Chapter 7
MIDAS Financials—Security

1.0 MAIN POINTS

The Ministry of Finance (Finance) is responsible for administering the financial system used primarily by ministries and as the general ledger for Public Accounts called the Multi-Informational Database Applications System–financials (MIDAS Financials).

At December 2011, Finance had effective central controls to protect the confidentiality, integrity, and availability of transactions on MIDAS Financials with one exception. Finance did not always remove user access from MIDAS Financials on a timely basis once a request from a user agency was received. Not removing user access promptly increases the risk of inappropriate access and unauthorized changes to MIDAS Financials. We make one recommendation on this point.

2.0 INTRODUCTION

This chapter includes the results of our annual audit of Finance's central controls to secure transactions on MIDAS Financials.

Finance is responsible for the Multi-Informational Database Applications System – financials (MIDAS Financials). Ministries use MIDAS Financials to account for their financial activities. MIDAS Financials includes modules for general ledger, cash management, accounts payable, accounts receivable, purchasing (including tender management, requisitions and receiving), payments, public sector forecasting, capital assets, inventory, and human resources/payroll. It also serves as the general ledger for the Public Accounts.

Over 30 government agencies use MIDAS Financials to process and record transactions and issue payments. Finance performs central controls to protect the confidentiality, availability, and integrity of MIDAS Financials and its information on behalf of these agencies. These agencies rely on Finance to have effective central controls to secure MIDAS Financials and its information.

In the past year, MIDAS Financials recorded over $10.97 billion in operating expense transactions.[1]

3.0 AUDIT OBJECTIVE, CRITERIA, AND CONCLUSION

The objective of this audit was to assess the effectiveness of Finance's central controls to secure the MIDAS Financials systems and data for the twelve-month period ending January 31, 2012. The audit did not assess the effectiveness of the controls at user agencies (e.g., ministries). Rather it focused on the central controls at Finance.

---

[1] Estimate of operating expense taken from General Revenue Fund financial statements for the year ended March 31, 2011.

User agencies rely on Finance to have effective central controls and carry them out properly. We carry out this audit annually to support our audits of various user agencies.

To conduct this audit, we followed the *Standards for Assurance Engagements* published in the *CICA Handbook – Assurance*. To evaluate Finance's processes, we used criteria based on the *Trust Services Principles, Criteria, and Illustrations* authored by the Canadian Institute of Chartered Accountants and the American Institute of Certified Public Accountants, as well as international standards, literature, and reports of other legislative auditors. Finance agreed with the criteria below (see Figure 1).

Figure 1—Audit Criteria

Effective central controls used to protect the confidentiality, integrity, and availability of MIDAS Financials systems and data should include control processes that:

1. **Show management commitment to security (governance)**
   a. Responsibilities for security are clearly defined
   b. Management identifies threats and risks
   c. Management has approved security policies and procedures
   d. Management monitors security

2. **Protect systems and data from unauthorized access**
   a. User access controls protect the system from unauthorized access
   b. Physical security controls protect the system from unauthorized access

3. **Make systems and data available for operation**
   a. System and data backups occur and are tested
   b. Disaster recovery plans are in place and tested

4. **Maintain the integrity of systems and data**
   a. Management has policies and procedures for managing the system and data
   b. Change management processes exist and are followed
   c. Management monitors the system to ensure operating as planned

We concluded that, for the twelve-month period ended January 31, 2012, the Ministry of Finance had effective central controls to protect the confidentiality, integrity, and availability of Midas Financials except for its processes to remove user access on a timely basis.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Timely User Access Removal

Finance creates, modifies, and removes user access to MIDAS Financials upon request from user agencies. User access controls ensure only approved people can use the MIDAS Financials system. Removing user access from individuals who no longer work for user agencies should be done in a timely manner.

During our audit, we noted eight instances where user access was not removed the day after the request from the user agency was received. If unneeded access is not removed promptly, it increases the risk of inappropriate access and unauthorized changes to the MIDAS Financials system and data.

1. **We recommend that the Ministry of Finance implement a policy for the timely removal of user access upon receipt of requests for removal from user agencies.**

5.0 SELECTED REFERENCES

Canadian Institute of Chartered Accountants (CICA) and the American Institute of Certified Public Accountants (AICPA). (2009). *Trust services principles, criteria, and illustrations*. Toronto: Author.

International Organization for Standardization. (2005). ISO/IEC 27002:2005(e). *Information technology – Code of practice for information security management; 2nd Edition.* Geneva: Author.

IT Governance Institute. (2007). *COBIT 4.1*. Rolling Meadows, IL: Author.