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STATE COMPTROLLER



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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

October 25, 1996

James L. Stone, MSW
Commissioner
Office of Mental Health
44 Holland Avenue
Albany, NY 12229

Re: Report 96-F-23

Dear Mr. Stone:

Pursuant to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law, we have reviewed the actions taken by officials of the Office of Mental Health (OMH), as of July 31, 1996, to implement the recommendation included in our Report 95-S-7. The report, which was issued September 22, 1994, examined OMH's controls over its microcomputer software.

Background

OMH oversees programs relating to the prevention, early detection, and treatment of mental illness. OMH works with local governments, voluntary agencies, and providers and consumers of mental health services to ensure appropriate care. OMH owns more than 6,000 microcomputers and more than 14,000 related peripheral devices such as printers and modems. Microcomputers, related equipment and software are used by OMH employees in fulfilling their responsibilities. Microcomputer hardware and software for OMH's central office are purchased by the Office of Information Services. OMH's psychiatric centers and community residences are allowed to purchase their software and hardware directly from suppliers.

Microcomputer software is subject to licensing agreements protected by Federal copyright laws, which state that software may not be copied without the permission of the copyright holder. The unauthorized duplication of software constitutes copyright infringement and penalties include imprisonment and both compensatory and statutory damages of up to \$100,000 for each copyright infringement. The prior audit concentrated on OMH's controls over microcomputer software.

Summary Conclusion

During our prior audit, we found that OMH needed to improve its procedures for preventing the use of unlicensed microcomputer software and ensuring that licensed software is adequately protected against loss. In our follow-up review, we found that OMH has made progress in improving its procedures, but still needs to document actions to monitor and enforce compliance with them.

Summary of Status of Prior Audit Recommendation

The prior audit contained a single recommendation, which OMH has partially implemented.

Follow-up Observations

Recommendation

Establish guidelines regarding the purchasing, registration, custody and physical inventory of computer software and communicate these guidelines to all employees responsible for software inventories. Monitor and enforce compliance with these guidelines.

Status - Partially Implemented

Agency Action - OMH's Office of Information Services (ISO) has developed a policy statement on computer software protection. This policy addresses procedures for purchasing, registration, custody, and inventory of computer software for OMH's Central Office. The ISO has also purchased software to aid in developing a computer software inventory. OMH expects to convert its software inventory to this new system by the Fall of 1996. Individual OMH facilities are responsible for developing their own software inventories. We found that one of the two facilities that we contacted during this review has completed a software inventory; the other has not.

The OMH software protection policy also states that periodic reviews and surveys of distributed software products will be made. The standard procedure at the Central Office is to scan the directories of computers that ISO personnel are servicing to check for unauthorized software. OMH claims that all unauthorized software is removed when discovered, but this is not documented. The facilities also report that they do periodic reviews. One of the two facilities we contacted has the same procedure as the Central Office: staff scan the computers for illegal software when service is required. At the other facility, staff periodically review all machines. Removal of unauthorized software is not documented at either of these facilities. Without documentation of these procedures, we could not verify that Central Office or facility staff are monitoring and enforcing the ISO software policy.

Major contributors to this report were John Buyce, Laurel Jolliffe, Helen Kaczor and Michael Wright.

We would appreciate your response to this report within 30 days, indicating any action planned or taken to address the unresolved matters discussed in this report. We also thank the management and staff of the Office of Mental Health for the courtesies and cooperation extended to our staff during this review.

Very truly yours,

Frank J. Houston
Audit Director

cc: Patricia A. Woodworth