



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
 23-590-03

Automated Information Systems

*Department of State and Department of
 Information Technology*

Released:
 August 2004

The Department of State has developed and operates large complex information systems to manage driver and vehicle information, vehicle-licensing records, vehicle violations, and fee collections. The Department collects nearly \$2 billion in revenue each year. This money is used for a variety of purposes as required by law. The Department of Information Technology is responsible for maintaining and supporting the information technology (IT) infrastructure for the Department of State.

Audit Objective:

To assess the effectiveness of the general controls over security, access, program and data changes, segregation of duties, and service continuity that support mainframe information systems.

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Audit Conclusion:

The Department of State's and the Department of Information Technology's general controls over security, access, program and data changes, segregation of duties, and service continuity that support mainframe information systems were not effective. As a result, there was a significant risk that unauthorized access to the Departments' mainframe information systems could compromise the confidentiality, integrity, and availability of Department of State information resources.

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Material Conditions and Agency

Responses:

Comprehensive Information Systems Security Program

The Departments had not fully implemented a comprehensive information systems security program (Finding 1).

Agency Response: The Departments will continue their efforts to fully implement a comprehensive information systems security program consistent with the objectives set forth in the *Secure Michigan Initiative* issued in January 2003.

Organizational Controls

The Departments had not established effective organizational controls to support mainframe information systems (Finding 2).

Agency Response: The Departments continue to improve the effectiveness of organizational controls. The Departments informed us that since the completion of the audit, responsibilities and expectations related to IT management have been formalized into an agreement between the two Departments and a new security-focused function has been established at the Department of State. Additional efforts are also underway to further implement widely accepted control objectives into building and managing systems.

Access to System Account

The Departments did not control access to a critical production system account and job-scheduling utility (Finding 3).

Agency Response: The Departments informed us that they have taken steps to limit access to the critical production system account and job scheduling utility and have developed plans for implementing additional security procedures to protect against this access risk.

Access to Mainframe Information System Files

The Departments had not established effective access controls over mainframe information system files (Finding 4).

Agency Response: The Departments have plans to establish new controls to limit access to mainframe information system

files. Despite the risks associated with the current arrangement for managing access controls, the Departments are not aware of any instances in which the confidentiality, integrity, or availability of information system resources was inappropriately compromised.

Access to Mainframe Information Systems

The Departments had not established effective access controls over mainframe production information systems (Finding 5).

Agency Response: The Departments informed us that they have already taken steps to establish effective access controls through a comprehensive analysis and updating of access rights into the mainframe production systems. Additional policies and procedures will also be developed to further protect against this access risk.

Program and Data Change Controls

The Departments had not established effective program and data change controls (Finding 6).

Agency Response: The Departments informed us that they have already implemented revised procedures for "project-related" program releases and will further refine procedures to provide sufficient control over other program and data changes.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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