



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Operating System Controls for the Unemployment Insurance Agency's Mainframe Information Systems

*Department of Information Technology and
 Department of Labor and Economic Growth*

Report Number:
 641-0591-06

Released:
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The mainframe information systems that support the Unemployment Insurance Agency's (UIA's) core business operations consist of the Employer Tax, Employee Benefit, and the Trust Fund Accounting Systems. These information systems operate on a third party service provider's mainframe computer. The Department of Information Technology (DIT) is responsible for security administration (including operating system configuration), system development, maintenance, and support of UIA's mainframe information systems.

Audit Objective:

To assess the effectiveness of DIT's efforts to configure the operating system software to ensure the confidentiality, integrity, and availability of UIA's mainframe information systems.

Audit Conclusion:

DIT's efforts to configure the operating system software to ensure the confidentiality, integrity, and availability of UIA's mainframe information systems were not effective. We noted four material conditions (Findings 1 through 4).

Material Conditions:

DIT did not fully restrict the use of privileged access rights to individuals based on their job function. Unauthorized use of privileged access rights could compromise the integrity of unemployment data and deny its availability to UIA. (Finding 1)

DIT did not properly secure unemployment data and operating system files. As a result, DIT could not ensure that confidential unemployment data and critical operating system files were protected from unauthorized access and use. (Finding 2)

DIT had not established effective security administration and monitoring over the third party service provider's mainframe computer system. As a result, DIT could not ensure that it would detect the unauthorized use of privileged access circumventing security and controls. (Finding 3)

DIT did not fully develop and maintain complete security requirements for the mainframe security system. Consequently, DIT did not properly configure the mainframe security system and effectively protect critical system resources. (Finding 4)

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Agency Response:

Our audit report contains 4 findings and 4 corresponding recommendations. DIT and the Department of Labor and Economic Growth's preliminary response indicates that they agree with all of the recommendations and have complied or will comply with them.

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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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