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# MISSISSIPPI

## STATE TAX COMMISSION

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January 12, 2009

Stacey E. Pickering, State Auditor  
Office of the State Auditor  
501 North West Street  
Suite 801  
Jackson, MS 39201

RE: Information Systems Management Report

Dear Mr. Pickering:

The Mississippi Tax Commission offers the following comments to your limited assessment of the Information Systems (IS) general controls and selected application controls of the agency, including an assessment of the Office of Alcoholic Beverage Control (ABC) of the Mississippi State Tax Commission, as of your report dated November 10, 2008.

### **SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROLS:**

#### **1. Legacy Application Systems Maintenance Procedures Should Be Improved**

Response:

We acknowledge and agree that proper controls on program changes and restricted access to code are important to maintain assurance that only program changes authorized by management are placed into production. Maintenance procedures are currently in place that will continue to be followed and those procedures will be improved where or when possible.

This agency has extremely limited resources to devote to the development, testing and migration of code changes for legacy system maintenance. Further, we have a limited number of technical staff who support our legacy systems prohibiting any segregation of duties.

The Tax Commission has requested funding to replace our dangerously old and outdated legacy systems. If funded, the new product will contain sufficient controls for all updates and maintenance procedures as well as restricting unauthorized access to code.

The Tax Commission will investigate to determine if any RACF changes can be implemented in the interim.

**2. Audit Trails Should Exist for All STARS System Events**

Response:

We acknowledge and agree that this process is real-time and the work-list is ever changing with new items being added and old items being resolved during the course of the business day. Developing or running a program to create an audit trail of adjustments to data would significantly impact the performance of this system. As a result, only the current contents of the work-list may be captured by running a real-time snapshot report.

As stated above, the Tax Commission has requested funding for a new tax management system to replace all legacy systems, including STARS. This agency will include in the RFP system requirements that the new application should include full audit trails for financial system changes.

**3. MSTC Should Implement RACF Security for Legacy Application Systems CICS**

Response:

We acknowledge and agree that MSTC systems should have adequate security; however, with this agency's limited resources, and considering that the MSTC is requesting funding for a new tax management system, a major rewrite of the security for these legacy systems is not feasible.

MSTC will investigate the possibility of changing some of the current RACF procedures, particularly ensuring that agency users have only the access they need.

**CONTROL DEFICIENCIES**

**4. MSTC Should Monitor Internal System Events**

Response:

We acknowledge and agree that we should utilize monitoring tools to identify significant internal changes in agency systems. However, utilizing these tools will impact system performance which we can ill afford. We have historically not used these tools because we proactively, randomly, look for unauthorized event occurrences in each system.

**5. MSTC Should Create a Disaster Recovery Plan for ABC Information Technologies**

Response:

We acknowledge and agree that a recovery plan for ABC Information Technologies is needed. The creation of a recovery plan for ABC was underway when changes in personnel interrupted progress on the Data Processing portion of the project.

The MSTC will continue to create a recovery plan for ABC during the 2009 calendar year.

6. **ABC Should Reduce i5 System Security Officers and Off-Site Consultant Rights**

Response:

We acknowledge and agree that at the ABC limitations should be placed on the security officer rights (SECOFR) to include only those that are responsible for the security administration of this system.

This is currently being resolved by ABC OIT staff.

Our staff is available to furnish any additional information requested or further details concerning this assessment of our EDP general controls and the implementation of suggested changes.

Respectfully,

A handwritten signature in black ink, appearing to read "J. Ed Morgan", with a long, sweeping underline that extends to the right.

J. Ed Morgan, Chairman  
And Commissioner of Revenue