deleting access to critical systems. This was (and is) intended to be the primary method of notification. As a secondary procedure, bi-weekly reports of employee related actions are run in order to identify any separations not identified by supervisors via e-mail.

After researching the seven exceptions identified by the Legislative Auditor's staff, we have determined that in each case there was no notification by the supervisor. Rather, notification was made via the secondary procedure (bi-weekly reports). However, two of the exceptions identified by the auditor occurred in July of 2004, before the procedures referred to above were put in place. It was also noted that two other exceptions occurred in September and October of 2005, when the Department was dealing with the effects of Hurricanes Katrina and Rita.

In March of 2006, the department set up an e-mail distribution list to further formalize the process of separation notifications. A review of separated employees since this time discovered no additional exceptions. However, we do agree that the process can be improved and have developed a corrective action plan which is outlined below.

Corrective Action Plan

The department will take additional steps to ensure that supervisors use established procedures regarding separation notifications. These will include:

1. Establishing a formal policy requiring supervisors to adhere to current procedures regarding separations. We estimate completion by March, 2007.
2. Training on the separation notifications process will be conducted by the LDWF Fiscal and/or Human Resources sections at least annually. This will begin by May of 2007.

Persons responsible for corrective action:

Janice Lansing, Undersecretary and Acting HR Director
Wynette Kees, Fiscal Officer
Charlotte Naquin, Purchasing Director
Kim Wagner, Security Administrator (AFS)
Yvette Buckner, Security Administrator (AGPS, CFMS)

Procedure to monitor business need only access to the AGPS systems and to delete access for employees who no longer have a business need

In April of 2004, written procedures were put in place requiring the AFS and AGPS Security Administrators to verify the business need of all employees with access to these systems. These self audits have been performed on a semiannual basis and are documented in written procedures. With the possible exception of the three users identified in the finding, we believe that these procedures have been effective.

The three users referred to in the finding are all current employees and all are managers with the duty and authority to approve/disapprove purchases. This is what their access privileges in AGPS allowed them to do. However, they had been accomplishing this via a manual process that uses a paper form, rather than the electronic process available in AGPS.

It should be noted that with the type of access these three supervisors had, they could only approve or disapprove purchases and add comments in the system. They did not have access to information or abilities that were not needed for their function.

While these three users were not using AGPS to approve/disapprove purchases, their access was not deleted because the department anticipated that they would begin using it for on-line approvals. However, since that time the department became aware that the state will be moving the Purchasing function currently in ISIS AGPS to another application, which would require different training. Rather than train supervisors on two systems, the decision was made to wait for the new application to come on line. Given this, we agree that these three supervisors did not need access to the system and have developed a corrective action plan.

Corrective Action Plan

The AGPS Security Administrator will delete access for the three employees identified in the finding until such time as on line approvals are implemented. This will be done by September 1, 2006. Prior to access being granted for on-line approvals, users will be trained in how to use the system. The AGPS Security Administrator will continue to perform semiannual audits of user access.

Persons responsible for corrective action:

Wynnette Kees, Fiscal Officer
Charlotte Naquin, Purchasing Director
Yvette Buckner, Security Administrator (AGPS, CFMS)

We value the experience of the audit process and view it as an opportunity to discover ways to improve our methods of doing business. Thank you for your cooperation and assistance in this audit, and if you should have any questions or need additional answers, please contact me at 765-2860.

Sincerely,



Janice Lansing
Undersecretary

c: Dwight Landreneau, Secretary
Wynnette Kees, Fiscal Officer
Jeff Lacour, Internal Auditor