



STATE OF NORTH CAROLINA

AUDIT OF THE INFORMATION SYSTEMS

GENERAL CONTROLS

MAYLAND COMMUNITY COLLEGE

JANUARY 2008

OFFICE OF THE STATE AUDITOR

LESLIE MERRITT, JR., CPA, CFP

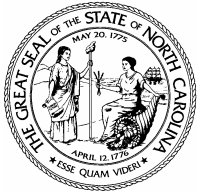
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Leslie Merritt, Jr.,
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State Auditor

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AUDITOR'S TRANSMITTAL

The Honorable Michael F. Easley, Governor
Members of the North Carolina General Assembly
The Board of Directors of Mayland Community College
Dr. Suzanne Y. Owens, President

Ladies and Gentlemen:

We have completed our audit of Mayland Community College. This audit was conducted during the period from August 14, 2007, through September 19, 2007. The audit was conducted in accordance with *Government Auditing Standards* and *Information Systems Audit Standards*.

The primary objective of this audit was to evaluate information systems (IS) general controls at Mayland Community College. The scope of our IS general controls audit included general security, access controls, systems software, physical security, and disaster recovery. Other IS general control topics were reviewed as considered necessary.

This report contains an executive summary and audit results which detail the areas where Mayland Community College has performed satisfactorily relevant to our audit scope, where improvements should be made, and where further study is necessary.

We wish to express our appreciation to the staff of Mayland Community College for the courtesy, cooperation and assistance provided to us during this audit.

North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Leslie W. Merritt, Jr.".

Leslie Merritt, Jr., CPA, CFP
State Auditor

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY.....	1
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY	3
BACKGROUND INFORMATION	5
AUDIT RESULTS	7
ORDERING INFORMATION.	9

EXECUTIVE SUMMARY

We conducted an Information Systems (IS) audit at the Mayland Community College from August 14, 2007, to September 19, 2007. The primary objective of this audit was to evaluate the IS general controls in place during that period. Based on our objective, we report the following conclusions:

General security involves the establishment of a reasonable security program that addresses the general security of information resources. Mayland Community College has established a reasonable security program that addresses the general security of information resources. *We did not identify any significant weaknesses in general security during our audit.*

The **access control** environment consists of access control software and information security policies and procedures. We found a weakness in access controls. Due to the sensitive nature of the condition found in this weakness, we have conveyed this finding to management in a separate letter pursuant to the provision of North Carolina G.S. 147-64.6(c)(18).

Systems software is the collection of programs that drive the computer. The selection of systems software should be properly approved and the software should be maintained by the computer center. *We did not identify any significant weaknesses in systems software during our audit.*

Physical security primarily involves the inspection of the agency's computer center for the controls that should reasonably secure the operations of the computer center from foreseeable and preventable threats from fire, water, electrical problems, and vandalism. *We did not identify any significant weaknesses in physical security.*

A complete **disaster recovery** plan that is tested periodically is necessary to enable Mayland Community College to recover from an extended business interruption due to the destruction of the computer center or other Mayland Community College assets. *We did not identify any significant weaknesses in disaster recovery.*

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AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

OBJECTIVES

Under the *North Carolina General Statutes* 147-64.6, the State Auditor is responsible for examining and evaluating the adequacy of operating and administrative procedures and practices, systems of accounting, and other elements of State agencies. IS general control audits are examinations of controls which effect the overall organization and operation of the IS function. This IS audit was designed to ascertain the effectiveness of general controls at Mayland Community College.

SCOPE

General controls govern the operation and management of computer processing activities. The scope of our IS general controls audit was to review general security issues, access controls, systems software, physical security, and disaster recovery which directly affect Mayland Community College's computing operations. Other IS general control topics were reviewed as considered necessary.

METHODOLOGY

We audited policies and procedures, interviewed key administrators and other personnel, examined system configurations, toured the computer facility, tested on-line system controls, reviewed appropriate technical literature, reviewed computer generated reports, and used security evaluation software in our audit of general controls. We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and *Information Systems Audit Standards* issued by the Information Systems Audit and Control Association.

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BACKGROUND INFORMATION

Mayland Community College, located in Spruce Pine, North Carolina, was founded in 1971 and is accredited by the Southern Association of Colleges and Schools. Mayland Community College offers education, training and retraining for the workforce, including basic skills in literacy education, occupational and pre-baccalaureate programs. Degrees offered include two year Associates Degrees and Associate in Applied Science degrees. The Mission of Mayland Community College is to give the citizens of their service area the opportunities they need to improve their lives through the attainment of a high-quality, accessible education.

The Computer Services Department of Mayland Community College is headed by the Director of Computer Services, who reports directly to the Vice President of Administrative Services. The mission of the Computer Services Department is to more effectively promote communication, cooperation and collaboration and to build understanding and confidence among the faculty, staff and administration; to increase abilities through professional development; to promote advancement of educational opportunity; and to insure the continued technological advancement of the institution. The function of the Computer Services Department is to provide IT service effectively, economically and securely for the faculty, staff and students.

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AUDIT RESULTS AND AUDITEE RESPONSES

The following audit results reflect the areas where Mayland Community College has performed satisfactorily and where recommendations have been made for improvement.

GENERAL SECURITY ISSUES

General security issues involve the maintenance of a sound security management structure. A sound security management structure should include a method of classifying and establishing ownership of resources, proper segregation of duties, a security organization and resources, policies regarding access to the computer systems and a security education program. *We did not identify any significant weaknesses in general security during our audit.*

ACCESS CONTROLS

The most important information security safeguard that Mayland Community College has is its access controls. The access controls environment consists of Mayland Community College's access control software and information security policies and procedures. An individual or a group with responsibility for security administration should develop information security policies, perform account administration functions and establish procedures to monitor and report any security violations. We noted a weakness in access controls. Due to the sensitive nature of the condition found in this weakness, we have conveyed this finding to management in a separate letter pursuant to the provision of North Carolina G.S. 147-64.6(c)(18).

SYSTEMS SOFTWARE

Systems software is the collection of programs that the computer center uses to run the computer and support the application systems. This software includes the operating system, utility programs, compilers, database management systems and other programs. The systems programmers have responsibility for the installation and testing of upgrades to the system software when received. Systems software changes should be properly documented and approved. *Our audit did not identify any significant weaknesses in system software.*

PHYSICAL SECURITY

Controls over physical security are designed to protect a computer center from service interruptions resulting from fire, water, electrical problems, vandalism, and other causes. *Our audit did not identify any significant weaknesses in physical security.*

AUDIT RESULTS AND AUDITEE RESPONSES (CONCLUDED)

DISASTER RECOVERY

Disasters such as fire and flood can destroy a computer service center and leave its users without computer processing support. Without computer processing, many college services would grind to a halt. To reduce this risk, computer service centers develop disaster recovery plans. Disaster recovery procedures should be tested periodically to ensure the recoverability of the data center. *Our audit did not identify any significant weaknesses in disaster recover during our audit..*

ORDERING INFORMATION

Audit reports issued by the Office of the State Auditor can be obtained from the web site at www.ncauditor.net. Also, parties may register on the web site to receive automatic email notification whenever reports of interest are issued. Otherwise, copies of audit reports may be obtained by contacting the:

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