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ALAN G. HEVESI
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MEMORANDUM

June 29, 1998

To: Agency Heads/Fiscal Officers

From: Steve Newman *SN*

Re: Reissuance of Comptroller's Internal Control and Accountability Directive #18,
*Guidelines for the Management, Protection and Control of Agency Information and
Information Processing Systems*

A new version of Comptroller's Internal Control and Accountability Directive #18 is attached. It is effective immediately and supersedes the existing version issued in August 1981.

The directive provides a comprehensive set of guidelines for establishing policies and procedures that will help agencies manage and safeguard their automated information systems and other data processing resources. Protecting agency information and information processing systems and equipment is an increasingly important component of agency risk management and internal control activities. The importance of strong internal controls in these areas will continue to escalate as technology and information processing systems become more deeply integrated into agency business, and agencies become more dependent on computer technology. Developing a control environment that insures that agency data and information processing resources are protected against the significant, and in many cases, unique risks characteristic of these assets is a critical agency function.

The Directive's scope has been broadened considerably. It is a far more expansive guide than its predecessor, covering current technologies and issues that previously had, no, or only insignificant roles.

Highlights and significant changes are summarized here:

- Much of the emphasis has been shifted away from the previous version's focus on mainframe systems, and has been redirected toward issues and problems related to the

distributed computing systems used in almost every agency today.

- New topics include internal control practices and procedures for e-mail, the Internet, laptop computers, software viruses, computer hackers, copyright infringement, system development, and business continuation planning.
- The Directive focuses management's attention on the data and information maintained in agency information processing systems, emphasizing that data and information are assets obtained at a substantial cost, and just like tangible assets, need to be addressed when developing protection policies and procedures.
- Specific steps that will help agencies direct, organize, and coordinate an effort to establish a strong internal control environment are described. These include evaluating the state of the existing control environment, assessing the impact that the loss of data or other information processing resources would have on the agency, creating, and then implementing, a formal protection plan.
- The Directive's guidelines are divided into two tiers. One, aimed primarily at executive and senior management, stresses the critical roles that they play in setting the tone, managing, and directing information protection activities. The second, which contains more detail level procedural and control techniques, is directed at the operational and technical managers responsible for selecting the best and most appropriate combination of procedures and control techniques for their agency's situation.
- Part III, *Monitoring Performance and Results*, provides executive managers with a framework that can be used as a guide for asking the key questions and establishing a reporting structure that will enable them to monitor the state of their agency's information processing environment on an ongoing basis.
- A comprehensive list of references to authoritative publications, including Federal Information Processing Standards issued by the U.S. Department of Commerce's National Institute of Standards and Technology, and other Federal publications is incorporated in Appendices A and B.

Questions and comments should be addressed to Joseph Trapani, Chief, Bureau of Management and Accounting Systems, 1 Centre Street, Room 1005, New York, NY 10007, (212) 669-8201.