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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 21, 2004

PUBLIC VERSION

Mr. Michael McCormack
Director
Office for Technology
Empire State Plaza
Albany, NY 12220-0062

Re: Report 2004-F-22

Dear Mr. McCormack:

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 for Technology (OFT) to implement the recommendations contained in our confidential draft report, General Controls at the Consolidated State Data Centers (Report 2002-S-46).

Background, Scope and Objective

OFT operates four consolidated State data centers and a computer command center in Albany to centrally manage and support the data processing requirements of over 20 State agencies, including over 150 of these agencies' applications. Many of these applications contain personal information about State citizens, such as driver license data; birth and death certificates; marriage licenses; drug prescriptions; patient treatment information; and personal and corporate State income tax data. OFT also maintains a separate disaster recovery site that currently supports only specific aspects of the State's Medicaid system. More than 300 OFT employees staff the three data centers. OFT is responsible for keeping data center agency systems available 24 hours a day and for maintaining data center general controls, comprising security controls and disaster preparedness.

Our initial draft audit report, which was issued on June 2, 2003, examined OFT's practices and procedures related to protecting the data center computer systems and data, and ensuring the continuous processing of critical data after a disaster or other mishap. 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 July 2004 of the recommendations contained in our confidential draft report.

Summary Conclusions

We provided OFT officials with the results from our follow-up work during the conduct of our review. Overall, we found that OFT officials have made significant progress in implementing the recommendations contained in the confidential draft report.

Major contributors to this report were Brian Reilly, Mike Farrar, and Mark Ren.

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

Very truly yours,

Steven E. Sossei
Audit Director

cc: Robert Barnes, Division of the Budget