



STATE OF MISSISSIPPI
Phil Bryant, Governor
DEPARTMENT OF HUMAN SERVICES
Richard A. Berry
Executive Director

March 21, 2014

Information Systems Management Report

Stacy E Pickering, State Auditor
Office of the State Auditor
State of Mississippi
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Pickering:

The Mississippi Department of Human Services appreciates the support for the general controls assessment for the MDHS Agency. The Office of the State Auditor supporting staff David Ashley, Mike Ferguson and LaDonna Johnson completed the general controls assessment on March 10, 2014.

AUDIT FINDINGS:

1. Mississippi Department of Human Services should incorporate proper planning, testing and implementation into the software development cycle of the child care payment system.

Category: Control Deficiency

Criteria: CobiT A17 Install and Accredited Solutions and Changes

Finding:

Our review indicates that during fiscal year 2013, edits to prevent erroneous benefit payments were not operating in accordance with eligibility regulations outlined in federal code 45 CFR 98.20, and therefore, required manual intervention and, in some cases, subsequent recoupment of funds from program participants.

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Additionally, it appears that the Child Care Payments System (CCPS) lacks documentation outlined in best practices guidelines for software implementation and subsequent software maintenance, commonly referred to as software development lifecycle. Although we did receive a project plan, status reports and a listing of problem reports per our request, we requested but did not receive a formal change management policy, a pre-production test plan, test results, user and management sign off and post production audit results for implementation of this system.

CobiT A17 states, "New systems need to be made operations once development is complete. This requires proper testing in a dedicated environment with relevant test data, definition of rollout and migration instructions, release planning and actual promotion to production, and a post implementation review. This assures that the operation systems are in line with the agreed expectations and outcomes."

Our testing was somewhat limited do to failure to receive data files in a timely manner. However, judgmental samples were taken from available data and manual testing of these samples indicated that payments were being made for ineligible child care certificates and that some program participants were paid at the incorrect reimbursement rate.

Inadequate documentation related to software development lifecycles can result in downtime, errors, lack of management oversight, inappropriate access and misstatement of financial reporting. A proper designed, documented, and implemented software development lifecycle reduces risks associated with these areas.

RESPONSE:

- The problem with the edits in Child Care Payment System referenced in the first paragraph of the OSA finding have been resolved.
- MDHS is providing the following documentation related to the software development lifecycle for CCPS.
 - MDHS CCPS Enhancement List - Attachment 1
 - MDHS Planning Document to ITS - Attachment 2
 - MDHS Data Extraction Documentation - Attachment 3
 - MDHS ACS Data Errors "Case" "Child" Documentation - Attachments 4 & 5 – This information was used as Error Testing Methodology
 - MDHS Family Fraud - Attachment 6 – This information was used as Error Testing Methodology
 - MDHS Providers Fraud - Attachments 7 & 8 – This information was used for Error Testing Methodology

- The issues pertaining to A- Payments being made for ineligible child care certificates and B- Some program participants being paid at the incorrect reimbursement rate have been resolved through system changes and staff training.

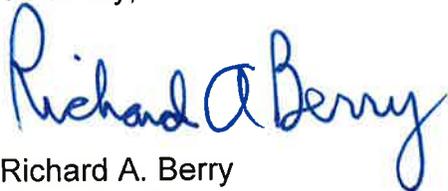
CORRECTIVE ACTION PLAN:

- A. MDHS will continue to implement more formal SDLC program management for the CCPS System.
- B. MDHS will conduct a post implementation audit that will identify and document existing functional problems and the status of the problems. This post implementation audit will address the lack of documentation. The post implementation audit will document any new changes, testing, or user/management sign offs for the system.

Attachment Information

- Attachment 1 – Document attached.
- Attachment 2 – Document attached.
- Attachment 3 – Document attached.
- Attachment 4 – Example attached. Actual file to be sent to Mike Ferguson.
- Attachment 5 – Example attached. Actual file to be sent to Mike Ferguson.
- Attachment 6 – Example attached. Actual file to be sent to Mike Ferguson.
- Attachment 7 – Example attached. Actual file to be sent to Mike Ferguson.
- Attachment 8 – Example attached. Actual file to be sent to Mike Ferguson.

Sincerely,



Richard A. Berry
Executive Director

Attachments

cc: John Davis
Will Simpson
Mark Allen
Earl Walker
Danny Berdley
Mike Bullard