



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



KEITH CREAGH
DIRECTOR

November 17, 2016

Director Richard Lowe
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol Street, 6th Floor
Lansing, Michigan 48913

Dear Director Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached is a summary table identifying our responses and a corrective action plan to address recommendations contained within the Office of the Auditor General's audit report of the Department of Natural Resources Central Reservation System (CRS) for Recreational Resources.

Questions regarding the summary table or corrective action plans should be directed to Ms. Sharon M. Schafer, Chief, Finance and Operations Division, at 517-284-5958, or you may contact me.

Sincerely,

Signature Redacted

Keith Creagh
Director
517-284-6367

Attachments

cc: Mr. Doug A. Ringler, CPA, CIA, Office of Auditor General
Mr. Josh Sefton, Senate Fiscal Agency
Mr. Austin Scott, House Fiscal Agency
Senate Natural Resources Committee Members
House Natural Resources Committee Members
Senate Appropriations Subcommittee – Natural Resources
House Appropriations Subcommittee – Natural Resources
Mr. John Roberts, State Budget Director, Department of Technology,
Management and Budget (DTMB)
Mr. Jacques McNeely, DTMB
Ms. Jennifer Harrison, DTMB
Dr. William E. Moritz, Natural Resources Deputy, DNR
Mr. Mark Hoffman, Chief Administrative Officer, DNR
Mr. Trevor VanDyke, Legislative and Legal Affairs, DNR
Ms. Sharon M. Schafer, DNR
Mr. Erik Eklund, DNR

**Central Reservation System (CRS) for Recreational Resources
Department of Natural Resources (DNR)
Summary of Agency Responses to Recommendations
October 1, 2013 through April 30, 2016**

Recommendation: We recommend that DNR fully establish and implement access controls over CRS.

Plan: The DNR:

- 1) Has designed and will implement forms to be retained at the local park level to document park managers' approval of the specific access rights granted to users
- 2) Will review the current selection of access roles with the vendor to verify their adequacy
- 3) Will educate the park managers on granting access based on the principle of least privilege
- 4) Will require the verification of the System Users report by the park managers every 30 to 45 days
- 5) Will ensure segregation of duties through the proper assignment of access rights
- 6) Will periodically monitor audit logs for inappropriate user account modifications and will document this action
- 7) Will periodically review user access every 120 days in accordance with DTMB standards and will document this action.

Timeline: All steps will be implemented within one year of plan acceptance

Recommendation: We recommend that DNR require the CRS vendor to conduct and provide a SOC 1, type 2 report in accordance with the CRS contract.

Plan: DNR will:

- 1) Resolve deficiencies described by implementing additional monitoring of controls. Quarterly/month reviews of database and application services will be handled by select individuals of the DNR Marketing and Outreach Team. These reviews will inspect the changes/modifications to the underlying application and record finding. Additional review of operation effectiveness to be included in future SOC 1, type 2 reports.

Timeline: Compliance within one year of plan acceptance

**Central Reservation System (CRS) for Recreational Resources
 Department of Natural Resources (DNR)
 Summary of Agency Responses to Recommendations
 October 1, 2013 through April 30, 2016**

Recommendation	Audit recommendations the agency complied with:	Audit recommendations the agency agrees with and will comply:	Audit recommendations the agency disagrees with:
We recommend that DNR fully establish and implement access controls over CRS.		X	
We recommend that DNR require the CRS vendor to conduct and provide a SOC1, type 2 report in accordance with the CRS contract.		X	