

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



October 27, 2011

EBLAST

TO: IV-D DIRECTORS

SUBJECT: ANNUAL UPDATE OF THE SAFEGUARD ACTIVITY REPORT

The purpose of this notice is to inform you that in accordance with CSS Letter 09-01 <http://www.childsup.ca.gov/Portals/0/resources/docs/policy/css/2009/css09-01.pdf>, the annual update of the Safeguard Activity Report (SAR) is due by January 31, 2012, to the Department of Child Support Services (DCSS), Information Security Office (ISO). Please update your Safeguard Activities using the attached SAR Template.

The SAR is a record of how Federal Tax Information (FTI) is processed, safeguarded, and protected from unauthorized disclosure in a manner consistent with Internal Revenue Service (IRS) requirements. The IRS provides a guide to those requirements, *Publication 1075 – Tax Information Security Guidelines for Federal, State and Local Agencies and Entities* which is located at <http://www.irs.gov/pub/irs-pdf/p1075.pdf>.

To facilitate this process, an [encrypted] copy of a new SAR Template is being attached. Please read and follow the instructions listed in the template to update your safeguard activities for the current year. In order to ensure that confidentiality is maintained, return as a 'reply' email to the DCSS ISO at info.security@dcss.ca.gov, or include "[encrypt]" in the subject line of your email message.

If you have questions concerning the SAR update process, please contact Jesse Saenz at (916) 464-0525, or jesse.saenz@dcss.ca.gov. You may also reach me directly at (916) 464-5774.

Sincerely,
/os/

LAWRENCE "BUDDY" TROXLER
Information Security Officer
Technology Services Department

Report Information			
Agency Name:			
Processing Period:		Date Submitted:	
IRS Reviewer:	[Leave blank]	IRS Reference Number and Receipt Date:	[Leave blank]
IRS Comments:	[Leave blank]		

#	Pub. 1075 Requirement <i>See Section 7.4 Annual Safeguard Activity Report, pages 35-36 for additional reference information</i>	Agency SAR <i>(Content to be Completed Here)</i>	(Agency does not complete this Column) <i>If Additional information is Needed by the IRS it will be noted here:</i> <ul style="list-style-type: none"> • <i>Red</i> must be submitted within 30 days • <i>Blue</i> must be submitted with next SAR
Changes to Information or Procedures Previously Reported			
7.4.1	A. Responsible Officers Even if information has not changed since the last SAR, provide the agency Director or Commissioner; Information Technology Security Officer or equivalent; and the Primary IRS contact (Disclosure Officer) information. Include the name, title, mailing address, phone number and e-mail address for each individual.		

7.4.1	<p>B. Functional Organizations Accessing the Data</p> <p>Even if information has not changed since the last SAR, provide an organizational chart or narrative description of the receiving agency, which includes all functions within the agency where FTI will be received, processed, stored and/or maintained. The description should account for off-site storage, consolidated data centers, disaster recovery organizations, and contractor functions.</p> <p><i>Attachments: Organization chart (recommended)</i></p>		
7.4.1	<p>C. Computer Facilities or Equipment and System Security – Hardware or Software Changes or Enhancements</p> <p>Describe <u>changes or enhancements</u> to information or procedures previously reported impacting hardware, software, IT organizational operations (movement to state run data center), or system security.</p>		
7.4.1	<p>D. Physical Security space moves; new locations</p> <p>Describe <u>changes or enhancements</u> to information or procedures previously reported impacting physical layout (new location or enhancements to current location) and changes to two-barrier protection standard.</p>		

7.4.1	E. Retention or Disposal Policy or Methods Describe <u>changes or enhancements</u> to currently approved retention and disposal policy or methods (e.g. outsourced disposal to shredding company, change in shredding equipment, off-site storage procedures and changes in retention period). If changes have occurred, identify the retention period policy and/or method(s) of destruction.		
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Current Annual Period Safeguard Activities

<p>7.4.2</p>	<p>A. Agency Disclosure Awareness Program</p> <p>Describe the efforts to inform all employees having access to FTI of the following:</p> <ul style="list-style-type: none"> • Confidentiality requirements of the IRC • Agency security requirements • Sanctions imposed (IRC Sections 7213, 7213A and 7431) for unauthorized inspection or disclosure of return information • Agency incident response policy and procedures <p>The description should account for off-site storage, consolidated data centers, disaster recovery organizations, and contractor functions.</p> <p><i>Attachments: Sample Training Material and Certification Statement (recommended)</i></p>		
<p>7.4.2</p>	<p>B. Reports of Internal Inspections</p> <p>Copies of a representative sampling of the Inspection Reports and a narrative of the corrective actions taken (or planned) to correct any deficiencies, should be included with the annual SAR. (See Publication 1075 Section 6.4). In addition, the agency should submit the internal inspection plan required by Section 6.3.</p> <p><i>Attachments: Internal Inspections Plan and a Sample of a completed Internal Inspection reports (required)</i></p>		
<p>7.4.2</p>	<p>C. Disposal of FTI</p> <p>Describe amount and method of destruction of FTI (paper, electronic, including backup tapes) disposed during the processing period. The description may be a summary from logs which</p>		

	<p>track FTI from receipt through destruction. Copies of logs should not be submitted; a copy log template would suffice.</p> <p>Note: Including taxpayer information in the submitted disposal logs is not necessary and should be avoided.</p> <p>Attachments: <i>Destruction log template (required)</i></p>		
7.4.2	<p>D. Other Information to support protection of FTI, in accordance with IRC 6103(p)(4) requirements.</p> <p>Agencies authorized to re-disclose FTI to other agencies must provide the name(s) of agency to whom they provided FTI and number of records provided.</p> <p>Note: Generally, agencies required to report information in this section will receive instructions from the Office of Safeguards on items to report here.</p>		
Current Annual Period Safeguard Activities			
7.4.3	<p>Corrective Action Plan</p> <p>The agency must attach a Corrective Action Plan (CAP) to report all corrective actions taken or planned to address findings arising from the last on-site safeguard review until all findings are closed.</p> <p>Attachments: <i>CAP (required)</i></p>		
Planned Actions Affecting Safeguard Procedures			
7.4.4	<p>Planned Actions</p> <p>Any planned agency action that would create a major change to current procedures or safeguard considerations should be reported. Such major changes would include, but are not limited to, new computer equipment, facilities, or systems, or organizational changes.</p>		

Agency use of Contractors (Non Agency Employees)

<p>7.4.5</p>	<p>Agency Use of Contractors</p> <p>The agency must identify all contractors with access to FTI and the purpose for which access was granted. The agency must provide the name and address of the contractor.</p> <p>For <u>each</u> contractor, specify:</p> <ul style="list-style-type: none"> • Name of each Contractor • Contractor Work Location (Address) • Support contractor provides for the agency • Identify the FTI the contractor has access to (data files, data elements, systems, applications) • Has the contractor's employees completed required disclosure awareness training and signed confidentiality agreements? If no, explain • Does the legal contract between the agency and the contractor include the Publication 1075, Exhibit 7 language? If no, explain • Is any FTI provided to contractors or contractor information systems off-shore? If yes, explain. <p>If IT support is provided by a state run data center, is there an SLA in place between the agency and the data center operations? If no, explain</p>		
<p>7.4.6</p>	<p>FTI Data Received</p> <p>The agency must summarize the FTI received both paper and electronic, during the reporting period, including source, name of file or extract, and volume. A summary of the record keeping logs required in Publication 1075 Section 3 for electronic and paper data would meet this requirement.</p> <p><i>Attachments: Summary of the record keeping logs (recommended)</i></p>		
<p>7.4.7</p>	<p>Update of Tax Modeling Activities</p> <p>State tax agencies using FTI to conduct</p>		

	<p>statistical analysis, tax modeling or revenue projections must provide updated information regarding their modeling activities which include FTI. Describe:</p> <ul style="list-style-type: none">• The use of FTI that is in addition to what was described in the original Need and Use Justification• Any unanticipated internal tax administration compilations that include FTI <p>Changes to the listing of authorized employees (Attachment B to the Need and Use Justification)</p>		
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