# NCCSD IRS Audit Committee

# August 8, 2016 Meeting Minutes

*Attendees: Eileen Stack, Pat Risch, Byron Van Patten, Lisa Maddock, Denise Drake,*

*Vern Greenhalgh, John Cleveland*

* **Background Checks –** New IRS mandates may require some states to enact legislation. IV-D agencies have expressed concerns that the process may be prolonged and may significantly impact union models or agreements.

Although states may not be able to immediately enforce the new mandates due to legislative issues, states can update the IRS on their implementation plan and identified barriers and submit the information with their annual SSR.

* **Section 9.4.9 (Updating Requirements for Multi-Functional Devices to Include High Volume Printers) –** New Jersey has recently completed an equipment refresh and high volume multi-functional printers with scanning capabilities. A review of the pub 1075 shows the all IT /networking requirements. Each states’ IT will need to weigh in.
* **Section 8.3 (Destruction and Disposal)** – IRS will require all IV-D agencies to utilize perpendicular cross-cut shredders at 1mm by 5mm, which calculates 1/25 of an inch by 1/5 of an inch. These shredders are classified as Level 6, highest level of security, and will cost at a minimum $1,700 each.

A call participant mentioned that the IRS issued a finding due to their state contractor shredding FTI at 5/8 of an inch.This would indicate enforcing new regs before publish date.

* **Section 9.3.1.7 (Automatic Lockout) –** New Jersey was recently issued an off-cycle review finding due to exceeding the 15 minute automatic lockout for unsuccessful log-ins. New Jersey was set at 20 minutes for the lockout and the issue has been resolved.
* **Section 7.4 (Attorneys Contracting with the IV-D Program) -** New York added this subject to the agenda. In New York, some counties have contracts with private attorney or their local county attorney’s office to provide services to the IV-D program. Counties questioned whether the 45 day notification prior to re-disclosure would apply for attorney services.

Oregon Child Support is partially state and county operated; however, the state has oversight of the program. Although it is not a private attorney, Oregon is required to issue a 45 day notification whenever a county is added.

New Jersey will review this section to ensure compliance. County attorney and private attorneys are under contract for services for the IV-D program. Currently they do not issue 45 day letters for new attorney’s coming in.

* **Unauthorized Disclosure -** Utah Child Support has a contract with their AG’s office for attorney services, and IRS found an unauthorized disclosure of FTI on their three year audit in May. The IRS recommended that “the corrective action is to remove unauthorized access to the FTI. That finding is being held in abeyance pending resolution by OCSE and IRS conflicting interpretations of federal statutes.”

New Jersey currently has an unauthorized disclosure to the contractor for production work in system. This finding is being held in abeyance.

* **Pilot Model –** XXX recently completed their off-cycle review. The scope was similar to the regular review. The preliminary findings report briefly highlighted the critical finding for Questions A-G, Section H- computer related IT findings and provided an overview of all other areas. For the management, operations and technical, the IRS provided bullets. The final report will detail all the findings and should be issued within 45 to 60 days.

For the exit conference, XXX does not know the number of the identified IT findings.

XXX mentioned that the IRS identified an IT related problem but the issue was cited in the program findings. XXX data center set up a virtual data environment, and the reviewer conducted a physical data review. The physical security team was concerned that XXX could not accurately identify servers that held FTI.

New Jersey had a similar finding, and the issue has been resolved. IRS required the placement of dots on the servers that contained child support information.

* **Reviews –** In New York’s recent review, IRS was concerned about visitor logs especially in multiple points where FTI may be located. The logging of FTI from receipt to destruction was also a finding.

New Jersey previously had issues with visitor and tracking logs. New Jersey focused their efforts on training staff and forwarded helpful reminders of the process and instructions. Staff members are properly using the visitor log with the exact elements and completing the movement and tracking logs for any FTI. Some local sites did need to ass additional log entry points.

Oregon had a similar finding and was able to resolve the issue. Whenever a staff member prints FTI, a pop-up will display on the system and advise them to print a tracking form. Tracking log must be attached in front of the FTI, and must be updated whenever the document moves. The final handler of the FTI has the sole responsibility for the destruction process and must submit the document to imaging and destroys it. The image will be retained for five years.

Some agencies have been notified that they must retain a log for printing of payment histories.

XXX commented that preparing for the review is necessary. XXX assembled a binder full of the requested documents with a table of contents and handed to reviewers. The lead IT review had previously reviewed the agency’s SSR, so they were familiar with their complex system and movement of data through various servers.

IRS also questioned staff regarding the incident reporting process. Staff had to cite the specific timeframe and the primary contact for notification. IRS issued a finding in this area and XXX enhanced their trainings.

* **IRS Pub. 1075 –** IRS will conduct a training session on Publication 1075 in December.
* **Previous Issue –** XXX commented that they received clarification on receiving FTI in interstate paperwork. Per Publication 1075 Section 12.4, FTI should be placed in a double sealed envelope and labelled confidential and opened only by authorized personnel. XXX did not have a process to log and document the distribution of the document.
* **Next Meeting -** The next meeting will be held on Sept. 12th.