

DEPARTMENT OF STATE
STATE OF LOUISIANA



PROCEDURAL REPORT
ISSUED JUNE 20, 2007

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Six copies of this public document were produced at an approximate cost of \$14.16. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.lla.state.la.us. When contacting the office, you may refer to Agency ID No. 3525 or Report ID No. 06500857 for additional information.

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STEVE J. THERIOT, CPA
LEGISLATIVE AUDITOR

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May 30, 2007

DEPARTMENT OF STATE
STATE OF LOUISIANA
Baton Rouge, Louisiana

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at the Department of State for the period from July 1, 2004, through November 10, 2006. Our procedures included (1) a review of the department's internal controls; (2) tests of financial transactions; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

Specifically, we interviewed management personnel and selected departmental personnel and evaluated selected documents, files, reports, systems, procedures, and policies, as we considered necessary. After analyzing the data, we developed recommendations for improvement. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

In our prior audit report on the Department of Elections dated September 28, 2004, we reported a finding relating to the failure to adequately document educational expenses. The Department of Elections was subsequently merged with the Department of State. The finding was resolved by management.

The Annual Fiscal Reports of the Department of State were not audited or reviewed by us, and, accordingly, we do not express any opinions on those reports. The department's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, all significant findings are included in this report for management's consideration.

Failure to Develop a Disaster Recovery Plan

The Department of State has not adopted and implemented a disaster recovery plan. Formal disaster recovery plans should exist for the timely restoration and continuity of critical entity operations in the event that normal data processing facilities are unavailable for an extended period of time. In addition, the Division of Administration's Office of Information Technology Policy Number 11 requires state agencies to develop,

test, and maintain disaster recovery/business continuity plans designed to ensure the availability of mission-critical services and functions in the event of a disaster or unscheduled event that would impact the agency's information technology (IT) and telecommunications systems.

An adequate disaster recovery plan should include, at a minimum, the following:

- Maintaining a written functional plan that would allow for continued operation of critical IT services in the event of an unexpected interruption
- Routinely backing up data files, computer programs, and critical documents and storing this information offsite at a remote facility so that data can be processed and operations can continue with minimal disruption of services
- Establishing a recovery site to continue processing data offsite after the disaster
- Adequately training staff and other users of the system so that they understand their responsibilities in case of emergencies
- Testing the plan periodically to ensure that the plan works as intended

The secretary of state serves as Louisiana's chief election officer. During fiscal year 2005, the department expended over \$30.3 million in election programs. The department is responsible for maintaining the Election & Registration Information Network (ERIN) system. The ERIN system serves a dual purpose as the statewide voter database of all registered voters and as an accounting function for paying and invoicing local governing bodies for election day expenditures. These local governing bodies depend on the consistent operation of this system. Failure to implement formal disaster recovery/contingency plans increases the risk that, in the event of a disaster, there may be an untimely or excessive delay in processing records and making payments. Also, critical public records may be lost.

The Department of State should develop, adopt, and implement a disaster recovery plan that allows for critical operations to be reestablished and data to be restored from a remote location within an acceptable time frame should a disaster occur. These plans should also be periodically tested and updated as necessary to ensure that the plans work as intended in emergency situations. Management concurred with the finding and outlined a corrective action plan (see Appendix A).

The recommendation in this report represents, in our judgment, that which is most likely to bring about beneficial improvements to the operations of the department. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the department should be considered in reaching decisions on courses of action.

This report is intended solely for the information and use of the department and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

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Management's Corrective Action
Plan and Response to the
Finding and Recommendation

AL ATER
SECRETARY OF STATE

April 6, 2006

STATE OF LOUISIANA
SECRETARY OF STATE

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Mr. Steve J. Theriot, CPA
Legislative Auditor
Louisiana Legislative Auditor's Office
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Reportable Finding Audit

Dear Mr. Theriot:

In response to the above please be advised of the following:

Failure to Develop a Disaster Recovery Plan - Management concurs.

While a formal plan has not been documented, procedural safeguards have been put in place to protect the information technology assets of the office. Backups are regularly done and maintained off-site. Recovery is possible following receipt of equipment to replace that which is damaged.

With the new systems under development, the equipment will be located in 2 places approximately 8 miles apart and one or the other site will be able to function should the other site fail. The Department will also benefit since the new location is in the DOA's Data Center and by April 22nd a consultant is supposed to make recommendations for disaster recovery of all critical assets located in that building.

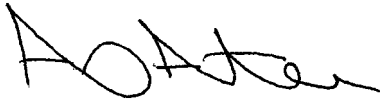
As funds are available for the replacement of the other Secretary of State systems, this strategic model will be followed and should reduce the risk of data loss because of catastrophic circumstances. However, since funding requests have been rejected, we are not certain of the timing for this to be accomplished.

Similarly, all of the state agencies that have completed disaster recovery plans to date have employed outside consultants to complete the plan development. The process is very labor intensive and with the limited staff available to the department, it is not feasible that it could be done without these resources. The Department of State will request funding for this in the FY08 budget, since the deadline for requesting FY07 has passed. In the interim, attempts will be made to formalize some of the operational procedures to insure protection of the departments IT assets.

The contact person responsible for corrective action is Chrissie Weatherford, IT Director for the Secretary of State's office.

Should further information be required, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Al Ater', with a stylized, cursive script.

Al Ater
Secretary of State

AA:ca