



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

FOLLOW-UP REPORT
ON

MICHIGAN WOMEN, INFANTS, AND CHILDREN
INFORMATION SYSTEM (MI-WIC)

DEPARTMENT OF COMMUNITY HEALTH AND
DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

August 2014



Doug A. Ringler, C.P.A., C.I.A.
AUDITOR GENERAL

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

– Article IV, Section 53 of the Michigan Constitution

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August 27, 2014

Mr. James K. Haveman, Jr., Director
Department of Community Health
Capitol View Building
Lansing, Michigan
and
Mr. David B. Behen
Director, Department of Technology, Management, and Budget
Chief Information Officer, State of Michigan
Lewis Cass Building
Lansing, Michigan

Dear Mr. Haveman and Mr. Behen:

This is our report on our follow-up of the material condition (Finding 1) and corresponding recommendation reported in the performance audit of the Michigan Women, Infants, and Children Information System (MI-WIC), Department of Community Health (DCH) and Department of Technology, Management, and Budget (DTMB). That audit report was issued and distributed in January 2012. Additional copies are available on request or at <<http://audgen.michigan.gov>>.

This report contains an introduction; our purpose of follow-up; a background; our scope; follow-up conclusion, results, recommendation, and agency response; and a glossary of abbreviations and terms.

Our follow-up disclosed that DCH and DTMB had partially complied with the recommendation. A reportable condition exists related to database security management (Finding 1). As a result, we have issued a rewritten recommendation.

We appreciate the courtesy and cooperation extended to us during our follow-up. If you have any questions, please call me or Laura J. Hirst, C.P.A., Deputy Auditor General.

Sincerely,

A handwritten signature in black ink that reads "Doug Ringler".

Doug Ringler
Auditor General

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**FOLLOW-UP REPORT
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CHILDREN INFORMATION SYSTEM (MI-WIC)
DEPARTMENT OF COMMUNITY HEALTH AND
DEPARTMENT OF TECHNOLOGY, MANAGEMENT,
AND BUDGET**

INTRODUCTION

This report contains the results of our follow-up of the material condition* and corresponding recommendation reported in our performance audit* of the Michigan Women, Infants, and Children Information System (MI-WIC), Department of Community Health (DCH) and Department of Technology, Management, and Budget (DTMB), (391-0592-11), which was issued and distributed in January 2012. That audit report included 1 material condition (Finding 1) and 3 reportable conditions*.

PURPOSE OF FOLLOW-UP

The purpose of this follow-up was to determine whether DCH and DTMB had taken appropriate corrective measures in response to the material condition and corresponding recommendation noted within our January 2012 audit report.

BACKGROUND

Michigan Women, Infants, and Children Information System (MI-WIC)

MI-WIC is an automated information system used by the Women, Infants, and Children (WIC) Program, Department of Community Health (DCH), and authorized local health agencies to process participant data, determine eligibility, and issue benefits for the WIC Program. The WIC Program's mission* is to improve health outcomes and quality of life for eligible women, infants, and children by providing nutritious food, nutrition

* See glossary at end of report for definition.

education, breastfeeding promotion and support, and referrals to health and other services. Each year, more than 250,000 women, infants, and children under age 5 receive nutritious foods from the Michigan WIC Program. WIC Program foods are worth \$30 to \$112 or more per month for each participant. The WIC Program is designed for families with inadequate income that are at special risk with respect to diet and physical and mental health due to inadequate nutrition or health care. The WIC Program is a 100% federally funded food and nutrition program. During fiscal year 2013-14, MI-WIC processed benefits totaling \$123 million.

The State contracted with a third party vendor to develop, implement, and support MI-WIC. MI-WIC was implemented in May 2009 and is used by 48 local health agencies with 216 clinics in 83 counties serving approximately 421,000 participants a year. The local health agencies use MI-WIC to verify that potential participants meet program eligibility requirements. Potential participants who meet all categorical, residency, income, and nutritional risk requirements are certified (accepted) into the WIC Program.

MI-WIC is composed of four modules: administration, clinic, nutrition, and vendor. The administration module is used to perform administrative tasks such as schedule setup, user and agency/clinic setup, time studies, and data maintenance. The clinic module is used to perform tasks such as precertifying participants; scheduling appointments; assessing nutritional risks; documenting intake, laboratory, and medical and nutrition history data; documenting breastfeeding support; assigning a food prescription; and issuing benefits. The nutrition module is used to perform tasks such as maintaining universal product code (UPC) information, creating and editing food packages, and maintaining infant formula information. The vendor module is used to perform tasks such as maintaining vendor information and determining vendor eligibility and compliance. Participant data stored in MI-WIC includes name, address, age, date of birth, health data, family data, food authorization, and case notes. All data that individually identifies an applicant, a participant, or family members is considered confidential according to federal regulations.

Department of Technology, Management, and Budget (DTMB)

DTMB provides information technology support services to DCH for MI-WIC, including operating system* configuration and database administration. Also, according to the

* See glossary at end of report for definition.

service level agreement between DCH and DTMB, DTMB is responsible for information technology general controls for MI-WIC.

SCOPE

Our fieldwork, performed primarily during May and June 2014, included:

- Interviewing employees from DCH and DTMB to determine the status of compliance with our audit recommendation.
- Reviewing the service level agreement between DCH and DTMB and the contract with the third party vendor.
- Reviewing policies and procedures related to change requests and temporary elevated access rights.

FOLLOW-UP CONCLUSION, RESULTS, RECOMMENDATION, AND AGENCY RESPONSE

EFFECTIVENESS OF SECURITY AND ACCESS CONTROLS OVER THE MI-WIC DATABASE

SUMMARY OF THE JANUARY 2012 FINDING

1. Database Security Management

DCH, in conjunction with DTMB, did not effectively monitor the third party vendor's security configuration of the MI-WIC database. Securing the MI-WIC database from potential vulnerabilities* is essential for ensuring the confidentiality of participant data.

RECOMMENDATION (AS REPORTED IN JANUARY 2012)

We recommend that DCH, in conjunction with DTMB, effectively monitor the third party vendor's security configuration of the MI-WIC database.

AGENCY PLAN TO COMPLY*

DTMB and DCH have worked to effectively monitor the security configurations of the MI-WIC database. DTMB and DCH have evaluated the MI-WIC database software installation, configuration, and patching levels and recommended the appropriate remediation actions. As a result, DTMB, in conjunction with DCH, has worked with the vendor (3SSW) to install the most current approved Oracle security patches, which the vendor completed in May 2012. The vendor also upgraded the MI-WIC Oracle software from 10G to 11G in the staging environment in May 2012. Production and disaster recovery environment upgrades are ongoing and will be completed in August 2012. Lastly, DTMB, in conjunction with DCH, implemented a policy of applying Oracle patches in accordance with DTMB's quarterly installation schedule.

FOLLOW-UP CONCLUSION

We concluded that DTMB partially complied with the recommendation and that a reportable condition exists.

* See glossary at end of report for definition.

FOLLOW-UP RESULTS

Our follow-up disclosed that DCH and DTMB modified their partnership agreement making DTMB responsible for monitoring the third party vendor's security configuration of the MI-WIC database. Also, DTMB upgraded the MI-WIC software to the most current version, developed and approved database security standards and procedures, encrypted the database, and installed an application management tool to monitor the activity of database administrators and other privileged accounts. However, DTMB did not ensure that the third party vendor applied critical database patches. DTMB implemented a policy in June 2014 requiring that patches be installed within 60 days after release. DTMB informed us that it will install patches on the MI-WIC database in accordance with the policy.

FOLLOW-UP RECOMMENDATION

We recommend that DTMB continue to monitor the third party vendor's security configuration of the MI-WIC database.

FOLLOW-UP AGENCY RESPONSE

DTMB agrees with the recommendation and will continue to monitor the third party vendor's security configuration of the MI-WIC database. DTMB has developed a standard for applying critical database patches, and the new standard requires that all Oracle database patches be applied within 60 days of the patch release. DTMB will provide all vendors, including the MI-WIC vendor, with the patching standard and procedure. In addition, DTMB will notify third party vendors when new Oracle database patches are released and monitor third party vendors by requesting confirmation that patches have been successfully installed within the required time frame.

Glossary of Abbreviations and Terms

agency plan to comply	The response required by Section 18.1462 of the <i>Michigan Compiled Laws</i> and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100). The audited agency is required to develop a plan to comply with Office of the Auditor General audit recommendations and submit the plan within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.
DCH	Department of Community Health.
DTMB	Department of Technology, Management, and Budget.
material condition	A reportable condition that could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.
mission	The main purpose of a program or an agency or the reason that the program or the agency was established.
MI-WIC	Michigan Women, Infants, and Children Information System.
operating system	The essential program in a computer that manages all the other programs and maintains disk files, runs applications, and handles devices such as the mouse and printer.

performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve program operations, to facilitate decision making by parties responsible for overseeing or initiating corrective action, and to improve public accountability.
reportable condition	A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the audit objectives; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.
security	Safeguarding an entity's data from unauthorized access or modification to ensure its availability, confidentiality, and integrity.
vulnerability	Weakness in an information system that could be exploited or triggered by a threat.

