STATE OF MICHIGAN
DEPARTMENT OF INFORMATION TECHNOLOGY
LANSING

MICHIGAN DEPARTMENT OF

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INFORMATION TECHNOLOGY

JENNIFER M. GRANHOLM
GOVERNOR

July 9, 2007

Mr. Michael J. Moody, Director
Office of Financial Management
Department of Management and Budget
George W. Romney Building
111 South Capitol Avenue
Lansing, Michigan 48913

Dear Mr. Moody:

The following are our agency preliminary responses to the recommendations contained in the report of the Auditor General's performance audit of Network Application Server Controls, Michigan Department of Information Technology (MDIT).

1. <u>Network Application Servers Outside of Technical Services Control</u>
   The Michigan Department of Information Technology agrees with the finding and will control and monitor or establish written agreements and provide oversight to all of the state's network application server resources to ensure all network application servers are managed, configured, and secured based on MDIT's policies, standards, procedures, or industry best practices. Technical Services Division managers will be directly responsible for MDIT network application system administrators to ensure adequate oversight. Lastly, MDIT will transfer system administration functions and resources managed by its Agency Services Division to its Technical Services Division. MDIT will work to achieve full compliance by December 31, 2007.

2. <u>Identification of Critical Network Application Servers</u>
   The Michigan Department of Information Technology agrees with the finding and will continue its work with the other agencies to establish a complete list of network application servers which are critical to state operations. MDIT will expand its criteria requirements for critical applications to include the security and internal control objectives of confidentiality, integrity and availability of information and information systems. A complete inventory of network applications servers which are critical to state operations will be available.

3. <u>Technical Policies</u>
   The Michigan Department of Information Technology agrees with the finding and will continue to work to establish, implement, update, communicate, and train staff in comprehensive technical policies, standards, and procedures which comply with CobiT standards. MDIT Enterprise Architecture (in conjunction with the Office of Enterprise Security and Technical Services) will update existing technical policies that align with our adoption of Secure Michigan and CobiT. Training is an ongoing commitment at MDIT and CobiT training will be held for Technical services. MDIT will work to achieve full compliance by December 31, 2007.

4. <u>Management Plans</u>
   The Michigan Department of Information Technology agrees with the finding and will continue to define its operating environment and implement action plans that ensure current initiatives

address the challenges of establishing an effective and efficient system administration function to support the State's network application servers. MDIT has launched the Technical Services Optimization project which in May of 2006, established senior standards and the core classification (including job duties and position descriptions) for Technical Services. During the past nine months, MDIT has completed 64% of all Technical Services individual development plans; and the remaining 36% will be completed. Lastly, MDIT will partner with the Department of Civil Service to further refine the current IT classification and compensation system. MDIT will work to achieve full compliance by December 31, 2007.

Enclosed is Exhibit A outlining the citations in which we are working towards compliance. If you have any questions concerning these responses, please contact John Juarez, of MDIT Internal Audit, at 241-2713.

Sincerely,

Signature Redacted

Kennrth D. Theis
Chief Deputy Director

Enclosure

c: Office of the Auditor General
DMB Budget Office
Teri Takai
Dan Lohrmann
Pat Hale
Kurt Weiss
Rick Lowe
John Juarez

EXHIBIT A

Performance Audit of
Network Application Server Controls,
Michigan Department of Information Technology (MDIT)

Audit Response Summary

Period Covered: May 2005 through January 2006

1. Citations fully complied with:

    None.

2. Citations the agency agrees with and will comply with:

    a. Finding #1, agency will fully comply by December 31, 2007.

    b. Finding #2, agency will fully comply by December 31, 2007.

    c. Finding #3, agency will fully comply by December 31, 2007.

    d. Finding #4, agency will fully comply by December 31, 2007.

3. Citations the agency disagrees with:

    None.