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Governor

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Secretary, Department of Health

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**INTERNAL AUDIT REVIEW**

**MY FLORIDA MARKET PLACE  
PROCUREMENT PROCEDURES**

**For the period ending  
May 12, 2006**

**AR-06-001**

**Date Issued:  
May 24, 2006**

**OFFICE OF THE INSPECTOR GENERAL**

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## EXECUTIVE SUMMARY

The Department of Health Office of the Inspector General conducted an internal review of the department's policies and procedures for procuring services through the MyFloridaMarketPlace (MFMP) web based online procurement system. The review included an evaluation of the DOH procurement policies, the training provided to MFMP users, the protection of confidential procurement information, and the direction provided to the department as it pertains to the use of MFMP. The review period was April 28, 2006, through May 12, 2006.

The decision to conduct this review stemmed from an information security incident report filed as a result of an information technology audit currently being conducted on MyFloridaMarketPlace by the Auditor General's Office. During the course of their audit, the Auditor General identified seven procurement records within MFMP, where the department had attached supporting documentation to the e-invoice that contained confidential information.

During the review, we noted that the department took several steps to have the confidential information removed from the MFMP application. On May 10, 2006 all attachments to invoices with a "Paid" status were removed from MFMP by Accenture, the vendor responsible for developing and maintaining MFMP. There will be another purging of DOH attachments in 60 to 90 days to remove the remaining attachments that were in a "Pending Payment" status during the first effort. Additionally, the Division of Administration reiterated in multiple weekly conference calls that confidential information in MFMP attachments should be redacted prior to scanning those documents. Finally, on May 12, 2006, the division issued a statement eliminating the practice of processing payments through MFMP.

Our review disclosed the following deficiencies in management controls related to the procurement of services through MFMP.

- *Currently, there is no purchasing policy or information security policy prohibiting the inclusion of confidential information in MFMP attachments.*
- *Training documents do not instruct MFMP users not to include confidential information in e-invoice attachments.*
- *Despite being aware of attachments in MFMP containing confidential information for over one year, the department did not immediately take steps to have the confidential information removed from MFMP.*
- *The Department of Management Services did not design the MFMP system with the ability to limit access to procurement records and attachments to the entity that input the records. Further, there is no warning within the system to alert the end user against attaching confidential information to invoices.*
- *Despite the Department of Financial Services' declaration that no confidential information was necessary to support DOH procurements, DFS satellite offices requested that non-redacted attachments be entered into MFMP on at least one occasion.*



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**DEPARTMENT OF HEALTH  
OFFICE OF THE INSPECTOR GENERAL  
Audit Report**

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**Review Number:**     HIG AR-06-001

**Subject:**             MFMP Procurement Procedures

**Review Period:**     April 28, 2006 through May 12, 2006

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**INTRODUCTION**

Authority to conduct this review resides in Chapter 20.055, *Florida Statutes*, which creates in each state agency an Office of the Inspector General charged with the responsibility for activities that promote accountability, integrity and efficiency in government. The Inspector General is authorized to conduct financial, compliance, electronic data processing, and performance audits of the agency and prepare audit reports of her findings.

The decision to conduct this review stemmed from an information security incident report filed as a result of an information technology audit currently being conducted on MyFloridaMarketPlace by the Auditor General's Office. During the course of their audit, the Auditor General identified seven procurement records within MFMP, where the department had attached supporting documentation to the e-invoice that contained confidential information.

The review was conducted by Office of Inspector General IT Auditor Mike Blackburn, C.I.S.A., C.I.A., under the direction of Lynn Riley, C.P.A., Director of Auditing.

## **REVIEW SCOPE, OBJECTIVE AND METHODOLOGY**

### **Scope**

The Office of the Inspector General conducted an internal review of the department's policies and procedures for procuring services through the MyFloridaMarketPlace (MFMP) web based procurement system. The review included an evaluation of the DOH procurement policies, the training provided to MFMP users, the protection of confidential procurement information, and the direction provided to the department as it pertains to the use of MFMP. The review period was April 28, 2006, through May 12, 2006.

### **Objective**

The objective of this review was to determine the effectiveness of management controls related to the procurement of services through MFMP.

### **Methodology**

To meet the objective of this review, we:

- **Obtained an understanding and documented the components of management controls related to MFMP procurements.**
- **Performed test procedures as necessary to accomplish the objective of the review.**
- **Identified material weaknesses relating to deficiencies in the design or operation of the selected management controls.**
- **Prepared a draft audit report based on audit procedures performed and the results of those procedures.**

## **BACKGROUND**

My Florida Market Place (MFMP) was developed by the Department of Management Services (DMS) through a contract with Accenture in 2003 with the goal of providing a more efficient, more effective method for conducting state procurements. The MyFloridaMarketPlace system created an online, statewide marketplace for government buyers and vendors to conduct business. State agency users can use the system to view statewide procurement data, access on-line catalogs and information about vendors that provide goods and services to the State, and enter requisitions to facilitate the purchase of those goods and services.

MFMP interfaces with the State's accounting system, Florida Accounting Information Resource Subsystem (FLAIR), and an interface is planned with the State's replacement accounting system (Aspire), currently under development. MFMP collects data from state purchasing activities and communicates the data to FLAIR. MFMP also stores any necessary supporting documents as attachments to the transaction. An example of attached supporting documentation for the department would include documents such as invoices from contracted practitioners providing medical services to DOH clients. Once goods or services are received and the process for payment is completed in MFMP, the transaction is sent to FLAIR for payment. Payment information is sent back from FLAIR and posted in MFMP. Prior to MFMP, DFS performed a pre-audit of invoices on a sampling basis before they were paid in FLAIR. For payment transactions initiated through MFMP, the DFS sampling and pre-audit takes place in MFMP.

On the afternoon of April 28, 2006, our office received notification from the Auditor General's Office that, pursuant to an information systems audit they were conducting on the MyFloridaMarketPlace application, they discovered confidential attachments to DOH invoices that included patient names, social security numbers, and procedures performed. These attachments were included in the system as back-up documentation for requesting payments. While the MyFloridaMarketPlace application is not a public website, it appears that access to these documents is available to any MFMP user with the proper role, regardless of the user's agency. The confidential attachments found in the audit were from five County Health Departments.

## FINDINGS AND RECOMMENDATIONS

**Finding 1:** Currently, there is no purchasing policy or information security policy prohibiting the inclusion of confidential information in MFMP attachments.

Our review disclosed no purchasing policy or information security policy that addresses confidential information as it relates to purchasing documents. The department does, however, have an information security policy (DOHP 50-10f-05) that directly addresses securing confidential information. One of the outcomes listed in this policy is “Access to confidential information is limited to persons with the “need to know.” The policy further states that “Confidential information, regardless of format, shall be protected from unauthorized individuals.” and “Billing, appointment scheduling, and appointment reminder procedures and documentation must be handled in a manner which ensures that patient confidentiality is maintained. These procedures and documentation shall not designate specific services or clinics, which would compromise the client’s confidentiality.”

Many of the attachments discovered by the Auditor General contained the patient’s name, social security number, address, service provider (clinic), and procedure performed.

**Recommendation:** We recommend the department establish in its Purchasing Policies and Procedures (DOHP 250-9-01) a policy expressly prohibiting the inclusion of confidential information in procurement payment supporting documents.

**Finding 2:** Training documents do not instruct MFMP users not to include confidential information in e-invoice attachments.

Training on the use of MFMP is offered bimonthly and is mandatory for new users. While the training documents do not contain a notification not to include confidential information in attachments, the bureau asserts that the users are instructed verbally on how to redact the confidential information prior to scanning the supporting documents into MFMP. I reviewed the web-based training tool located on the e-procurement web page as well as training material handed out during one of the MFMP training classes and found that there were instructions on how to attach supporting documents in MFMP, but the instructions did not instruct the user not to include confidential information in the attachments.

**Recommendation:** We recommend that the web-based and classroom training materials be updated to include language instructing MFMP users to redact any confidential information prior to scanning the supporting documentation and attaching it to the e-invoice. If MFMP is no longer used to process payments, then the training materials should instruct the users to redact confidential information from supporting documents prior to submitting to the Department of Financial Services.

**Finding 3:** Despite being aware of attachments in MFMP containing confidential information for over one year, the department did not immediately take steps to have the confidential information removed from MFMP.

## FINDINGS AND RECOMMENDATIONS

As a result of an audit of MFMP performed by the Florida Auditor General, DMS in partnership with DFS, developed guidelines for scanning and attaching supporting documentation to MFMP e-invoices. One of the bulleted points in this document instructed users to “Remove any confidential information on copies of invoices or other supporting documents prior to scanning or including them in MyFloridaMarketPlace. Save original copies as needed for subsequent audit purposes.” These guidelines were distributed to the agencies on March 18, 2005.

Additionally, a subsequent e-mail outlining procedures for having attachments containing confidential information purged from MFMP was distributed to the agencies on November 28, 2005.

The Bureau of General Services and the Bureau of Finance and Accounting relayed the guideline document to the agency’s MFMP users through one of the weekly conference calls. Both bureaus assert that the users were instructed not to attach confidential information in MFMP on at least three other conference calls dating back to early 2005. The Bureau of General Services further asserts that a link to the DMS attachment guidelines was placed on the MyFloridaMarketPlace Message Board portion of the e-procurement home page. However, the link has since been taken down and is no longer available.

Despite being aware of confidential information in MFMP as evidenced by repeated requests of DMS to segregate DOH data so that only DOH employees could access our attachments, as well as being made aware of a procedure for having confidential information in attachments purged from MFMP, the department did not

take steps to have this information purged until this most recent information security incident.

**Recommendation: While steps have now been taken to remove the confidential attachments from MFMP, we recommend that management take more timely action should a similar situation occur again. Additionally, as this was determined to be a HIPAA violation by the DOH HIPAA Privacy Officer, we recommend the department determine if there is a duty to report the violations and take the necessary steps to ensure that the HIPAA reporting requirements are fully complied with.**

**Finding 4: The Department of Management Services did not design the MFMP system with the ability to limit access to procurement records and attachments to the entity that input the records. Further, there is no warning within the system to alert the end user against attaching confidential information to invoices.**

Currently, any MFMP user can search for and view the procurement records and attachments input by other agencies if the user has a high enough access level within MFMP. According to the Auditor General, that access level is widely distributed within the MFMP user base. While adding this functionality would not prevent confidential information from being attached to MFMP invoices, it would limit access to confidential information to the agency who attached the document and the Department of Financial Services, who performs the audit of the procurement documents.

The Department of Management Services has provided guidance via e-mail to the

## **FINDINGS AND RECOMMENDATIONS**

agencies regarding attachments and redacting confidential information. There is, however, no warning within MFMP to alert the user to redact any confidential information from supporting documents prior to attaching the documents to the e-invoice.

**Recommendation:** Although system design and enhancements to the MFMP is out of the control of DOH, the department can request, and has requested in the past, that system enhancements be made to MFMP. Therefore, we recommend that the department continue to request that access to DOH procurement records be limited to only those users who have a legitimate business need. We further recommend that the department continue to request that a pop-up warning be added to MFMP that warns users as they attempt to add attachments that all confidential information should be redacted prior to attaching the document to the e-invoice.

**Finding 5:** Despite the Department of Financial Services' declaration that no confidential information was necessary to support DOH procurements, DFS satellite offices requested that non-redacted attachments be entered into MFMP on at least one occasion.

As noted above, a "Scanning and Attachment Guidelines" document was created by DMS, in cooperation with DFS, instructing MFMP users on how to scan and attach supporting documents within MFMP. In part the guidelines state "Remove any confidential information on copies of invoices or other supporting documents prior to scanning or including them in MyFloridaMarketPlace. Save original

copies as needed for subsequent audit purposes."

On at least one occasion, a staff person from the Tampa Comptroller's office denied payment of invoices and instructed DOH staff that they needed more information on the invoice and back up documentation. This instruction led to confidential information being included in attached supporting documentation in order to get the invoice paid.

**Recommendation:** We recommend DOH management request that the Department of Financial Services remind all of its satellite offices that confidential patient information is not required to approve payments and should never be included in any supporting documentation.

## **STATUS OF PRIOR REVIEW FINDINGS**

We are aware of no prior audit or management review findings related to the department's MFMP procurement policies and procedures.

## **GLOSSARY OF ACRONYMS AND ABBREVIATIONS**

<b>CIA</b> .....	<b>Certified Internal Auditor</b>
<b>CISA</b> .....	<b>Certified Information Systems Auditor</b>
<b>CPA</b> .....	<b>Certified Public Accountant</b>
<b>Department</b> .....	<b>Department of Health</b>
<b>DFS</b> .....	<b>Department of Financial Services</b>
<b>Division</b> .....	<b>Division of Administration</b>
<b>DMS</b> .....	<b>Department of Management Services</b>
<b>DOH</b> .....	<b>Department of Health</b>
<b>HIPAA</b> .....	<b>Health Insurance Portability and Accountability Act</b>
<b>IT</b> .....	<b>Information Technology</b>
<b>MFMP</b> .....	<b>MyFloridaMarketPlace</b>