



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF COMMUNITY HEALTH

JAMES K. HAVEMAN  
DIRECTOR

January 31, 2014

Mr. Doug Ringler  
Office of Internal Audit Services  
Office of the State Budget  
George W. Romney Building  
111 South Capitol, 6<sup>th</sup> Floor  
Lansing, Michigan 48913

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are the preliminary summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's Performance Audit of the Community Health Automated Medicaid Processing System (CHAMPS) Security and Access Controls.

Questions regarding the summary table or corrective action plans should be directed to me at (517) 373-1508 or Myersp3@michigan.gov.

Sincerely,

Signature Redacted

Pam Myers, Director  
DCH Office of Audit

Enclosure

Cc: Office of the Auditor General  
House Fiscal Agency  
Senate Fiscal Agency  
Executive Office  
DCH, James K. Haveman  
DCH, Timothy Becker  
DCH, Karla Ruest

House Appropriations Committee  
House Standing Committee  
Senate Appropriations Committee  
Senate Standing Committee  
DCH, Nick Lyon  
DCH, Steve Fitton  
DTMB, John Juarez

PERFORMANCE AUDIT OF  
CHAMPS SECURITY AND ACCESS CONTROLS

DEPARTMENT OF COMMUNITY HEALTH and  
DEPARTMENT of TECHNOLOGY, MANAGEMENT and BUDGET

JANUARY 9, 2014

AUDIT RESPONSE

Approved: Timothy T. Becker  
Timothy T. Becker, Senior Deputy Director  
Department of Community Health, Operations Administration

Date: 01/14/2014



**AUDIT REPORT SUMMARY**

DEPARTMENT: Community Health

AUDIT PERIOD: October 1, 2011 through July 31, 2013

REPORT DATED: October 17, 2013

**DISPOSITION OF AUDIT RECOMMENDATIONS**

<u>CITATIONS COMPLIED WITH</u>	<u>CITATIONS TO BE COMPLIED WITH</u>	<u>CITATIONS DCH DID NOT AGREE WITH</u>
	Finding 1	
	Finding 2	
	Finding 3	

**Audit Response  
Performance Audit  
CHAMPS Security and Access Controls  
Department of Community Health  
October 1, 2011 through July 31, 2013**

---

**Recommendation 1:      Operating System Security and Access Controls**

The OAG recommended that DTMB fully establish effective security and access controls for the operating system of servers containing CHAMPS data and application files.

**Response:**

DTMB agreed with the recommendation and has established a number of remediation activities to comply with the recommendation. DTMB is in the process of implementing the Lightweight Directory Access Protocol (LDAP) for enterprise wide, system level identity management. LDAP integration will provide additional controls and improve granular access to satisfy access requirements. Global data at rest encryption was implemented in May 2013. In addition, DTMB is transitioning to an automated configuration management tool which will assist to rapidly deploy, maintain, and audit internal controls. The automated configuration management tool will also assist in preventing changes from required minimal service configurations and deviations from the approved initial operating system configuration settings.

DTMB anticipates compliance by September 30, 2014.

**Recommendation 2:      Database Security and Access Controls**

The OAG recommended that DCH fully establish security and access controls over CHAMPS databases.

**Response:**

DCH has partially complied with the recommendation and continues to implement corrective actions. DCH modified default settings within CHAMPS to recommended values; modified password parameters, revoked unnecessary privileges, removed temporary users, implemented periodic user recertification, and locked default accounts. DCH will implement recommended resource related profile parameter changes after thorough testing.

DCH anticipates completing testing and moving changes to production by July 15, 2014.

**Recommendation 3:      Controls Over the Disposition of Claims Processing Edits**

The OAG recommended that DCH limit the ability of CHAMPS users to modify the disposition of edits for Medicaid claims processing.

**Response:**

DCH will evaluate all roles and profiles impacted and make changes within CHAMPS. Impacted users will most likely have to request new profiles, and gain authorized approvals as part of the change process.

DCH anticipates compliance by April 15, 2014.