Selected Programs
Statewide Audit Fiscal Year 1996

February 1997

This document can be made available in alternative formats, such as large print, Braille, or audio tape, by calling 296-1727.

Financial Audit Division Office of the Legislative Auditor State of Minnesota

	·	-	
		•	



# STATE OF MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, 658 CEDAR STREET • ST. PAUL, MN 55155 • 612/296-4708 • TDD RELAY 612/297-5353

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Members of the Legislative Audit Commission

Ms. Jeanne King, Board President Minnesota State Board of Education

Mr. Robert Wedl, Commissioner Department of Children, Families & Learning

We have audited selected programs of the former Department of Education, consolidated into the Department of Children, Families & Learning, for the fiscal year ended June 30, 1996, as further explained in Chapter 1. The work conducted in the department is part of our Statewide Audit of the state of Minnesota's fiscal year 1996 financial statements and Single Audit. The Comprehensive Annual Financial Report for the year ended June 30, 1996, includes our report, issued thereon dated December 2, 1996. The Minnesota Financial and Compliance Report on Federally Assisted Programs for the year ended June 30, 1996, will include our reports on the supplementary information schedule, internal control structure, and compliance with laws and regulations. We anticipate issuing this report in June 1997. Therefore, we emphasize that this has not been a complete audit of all financial activities of the Department of Children, Families & Learning. The following Summary highlights the audit objectives and conclusions. We discuss our concerns more fully in the individual chapters of this report.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, as issued by the Comptroller General of the United States. Those standards require that we obtain an understanding of management controls relevant to the audit. The standards require that we design the audit to provide reasonable assurance that the Department of Children, Families & Learning complied with provisions of laws, regulations, contracts, and grants that are significant to the audit. Management of the Department of Children, Families & Learning is responsible for establishing and maintaining the internal control structure and complying with applicable laws, regulations, contracts, and grants.

This report is intended for the information of the Legislative Audit Commission and the management of the Department of Children, Families & Learning. This restriction is not intended to limit the distribution of this report, which was released as a public document on February 28, 1997.

James R. Nobles Legislative Auditor

Deputy Legislative Auditor

End of Fieldwork: January 3, 1997

Report Signed On: February 24, 1997

		•



State of Minnesota
Office of the Legislative Auditor
1st Floor Centennial Building
658 Cedar Street • St. Paul, MN 55155
(612)296-1727 • FAX (612)296-4712

TDD Relay: 1-800-627-3529 email: auditor@state.mn.us

URL: http://www.auditor.leg.state.mn.us

## Department of Children, Families & Learning

# Selected Programs Statewide Audit Fiscal Year 1996

Public Release Date: February 28, 1997

No. 97-12

#### Agency Background

The Department of Children, Families & Learning is responsible for providing educational assistance to school districts and local educational agencies. In addition, the department is responsible for programs that address social and economic concerns. The department funds itself mainly from General Fund appropriations and federal grants. Department expenditures for fiscal year 1996 totaled approximately \$3.4 billion. Mr. Robert Wedl is the commissioner of the department.

#### **Selected Audit Areas and Conclusions**

Our audit scope included those areas material to the state of Minnesota's Comprehensive Annual Financial Report for the year ended June 30,1996, and to the Single Audit objectives.

We concluded that the Department of Children, Families & Learning's financial activities for the programs included in the Statewide Audit scope are fairly presented in the state of Minnesota's Comprehensive Annual Report for fiscal year 1996. We also concluded that the department complied with the U.S. Office of Management and Budget (OMB) Compliance Supplement general and specific program requirements for major federal programs. However, we did find the following concerns. We determined that the department did not have adequate procedures to ensure the accuracy of entitlements for districts enrolled in the Title I-Educationally Deprived Children Program (CFDA #84.10). The department also lacks important quality control mechanisms in its computing environment for its state and federal programs.

		·	
		·	

# **Table of Contents**

	Page
Chapter 1. Introduction	1
Chapter 2. State Grants and School Aids	3
Chapter 3. Federal Programs	5
Chapter 4. Computing Environment	9
Agency Response	15

## **Audit Participation**

The following members of the Office of the Legislative Auditor prepared this report:

John Asmussen, CPA	Deputy Legislative Auditor
Renee Redmer, LPA	Audit Manager
Jack Hirschfeld, CPA	Auditor-In-Charge
Chris Buse, CPA, CISA	Director of Information Systems Auditing
Pat Ryan	Auditor
Shane Smeby	Auditor
Scott Tjomsland	Auditor
Chege Ngigi	Auditor
Neal Huhnerkoch	Intern

#### **Exit Conference**

The findings and recommendations in this report were discussed with the following staff of the Department of Children, Families & Learning on January 31, 1997:

Robert Wedl	Commissioner
John Hustad	Deputy Commissioner
Don Bouzard	Supervisor of Information Technology
Mark Manning	Director of Information Technology
Tom Maloy	Director of Finance and Management Services
Pat Baggenstoss	Budget Officer
Don Johnson	Federal Programs and Reporting
Dan Bryan	Director of Management Assistance
Robert Fisher	Supervisor of Special Education Funding
Ann Cutler	Title I Program

# Chapter 1. Introduction

The 1995 Legislature abolished the Department of Education and created the Department of Children, Families & Learning effective October 1, 1995. The new department assumed the responsibilities and programs formerly operated by the Department of Education. Mr. Bruce Johnson served as the first commissioner until his resignation on November 3, 1996. The Governor appointed Mr. Robert Wedl as the commissioner effective November 4, 1996.

The Department of Children, Families & Learning provides funding to school districts, private schools, and other local educational agencies for education. In addition, the department is now responsible for several other children and family programs that address social and economic concerns. The department is being phased in over several years to ensure a smooth transition of programs to the new agency. Phase I, July through September 1995, focused on the planning for the new department. Phase II, October 1995 through June 1996, emphasized the implementation of the new department. Phase III, scheduled from July 1996 through July 1997, will result in the transfer of programs from the Departments of Human Services, Economic Security, Minnesota Planning, Corrections, and Public Safety.

The Department of Children, Families & Learning administered a budget of approximately \$3.8 billion in fiscal year 1996. General Fund appropriations and federal grants provided most of the funding for the department's programs and activities. The department administered over 150 state and federal activities. The department distributes most of its resources in grants and aids to school districts and local educational agencies. Annual state appropriations fund 85 percent of the current school aids and the final 15 percent of prior year aids.

The primary objective of the Statewide Audit is to render an opinion on the state of Minnesota's financial statements included in the Comprehensive Annual Financial Report for fiscal year 1996. The Statewide Audit is designed to also meet the requirements of the Single Audit Act of 1984, relating to federal financial assistance. Our audit scope focused on the 1996 expenditures of the department as shown in Table 1-1. We also reviewed loans receivable totaling \$128 million of the Maximum Effort School Loan Fund. These financial activities were material to the state's financial statements and to the Single Audit objectives.

# Table 1-1 Expenditures for Selected Programs Fiscal Year 1996

State Programs: (1)	
General Fund:	
General Education Aid	\$2,463,376,718
Special Education Aid	248,230,083
Homestead and Agricultural Credit Aid	145,775,569
Pupil Transportation Aid	141,663,084
Capital Expenditure Aid	116,528,190
Endowment School Fund:	•
Endowment School Apportionment Aid	31,190,616
Capital Projects Fund:	
Metropolitan Magnet School Grants	6,699,447
Secondary Cooperative Facilities Aid	4,971,401
Federal Programs: (2)	
Special Revenue Fund:	
Educationally Deprived Children (CFDA #84.010)	74,642,572
Child Care Food Programs (CFDA # 10.558)	65,172,681
National School Lunch Program (CFDA #10.555)	58,397,572
Handicapped State Grants (CFDA #84.027)	35,415,565
Food Distribution (CFDA #10.550)	14,366,137

Source: (1) State of Minnesota's Comprehensive Annual Financial Report for fiscal year 1996.
(2) Minnesota's Financial and Compliance Report on Federally Assisted Programs.

We have developed some audit findings and recommendations. In Chapter 3 we discuss our finding regarding federal programs. Chapter 4 discusses findings related to the department's computing environment for state and federal programs.

## **Chapter 2: State Grants and School Aids**

#### **Chapter Conclusions**

The Department of Children, Families & Learning was responsible for administering \$3.4 billion in state grants and school aids in fiscal year 1996. The department complied with material state financial legal provisions related to the items tested. The financial activities were properly recorded in Minnesota's Accounting and Procurement System (MAPS).

The Department of Children, Families & Learning administered about 100 different types of grant and aid activities from state resources in fiscal year 1996. The department classified these activities into ten program categories in the state's biennial budget report. State resources authorized and budgeted for these programs in fiscal year 1996 included mainly General Fund appropriations, income from the Endowment School Fund, and bond proceeds from the Capital Projects Fund. Table 1-1 in Chapter 1 shows fiscal year 1996 expenditures for state programs material to the state's financial statements that were included in our audit scope. The programs are categorized by General Fund, Endowment School Fund, and the Capital Projects Fund. The majority of department programs are funded by state appropriations. General Education Aid is the basic state support for Minnesota schools and uses the majority of the department's budget. Following is a brief description of each of these programs by funding source:

#### **General Fund**

- General Education Aid--Provides Minnesota school districts and local educational agencies (schools) general operating revenues to promote adequate and equitable systems of elementary and secondary education.
- Special Education Aid--Provides funding to schools for partial reimbursement of costs incurred in providing instructions and services for children with disabilities.
- Homestead Agricultural Credit--Provides a formula driven general state aid for property tax relief to residents of specific schools.
- Transportation Aid--Provides formula driven funding to schools for required and authorized education related transportation costs.
- Capital Expenditure Aid--Provides funding to schools for capital expenditures.

#### **Endowment School Fund**

• Endowment School Apportionment Aid--Provides for the semiannual distribution of income generated from the Endowment School Fund to the schools.

#### **Capital Projects Fund**

- Metropolitan Magnet School Grants--Provides funding for the purpose of promoting integrated education for students in pre-kindergarten through grade 12, addressing the inability of schools to provide required construction funds through property taxes.
- Secondary Cooperative Facilities Aid--Provides an incentive to encourage cooperation in making available to all secondary students those programs, services, and facilities that are most efficient and effectively provided by a cooperative effort of several schools.

The Department of Children, Families & Learning administered its largest programs from General Fund appropriations. General Education Aid is the basic state support for Minnesota schools and uses the majority of the department's budget.

## **Audit Objectives and Methodology**

The objectives of the Statewide Audit includes:

- Determine if the department accurately reported the programs' financial activities on the MAPS accounting system and in compliance with generally accepted accounting principles.
- Determine if the department complied with material state appropriation and statutory requirements.

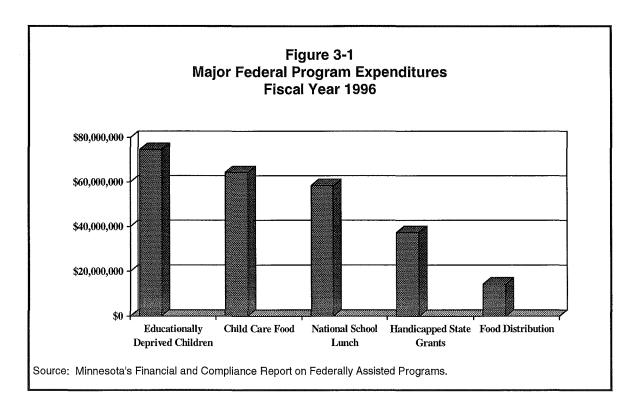
To address these objectives, we conducted interviews and reviewed the department's process for recording the programs' financial activities in MAPS. We also tested financial transactions to determine compliance with statutory and appropriation requirements. The department is responsible for the proper recording of their financial activities on MAPS.

# **Chapter 3. Federal Programs**

## Chapter Conclusions

The Department of Children, Families & Learning was responsible for administering federal grants of about \$370 million in fiscal year 1996. Our review showed that the department complied with most general and specific requirements for its major federal programs. However, we found that the department did not have adequate procedures to ensure the accuracy of entitlements to schools for the Title I-Educationally Deprived Children Program (CFDA #84.010).

The Department of Children, Families & Learning administered over 50 federal programs in fiscal year 1996. Five of the these programs are major federal programs under the Single Audit Act. The Single Audit Act defines major federal programs for Minnesota as a program expending at least \$10 million in federal funds in fiscal year 1996. Our audit focused on the programs identified in Figure 3-1.



Following is a brief description of each of the five major programs.

- Title I-Educationally Deprived Children (CFDA #84.010)--Provides supplemental assistance to students from low income families to help them meet the state's high standards of academic performance.
- Child Care Food Programs (CFDA #10.558)--Provides supplemental food to low income persons in critical periods of growth and development.
- National School Lunch Program (CFDA #10.555)--Provides cash grants and food donations for breakfast and lunch to school children.
- Handicapped State Grants (CFDA #84.027)--Provides public education to handicapped children.
- Food Distribution (CFDA #10.550)--Provides food assistance for school children, needy persons, and the elderly.

#### Audit Objectives and Methodology

The objectives of the Single Audit Act related to federal financial assistance include:

- Determine compliance with rules and regulations applicable to major federal programs.
- Determine whether internal controls related to major federal programs are adequate.
- Determine whether the department recorded financial activities properly.

To address these objectives, we conducted interviews and reviewed the department's internal controls for managing the five major federal programs in compliance with federal laws and regulations. We also tested financial transactions for the major programs to determine compliance with program regulations.

Several statutory and regulatory requirements govern federal financial assistance programs. The general requirements include: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property acquisition, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act, and administrative requirements. Our audit scope included testing the department's compliance with most of these general requirements.

Federal regulations govern specific compliance features for its programs. The federal government categorizes these regulations as follows: types of services allowed or unallowed, eligibility, matching, level of effort and/or earmarking requirements, special reporting requirements, and special tests and provisions. We tested the department's compliance with these specific requirements for the major programs.

The department did not have an adequate internal control structure related to the Title I-Educationally Deprived Children Program.

1. The Department of Children, Families & Learning did not have adequate procedures to ensure the accuracy of entitlements for districts enrolled in the Title I-Educationally Deprived Children Program (CFDA #84.10).

The Department of Children, Families & Learning overstated the fiscal year 1996 entitlement for five districts by a total of \$303,936. The department made data input errors to entitlement balances for the five districts as recorded in the electronic data reporting system (EDRS). When the department input reallocated funds to three districts, they made duplicate entries totaling \$299,818. After the department processed a special payment to another district for \$2,758, they did not reduce the district's entitlement by that amount. Finally, the department did not accurately reduce a district's entitlement for failure to meet the 90 percent maintenance of effort requirement. The department reduced that district's entitlement by \$940 instead of the required \$2,300, resulting in an overstated entitlement of \$1,360.

The department does not have adequate procedures in place to prevent or detect these errors. Although none of the districts with overstated entitlements overspent program funds yet, the potential for this to occur exists. Districts can apply for the use of Title I-Educationally Deprived Children funds for various projects up to the total entitlement as recorded in EDRS. The department uses program funds to reimburse districts for allowable costs. The department adds the difference between a district's entitlement and reimbursement to the district's entitlement for the following year. Accurate entitlements for districts in EDRS are essential to ensure that the department properly distributes these funds to the districts.

#### Recommendation

- The Department of Children, Families & Learning should reduce entitlements in EDRS for the above districts by a total of \$303,936.
- The Department of Children, Families & Learning should establish procedures to ensure that they accurately record entitlements for districts in EDRS.

This page intentionally left blank.

## **Chapter 4. The Computing Environment**

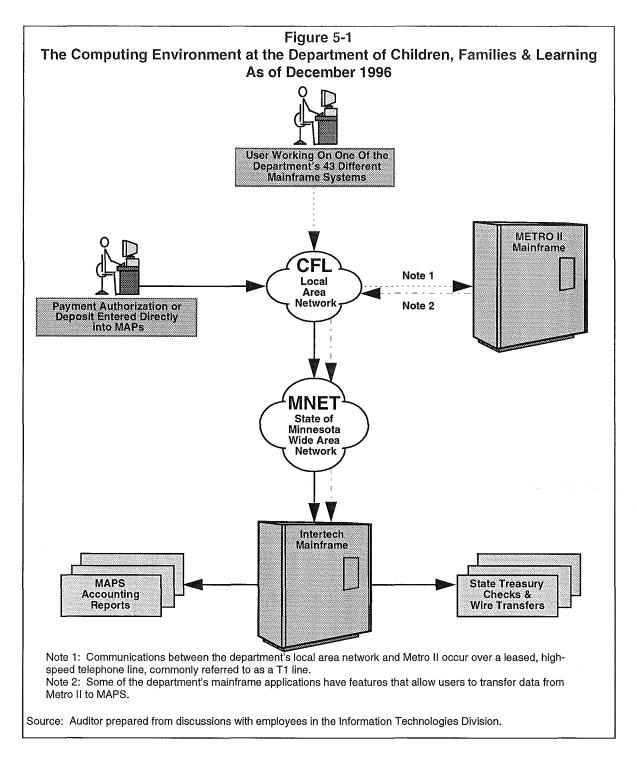
### Chapter Conclusions

The Information Technologies Division in the Department of Children, Families & Learning lacks important quality control mechanisms. Security controls that govern access to many of the department's systems are weak. Also, the department does not have a comprehensive disaster recovery plan. The Information Technologies Division places an unreasonable level of reliance on the internal knowledge of key employees. In fact, some employees support numerous mission-critical computer systems with little or no back up. Key technical and user documentation for these systems is also very limited and often outdated.

The Department of Children, Families & Learning is a large, complex state agency. The department has oversight responsibility for over 150 different state and federal activities and has an annual budget exceeding \$3.8 billion dollars. The department maintains 43 different mainframe-based computerized information systems. In addition, the department has a large number of information systems that run on personal computers and its local area network. Employees in the Information Technologies Division developed and support most of these systems.

The department currently leases its mainframe computing resources from a private organization named Metro II Educational Service Center. This arrangement costs the department approximately \$430,000 annually. The department stores all software and data for its mainframe systems at the Metro II service center, which is located in Inver Grove Heights, Minnesota. Employees gain access to these mainframe systems through a high speed telephone line that is connected to the department's local area network. In the future, the department plans to purchase its own computer and phase out its relationship with Metro II.

The department uses the Minnesota Accounting and Procurement System (MAPS) to account for its financial activities and make payments to vendors. MAPS resides on the state's central mainframe computer center, commonly referred to as InterTech. The department enters many transactions directly in MAPS. However, it also electronically transfers a substantial amount of payment data from Metro II to MAPS. Figure 5-1 illustrates the primary components of the computing environment at the Department of Children, Families & Learning.



Controlling access to computer resources and sensitive data is difficult in complex computing environments. To make effective access decisions, the department must determine what computer resources and data every employee needs to access to complete their job responsibilities. The department also must be familiar with the various security software packages that control the access to those computer resources and data. For example, the department runs Novell Netware software on its local area network. Novell Netware has its own security module that controls access to the network. The department developed its own program logic to control access to the computerized systems which run on the mainframe at Metro II. The

state's central mainframe computers are protected by a different security software package named ACF2. Finally, a software package called CORE controls access to the various MAPS screens and data. Employees in the Department of Children, Families & Learning must make important security decisions for each of these software packages.

## **Audit Scope and Objectives**

We reviewed computer access controls as part of our annual financial audit of the Department of Children, Families & Learning. We focused our work on how the department secures its computerized information systems and data that reside on Metro II's mainframe. Specifically, we attempted to answer the following question:

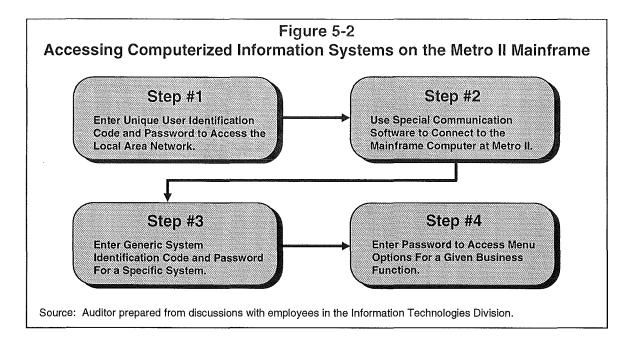
• Did the department properly secure the computer resources and data for its critical business functions?

To answer this question, we interviewed staff from the Information Technologies Division. We also reviewed the technical and user documentation for one mainframe information system that supports the Child Care Food Programs.

#### Controlling Access to Mainframe Systems at Metro II

Employees follow a four-step process to access information systems that reside on Metro II's mainframe computer. They begin by entering their unique user identification code and password to access the department's local area network. Once on the network, a special communication software package connects them to the mainframe computer at Metro II. Each information system on the Metro II mainframe has a generic identification code and password. Users also must enter a second shared password to access a menu of available system options. Figure 5-2 illustrates this four-step process.

We examined the department's security controls for the Child Care Food Programs and found significant internal control weaknesses. Specifically, we found many sensitive computer programs and data that were not properly secured. Also, employees who used the information systems on the Metro II mainframe did not have their own logon identification codes and passwords. Finding 2 discusses these security concerns in more detail. As discussed in Finding 3, the department may have difficulty recovering its critical business functions in a time of crisis because it has not performed any disaster recovery planning. Documentation shortcomings and a limited understanding of critical systems could further inhibit the department's ability to recover from a disaster.



# 2. Security controls over information systems on the Metro II mainframe computer are weak in several respects.

The Department of Children, Families & Learning gives users an inappropriate level of clearance to sensitive computer programs and data. The department also lets users of its mainframe computer systems share identification codes and passwords. These control weaknesses increase the possibility of errors or irregularities occurring and remaining undetected by management.

Each of the 43 information systems on the Metro II mainframe have their own identification codes and passwords. Entering the code and password for a system effectively gives users access to the region on the mainframe where key system programs and data are stored. Users do not need this level of clearance to fulfill their job responsibilities. In fact, giving users this type of access creates a significant control weakness.

Allowing users to share passwords is also a weakness in the department's access controls. Unique identification codes and passwords are an important control because they help authenticate system users. They also make specific users accountable for all transactions and computer operations. Currently, it may not be possible to trace computer activities or transactions to a specific user.

#### Recommendations

- The department should only give users access to the computer resources and data that they need to fulfill their job responsibilities.
- The department should assign every system user a unique identification code and password.

3. The Department of Children, Families & Learning may have difficulty recovering its critical business functions in a crisis situation.

The Department of Children, Families & Learning does not have any written disaster recovery procedures. Therefore, should a disaster occur, the department may have difficulty recovering its critical business functions. A disaster recovery plan provides a road map to recover critical business functions within an acceptable time period. A comprehensive disaster recovery plan does more than provide a strategy to restore computer operations. It also addresses other needs that may occur in a time of crisis, such as personnel, facilities, and supplies.

A limited understanding of critical systems and documentation weaknesses could compound the department's problems in a crisis situation. One employee we interviewed both designed and supported numerous mission-critical computer systems. We are not aware of any other employee in the Information Technologies Division that had a detailed technical understanding of these systems. The high-level technical documentation for the system we reviewed was very limited. In addition, the user documentation had not been updated to reflect system changes.

#### Recommendations

- The department should develop a comprehensive disaster recovery plan.
- The department should provide cross training for employees in the Information Technologies Division.
- The department should establish technical and user documentation standards and update documentation to reflect system changes.

This page intentionally left blank.



Minnesota Department of Children, Families & Learning

February 20, 1997

Mr. James R. Nobles Legislative Auditor Centennial Building St. Paul, MN 55155

Dear Mr. Nobles:

Enclosed are responses to findings from the Fiscal Year 1996 Statewide Audit.

We would like to take this opportunity to thank the audit staff for their helpfulness and professionalism. Please contact Tom Maloy, Director of Finance and Management Services, at 296-6253 if there are any questions regarding our response.

Sincerely,

Commissioner

RJW/TM:mpb

Enclosures

# DEPARTMENT OF CHILDREN, FAMILIES AND LEARNING AUDIT RESPONSE - STATEWIDE AUDIT FOR F.Y. 1996

#### **FINDINGS:**

1. The Department of Children, Families and Learning did not have adequate procedures to ensure the accuracy of entitlements for districts enrolled in the Title I-Educationally Deprived Children Program (CFDA #84.10).

#### **RECOMMENDATIONS:**

- The Department of Children, Families and Learning should reduce entitlements in EDRS for the above districts by a total of \$303,936.
- The Department of Children, Families and Learning should establish procedures to ensure that they accurately record entitlements for districts in EDRS.

The department concurs with the audit findings and recommendations. We agree that accurate information input into EDRS is essential to ensure that department properly distributes Title I funds to districts. In order to address the recommendations made in the audit report, the following procedures will be put in place during this fiscal year:

\* Reallocation - The audit found that duplicate entries were made into the EDRS system for three districts receiving Title I reallocation funds in the amount of \$299,818. The department has reduced the amount available for these districts by the amount of the duplicate entries.

The audit report did not note that although there were data entries made, the actual amounts reallocated to all districts did not exceed the amount available. We appreciated that the audit report did state that no overpayments occurred, but we agree that the potential for overpayment exists. Therefore, the EDRS system will be modified to require a special password to access the reallocation field.

One senior staff person will enter the additional amounts into the EDRS system after it has been determined which districts will receive allocation funds and the amounts of the additional allocations. The senior support person will also keep a paper report of the fiscal year from which the reallocation funds were taken and the school year for which the reallocation funds available for use. The EDRS entry and paper log will be verified and initialed by the team leader/lead worker.

\* Maintenance of Effort - The audit found that the amount of a reduction for a district which failed to meet the 90 percent maintenance of effort requirement was miscalculated. The miscalculation has been corrected, and the amount available to that district reduced by \$1,360.

To reduce the possibility of this error reoccurring, the following procedures will be put in place by June 30. Upon notification by the Education Funding Team that districts failed to meet the 90 percent maintenance of effort requirement, the amount of entitlement to be reduced will be calculated and deducted from the funds available for each district so identified. The amount of the calculation and the EDRS entry will be verified by the team leader/lead worker. Districts so affected will be notified of the reduction.

\* Payments Made After Closeout - The audit report found that a special payment was made to a district after the final payments were made for that fiscal year. The department has reduced the amount available to that district by \$2,758.

In order to assure that this problem does not reoccur, the following procedures will be put in place prior to June 30. After all district's Title I projects have been closed out and final payments have been made for the prior fiscal year, a modification will be programmed into the EDRS system so that the system will be "locked" and no further payments will be made for that fiscal year through the EDRS system. Any further payments will require the authorization of the managers of Learner Options and Fiscal Services.

2. Security controls over information systems on the Metro II mainframe computer are weak in several respects.

#### **RECOMMENDATIONS:**

- The department should only give users access to the computer resources and data that they need to fulfill their job responsibilities.
- The department should assign every system user a unique identification code and password.

The department is in the process on installing a stand-alone computer housed within the department. This would eliminate other districts from direct access to our machine and only give user access to personnel that are authorized. Addressing the access rights within the usercode has been assigned to a security committee. This ongoing committee is researching options including C2 controlled access protection that covers the following items:

- \* Identification of individual users through log-on procedures.
- \* Accountability of action at the individual user level.

- \* Controlled access to the system and its resources, including the ability to grant or deny an individual user access to specific information stored or processed on our systems.
- \* Secured reuse of system resources so that no user gains unauthorized access to data.
- \* Documentation explaining the security features.

The department has also assigned an individual to act as data base administrator. This person is responsible for usercode and user identification, passwords and database designations.

3. The Department of Children, Families and Learning may have difficulty recovering its critical business functions in a crisis situation.

#### **RECOMMENDATIONS:**

- The department should develop a comprehensive disaster recovery plan.
- The department should provide cross training for employees in the Information Technologies Division.
- The department should establish technical and user documentation standards and update documentation to reflect system changes.

The Department of Children, Families and Learning has initiated the development of a comprehensive disaster recovery plan. A committee was created to develop the plan and present it to the Systems Standards Group for approval. The department is entering into an agreement for emergency mainframe backup through Minneapolis Schools and has also entered into an insurance plan for total replacement of equipment in an emergency situation.

The cross training of key staff within the Division of Information Technologies has been initiated. The executive team within the Department has reallocated resources for three additional staff effective immediately. These positions, to be used as backups for critical systems as well as support for smaller systems, will help eliminate the need for staff to support as many systems as they are currently assigned. An additional \$1,000,000 over the next two years has been included in the Governors budget for technology support to bring our staffing to an adequate level.

The Office of Information Technologies does have technical and application system documentation standards. In the past, however, critical system changes by the legislature and users allowed staff very little time for documentation. With the approval of additional staff, the office will begin to update the documentation to a current level.