



**OFFICE OF AUDITOR OF STATE  
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David A. Vaudt, CPA  
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**NEWS RELEASE**

FOR RELEASE

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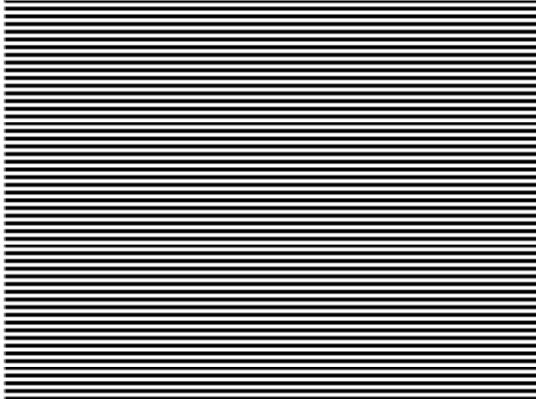
Auditor of State David A. Vaudt today released a report on a review of selected general and application controls over the Iowa Department of Human Services' Issuance Verification System for the period March 19, 2009 through April 17, 2009.

Vaudt recommended the Department establish procedures to ensure back-up computer tapes can be read and restored and test the continuity of operations plan.

A copy of the report is available for review at the Iowa Department of Human Services, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/index.html>.

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**REPORT OF RECOMMENDATIONS TO THE  
IOWA DEPARTMENT OF HUMAN SERVICES  
ON A REVIEW OF SELECTED GENERAL AND  
APPLICATION CONTROLS OVER THE  
DEPARTMENT'S ISSUANCE VERIFICATION SYSTEM**

**MARCH 19, 2009 THROUGH APRIL 17, 2009**

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**AUDITOR  
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State Capitol Building • Des Moines, Iowa



**David A. Vaudt, CPA**  
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February 17, 2010

To Charles J. Krogmeier, Director of the  
Iowa Department of Human Services:

In conjunction with our audit of the financial statements of the State of Iowa for the year ended June 30, 2009, we conducted an information technology review of selected general and application controls of the Iowa Department of Human Services for the period March 19, 2009 through April 17, 2009. Our review focused on the general and application controls of the Iowa Department of Human Services' Issuance Verification System (ISSV) as they relate to our audit of the financial statements. The review was more limited than would be necessary to give an opinion on internal controls. Accordingly, we do not express an opinion on internal controls or ensure all deficiencies in internal controls are disclosed.

In conducting our review, we became aware of certain aspects concerning information technology controls for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations which pertain to the Department's general and application controls over the ISSV system. These recommendations have been discussed with Department personnel and their responses to these recommendations are included in this report.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department of Human Services, citizens of the State of Iowa and other parties to whom the Iowa Department of Human Services may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Iowa Department of Human Services during the course of our review. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our review of the ISSV are listed on page 7 and they are available to discuss these matters with you.

DAVID A. VAUDT, CPA  
Auditor of State

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

cc: Honorable Chester J. Culver, Governor  
Richard C. Oshlo, Jr., Director, Department of Management  
Glen Dickinson, Director, Legislative Services Agency

March 19, 2009 through April 17, 2009

## **Issuance Verification Payment System General Controls**

### **A. Background**

The Iowa Department of Human Services' Issuance Verification System (ISSV) is used to provide a history of Food Assistance issuances, warrant issuances, child support rebate issuances, child support income for rebate purposes and monies recouped from the client (other than from grant reductions) for the Family Investment Program (FIP) or Food Assistance recovery claims. The system is used to help prevent duplicate authorization of Food Assistance benefits, provide a history of warrant and food stamp or Food Assistance issuances and provide clients with information on child support rebate issuances through the Audio Response Unit.

### **B. Scope and Methodology**

In conjunction with our audit of the financial statements of the State of Iowa, we reviewed selected aspects of the general and application controls in place over the Iowa Department of Human Services' ISSV system for the period March 19, 2009 through April 17, 2009. Specifically, we reviewed the general controls: security program, access controls, application software development and change controls, segregation of duties and service continuity, and the application controls: input and output controls. We interviewed staff of the Department and we reviewed Department policies and procedures. To assess the level of compliance with identified controls, we performed selected tests.

We planned and performed our review to adequately assess those Department operations within the scope of our review. We developed an understanding of the Department's internal controls relevant to the operations included in the scope of our review. We believe our review provides a reasonable basis for our recommendations.

We used a risk-based approach when selecting activities to be reviewed. We focused our review efforts on those activities we identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, we used our finite review resources to identify where and how improvements can be made. Thus, we devoted little effort to reviewing operations that may be relatively efficient or effective. As a result, we prepare our review reports on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

### **C. Results of the Review**

As a result of our review, we found certain controls can be strengthened to further ensure the reliability of financial information. Our recommendations, along with the Department's responses, are detailed in the remainder of this report.

March 19, 2009 through April 17, 2009

### **General Controls**

- (1) Continuity of Operations Plan – Losing the capability to process, retrieve and protect information maintained electronically can significantly affect a Department's ability to accomplish its mission. For this reason, procedures should be in place to protect information resources, minimize the risk of unplanned interruptions and to recover critical operations should interruptions occur. The Department has developed a continuity of operations plan for the recovery of critical systems in the event of a disaster, but this plan has not been tested.

Recommendation – The Department should work with DAS-ITE to periodically test the continuity of operations plan.

Response – The Department of Human Services is participating in Cyber Storm III. In Iowa, this event is being coordinated by the ITE-ISO. Below is a partial list of the goals and objectives for this event.

- Largest government-sponsored cyber security exercise of its kind.
- Focuses on cyber specific scenario which produce a global cyber event.
- Exercise and enable the plans, capabilities, and procedures necessary to ensure the security of the Nation's broad and interdependent cyber infrastructure.
- Identify and exercise the processes, procedures, relationships, and mechanisms that exist (or must exist) in order to most effectively address a cyber event/threat.
- Focus on information sharing issues (requirements, classified/tear-line, etc, information condition/alert levels, thresholds, response roles and responsibilities and authorities).
- Examine coordination and decision-making procedures/mechanisms across the constituency (Federal, state, private sector and international).
- Promote cooperation among agencies. Provide opportunity to exercise IT related COOP/COG scenario.
- Engage and collaborate with COOP/COG coordinators on cyber related issues.
- Identify and establish critical communication methods and contacts.
- Exercise common incident response plan.
- Examine the State's ability to respond to a cyber attack.

Conclusion – Response accepted.

- (2) Backup Tape Testing – Computer files are regularly backed up to tape and stored at an off-site location in order to mitigate service interruptions. The backup tapes should be periodically tested to ensure they are readable and can be relied upon to restore the system in the event of an equipment failure or a disaster. The Department has not tested backup tapes to ensure the ISSV system can be successfully restored.

Recommendation – The Department should work with DAS-ITE to periodically test backup tapes to ensure the ISSV system, as well as other systems, can be restored, if necessary.

Report of Recommendations to the Iowa Department of Human Services

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Response – The Department of Human Services Information Security and Privacy Officer will coordinate a discussion between the development bureaus and ITE on a Policy and Procedures for testing backup tapes. This discussion will include:

- The backups taken for the systems, e.g. full versus incremental, daily, monthly, quarterly, etc.
- The format of the backups.
- The location of the backups.
- Logistics and time for retrieving the backups.
- Processes for retrieving and verifying the data.
- Developing a system for tracking and documenting the process.

The initial target for conducting the first testing will be June 2010.

Conclusion – Response accepted.

**Application Controls**

No recommendations were noted in our review of application controls for the Department's ISSV system.

Report of Recommendations to the Iowa Department of Human Services

March 19, 2009 through April 17, 2009

**Staff:**

Questions or requests for further assistance should be directed to:

Erwin L. Erickson, CPA, Director  
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Other individuals who participated on this review include:

Karen J. Kibbe, Senior Auditor  
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Tiffany M. Ainger, Staff Auditor