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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

December 18, 2006

Mr. John J. Spano
Acting Commissioner
New York State Office of General Services
Governor Nelson A. Rockefeller Empire State Plaza
Albany, NY 12242

Re: Report 2006-F-38

Dear Mr. Spano:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution; and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Office of General Services (OGS) to implement the recommendations contained in our audit report, *Network Security Controls* (Report 2004-S-65).

Background, Scope and Objective

OGS provides various support services to State agencies, public authorities, municipalities and other political subdivisions of New York State. For example, OGS provides design and construction services, centralized contracting and procurement services, and surplus property services. OGS also administers New York State's fixed-asset accounting system.

In carrying out these responsibilities, OGS makes considerable use of its Internet web site and other interconnected electronic data processing systems. For example, OGS uses its web site to make information available to its customers and to provide customers with access to certain services, such as its vendor registration system. OGS also maintains and updates the statewide fixed-asset accounting system, and provides several agencies with administrative support systems such as payroll, human resources, purchasing and accounts payable. In addition, OGS provides Internet access and email capability to its employees.

OGS uses a computer network (Network) to facilitate its electronic data processing activities. The Network is maintained and overseen by two units in OGS: the Information Resource Management Unit and the Information Security Office. The Information Resource Management Unit is responsible for maintaining the computing resources, while the Information Security Office is responsible for protecting the resources and electronic information. The Information Security Office is headed by an Information Security Officer. Both units are overseen by a Chief Information Officer, who has overall responsibility for the security and protection of OGS information assets.

New York State agencies are expected to comply with the requirements of the State's Cyber Security Policy, which was developed by the Office of Cyber Security and Critical Infrastructure Coordination. Each agency is expected to meet the specific security requirements described in the Policy, and to establish a framework for initiating and controlling the implementation of information security within the agency.

Our initial audit report, which was issued on June 29, 2005, examined selected aspects of the security controls in place over the OGS computer network. The objective of our follow-up, which was conducted in accordance with generally accepted government auditing standards, was to assess the extent of implementation as of November 15, 2006 of the recommendations included in our confidential report. Due to the sensitivity of the information and the potential risk associated with the release of such information, the details of the recommendations and their implementation status are not included in this report. However, we discussed the detailed results of our follow-up work with OGS officials during the conduct of the follow-up.

Summary Conclusions

Overall, we found that OGS officials have taken numerous actions to implement the recommendations contained in the confidential draft report; however, some additional steps are still needed to fully implement. OGS officials agreed with our conclusions and will take additional actions to fully implement the recommendations.

Major contributors to this report were Brian Reilly, Nadine Morrell, Mark Ren, and Jennifer Van Tassel.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed during the course of our follow-up. We also thank the management and staff of OGS for the courtesies and cooperation extended to our auditors during this process.

Very truly yours,

Brian Reilly
Audit Manager

cc: Lisa Ng, Division of the Budget