



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

*General Controls Over the Data Collection
 and Distribution System (DCDS) and the Human
 Resources Management Network (HRMN)
 Office of the State Budget, Civil Service
 Commission, and Michigan Department of
 Information Technology*

Report Number:
 084-0597-09

Released:
 September 2009

DCDS and HRMN process the State of Michigan employee payroll. DCDS records, allocates, and distributes payroll costs within the accounting system. HRMN processes personnel, payroll, and employee benefits data. For fiscal year 2007-08, DCDS and HRMN processed approximately \$4.9 billion in State employee payroll expenditures.

Audit Objective:

To assess the effectiveness of the Michigan Department of Information Technology's (MDIT's) security and access controls over the DCDS and HRMN operating systems.

Audit Conclusion:

MDIT's security and access controls over the DCDS and HRMN operating systems were not effective. Although MDIT had implemented some measures to reduce the operating systems' exposure to security threats, we identified weaknesses in critical aspects of the operating systems. We noted one material condition (Finding 1).

Material Condition:

MDIT had not fully established security and access controls over the DCDS and HRMN operating systems (Finding 1).

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Audit Objective:

To assess the effectiveness of MDIT's security and access controls over the DCDS and HRMN database management systems.

Audit Conclusion:

MDIT's security and access controls over the DCDS and HRMN database management systems were not effective. Although MDIT had implemented some measures to reduce the database management systems' exposure to security threats, we identified weaknesses in critical aspects of the database management systems. We noted one material condition (Finding 2).

Material Condition:

MDIT had not fully established security and access controls over the DCDS and HRMN databases (Finding 2).

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Audit Objective:

To assess the effectiveness of MDIT's configuration management controls over DCDS and HRMN.

Audit Conclusion:

MDIT's configuration management controls over DCDS and HRMN were moderately effective. We noted one reportable condition (Finding 3).

Reportable Condition:

MDIT had not fully established change control processes to ensure that all DCDS and HRMN operating system and database management system changes were authorized, tested, and implemented with appropriate risk based controls (Finding 3).

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Agency Response:

Our audit report contains 3 findings and 3 corresponding recommendations. The Office of the State Budget, Civil Service Commission, and MDIT's preliminary response indicates that they agree with all of the recommendations and have complied or will comply with them.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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