



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
LANSING

RICK SNYDER  
GOVERNOR

JOHN E. NIXON, CPA  
DIRECTOR

March 25, 2012

Doug Ringler, Director  
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 is a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of Centralized IT Backup Service, Department of Technology, Management & Budget.

Questions regarding the attached summary table or corrective action plans should be directed to me.

Sincerely,

Signature Redacted

Michael R. Gilliland, Director  
Financial Services

Attachment

c: Rep. Joseph Haveman, Chair, House Appropriations  
Senator Rodger Kahn, Chair, Senate Appropriations  
Melissa Schuiling, Office of the Auditor General  
Dennis Muchmore, Executive Office  
Dick Posthumus, Executive Office  
House Fiscal Agency  
Senate Fiscal Agency  
David Behen, DTMB  
Lynn Draschil, DTMB  
Chris Harkins, DTMB  
John Juarez, DTMB  
Vern Klassen, DTMB  
Rick Lowe, DTMB  
Judy Odett, DTMB  
Kurt Weiss, DTMB

Department of Technology, Management and Budget  
Centralized IT Backup Service  
October 1, 2011 through July 30, 2012

Summary of Agency Responses to Recommendations

1. Audit recommendations DTMB fully complied with: Finding #1, Finding #2
2. Audit recommendations DTMB agrees with and will comply: Finding #3
3. Audit recommendations DTMB disagrees with: None

Agency's plan to address the recommendations:

1. Audit Finding - Service Level Agreements

DTMB agrees with the recommendation and has fully complied. In June 2012, DTMB Enterprise Backup and Recovery and Enterprise Storage contracted with a 3rd Party Service Provider to improve the organization's SLA and OLA processes. As a result, Technical Services updated DTMB's Service Catalog, based on industry best practices, to improve the department's service communication with customers. In addition, Technical Services reviewed all current SLAs and incorporated backup and recovery service information into all SLAs.

2. Audit Finding - Encryption

DTMB agrees with the recommendation and has fully complied. DTMB Enterprise Backup and Recovery completed the implementation of physical tape hardware encryption within the backup/recovery environment. With the implementation of physical tape hardware encryption within the Enterprise Backup and Recovery environment and to ensure that encryption compliance is covered within the environment, Enterprise Backup and Recovery has defined a standard to determine which server backups require encryption. Lastly, Enterprise Backup and Recovery staff completed a project to migrate these backups to physical tape encrypted storage on 12/31/2012. Encryption of all Red Card application backups were completed by 12/31/2012 and encryption backup service offering has been documented in the DTMB Service Catalog.

3. Audit Finding - Operating System Security and Access Controls

DTMB agrees with the recommendation and has taken steps to comply with the recommendation. Enterprise Backup and Recovery has implemented a new process to regularly notify and assign staff members a task to review and validate all

user accounts on EBUR servers and devices in order to ensure invalid user accounts are removed. In addition, Enterprise Backup and Recovery initiated a project in January 2012 to refresh all backup media servers with automated tools in order to reduce the vulnerability footprint and increase the security posture of servers within the backup and recovery environment. As of September 2012, the automated tools were installed. As of December 2012, more than 90% of network backups have been migrated to this new infrastructure. Full migration of all network backups to automated tool will be completed by March 31, 2013