Performance Audit

Michigan Integrated Data Automated System (MiDAS) and Michigan Web Account Manager (MiWAM) - Selected General and Application Controls

Unemployment Insurance Agency (UIA) Department of Labor and Economic Opportunity and Department of Technology, Management, and Budget (DTMB)

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MiDAS is an automated information system UIA uses to collect unemployment taxes from employers and pay unemployment insurance benefits to eligible claimants. MiWAM is a system that allows claimants to file and manage their unemployment claims online. UIA, as the business owner, is responsible for ensuring the overall security of MiDAS and MiWAM by defining the systems' security requirements. UIA is also responsible for application controls related to these systems. DTMB, in conjunction with the vendor, FAST Enterprises, is responsible for general controls over the MiDAS database, the MiDAS and MiWAM operating systems, and the State of Michigan (SOM) infrastructure. From March 15, 2020 through June 28, 2021, MiDAS processed $36.5 billion in unemployment claims. UIA has expended $60.8 million on MiDAS development, implementation, and maintenance.

Audit Objective	Conclusion
Objective 1: To assess the effectiveness of UIA's and DTMB's efforts to implement selected security and access controls over MiDAS and MiWAM.	Not effective for UIA Effective for DTMB

Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
UIA did not fully implement a variety of controls to safeguard Federal Tax Information. Required background checks were not performed for 36 (80%) of 45 individuals sampled and Internal Revenue Service (IRS) safeguard training was not completed for 27 (60%) of 45 individuals sampled (Finding 1).	X		Agrees

Findings Related to This Audit Objective *(Continued)*	Material Condition	Reportable Condition	Agency Preliminary Response
For 61 sampled users who had transferred or left State employment, UIA did not disable user accounts timely for 42 (69%) users with MiDAS application access, 30 (49%) users with access to the SOM network, and 41 (67%) users with devices to facilitate remote log-ins (Finding 2).	X		Agrees
UIA did not fully document the purpose and capabilities of groups and functions or identify incompatible functions within the MiDAS application to help ensure the principle of least privilege is followed. For 60 sampled users, UIA did not have complete documentation to support access granted to 15 (25%) of the users sampled (Finding 3).	X		Agrees
Improved compliance with Center for Internet Security (CIS) benchmarks is needed. At least 14 of 42 new or updated CIS benchmark recommendations should be implemented in the State's environment (Finding 4).		X	Agrees
Three (12%) of 25 sampled individuals with MiDAS access did not complete security awareness training (Finding 5).		X	Agrees

Audit Objective	Conclusion
Objective 2: To assess the effectiveness of UIA and DTMB's efforts to implement controls over MiDAS and MiWAM interfaces.	Effective

Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		

Audit Objective	Conclusion
Objective 3: To assess the effectiveness of UIA and DTMB's efforts to implement change controls over the MiDAS and MiWAM application and data.	Moderately effective

Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
UIA did not properly document the authorization to initiate 13 (39%) system changes sampled and did not maintain documentation of post-implementation testing for 8 (24%) changes sampled (Finding 6).		X	Agrees