STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING

RICK SNYDER
GOVERNOR

C. HEIDI GRETHER
DIRECTOR

June 11, 2018

VIA E-MAIL

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

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, enclosed is a summary identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the Department of Environmental Quality (DEQ) and Department of Technology, Management, and Budget (DTMB) on MiWaters.

Questions regarding the summary or corrective action plans should be directed to Ms. Teresa Seidel, Director, Water Resources Division, at 517-284-5470; seidelt@michigan.gov; or DEQ, P.O. Box 30458, Lansing, Michigan 48909-7958.

Sincerely,

Signature Redacted

C. Heidi Grether
Director
517-284-6700

Enclosure
cc/enc: Senate Appropriations Subcommittee on Environmental Quality Members
House Appropriations Subcommittee on Environmental Quality Members
Ms. Ellen Jeffries, Director, Senate Fiscal Agency
Ms. Mary Ann Cleary, Director, House Fiscal Agency
Mr. Doug Ringler, Office of the Auditor General
Mr. David L. DeVries, Director, DTMB
Mr. Darin Ackerman, Governor's Office
Ms. Angela Ayers, Governor's Office
Mr. Josh Sefton, Senate Fiscal Agency
Mr. Austin Scott, House Fiscal Agency
Mr. Aaron B. Keatley, Chief Deputy Director, DEQ
Ms. Amy Epkey, Administration Deputy Director, DEQ
Ms. Teresa Seidel, DEQ
Ms. Lisa Root, DEQ

Department of Environmental Quality
Summary of Agency Responses to Recommendations
OAG Performance Audit of the MiWaters Database
Water Resources Division
October 1, 2014, through May 30, 2017

1. Audit recommendations the agency complied with:

Please see below responses for status.

2. Audit recommendations the agency agrees with and will comply:

The Department of Environmental Quality (DEQ) agrees with the audit findings involved in the MiWaters audit issued March 2018. The DEQ intends to comply with the OAG recommendations. The DEQ corrective action plan is included below.

Finding #1

DEQ, in conjunction with the Department of Technology, Management, and Budget (DTMB), should improve its security management program to mitigate the risk of a system disruption and ensure the integrity and confidentiality of MiWaters data.

OAG Recommendation: We recommend that DEQ, in conjunction with DTMB, improve its security management program to mitigate the risk of a system disruption and ensure the integrity and confidentiality of MiWaters data.

DEQ Response:

- The DEQ, in conjunction with DTMB, implemented IBM's App Scan tool to supplement DTMB's existing scanning process during the audit process.

- The DEQ integrated during the audit process, vulnerability management discussions into its biweekly status calls between the DEQ, DTMB, and Windsor Solutions (MiWaters vendor).

- The DEQ is working on efforts to strengthen its business continuity and disaster recovery plans, and they are scheduled to be completed no later than December 31, 2018.

- The DEQ has begun the Security Accreditation Process (MiSAP) with MiWaters, which will include updating the current data classification.

Finding #2

DEQ did not implement effective access controls to ensure the security of MiWaters data.

OAG Recommendation: We recommend that DEQ implement effective access controls to ensure the security of MiWaters data.

DEQ Response:

- The DEQ, Water Resources Division (WRD), has drafted a formal process to grant and remove access to the MiWaters database, including a standard authorization form to document approval of access rights. Full documentation regarding access controls, process reviews, and known risks will be implemented by December 31, 2018.

- The DEQ will implement a periodic review of privileges granted to each user to ensure that the privileges remain appropriate for the user's job responsibilities and follow the principle of least privilege. This review will take place annually and will be implemented by December 31, 2018.

3. Audit recommendations the agency disagrees with:

Not Applicable