Internal Audit Report

Post Implementation Review PeopleSoft – Payroll and Recruiting

TxDOT Office of Internal Audit
Objective
To determine if the Oracle® PeopleSoft (“PeopleSoft”) payroll and recruiting systems are providing for effective and efficient business operations.

Opinion
Based on the audit scope areas reviewed, control mechanisms require improvement and only partially address risk factors and exposures considered significant relative to impacting reporting reliability, operational execution, and compliance. The organization’s system of internal controls requires significant improvement in order to provide reasonable assurance that key goals and objectives will be achieved. Extensive improvements are required to correct control gaps and to address excessive residual risk that may result in potentially significant impacts to the organization including the achievement of the organization’s business/control objectives. Progress to address the highest risk areas will likely not be achieved within 6 months.

Overall Engagement Assessment
Needs Improvement

<table>
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<tr>
<th>Findings</th>
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<th>Control Design</th>
<th>Operating Effectiveness</th>
<th>Rating</th>
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<tr>
<td>Finding 1</td>
<td>Leave Without Pay Process</td>
<td>x</td>
<td>x</td>
<td>Needs Improvement</td>
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<td>Finding 2</td>
<td>Talent Acquisition Management (TAM) Module Implementation</td>
<td>x</td>
<td>x</td>
<td>Unsatisfactory</td>
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<td>Finding 3</td>
<td>PeopleSoft Access Controls</td>
<td>x</td>
<td>x</td>
<td>Needs Improvement</td>
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Management concurs with the above findings and prepared management action plans to address deficiencies.

Control Environment
Since TxDOT implemented PeopleSoft, several key staff that were part of the implementation process have left the agency. As a result, current human resources and payroll program staff did not demonstrate a comprehensive understanding of the system based on interviews and observation. This led to some processes not being fully updated to reflect the new system capabilities and efficiencies.

Additionally, through further inquiry and review of the implementation process, it was also determined that limited system testing was completed for such areas as edit features. As a result, some functionality, such as job application screening and unreported time query, did not work as intended and required “work arounds” to be developed by Payroll and Human Resource Division (HRD) staff.

Payroll staff processed approximately $639 million in salary during Fiscal Year (FY) 2015, of which, most was done through PeopleSoft. HRD staff are responsible for systematic changes to employee’s salary and assisting 1,048 hiring managers in the use of PeopleSoft to post job openings, screen applications, interview candidates, and hire new staff. Audit testing
Post Implementation PeopleSoft – Payroll and Recruiting  
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conducted provided assurance that payroll and HRD changes, such as salary and merit increases, W-4 changes, and longevity pay, were working properly and being processed by the system correctly. Auditors tested 124 employee transactions in those areas and found no issues.

Summary Results

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| 1       | Payroll Accuracy               | Leave Without Pay (LWOP) and military LWOP Testing  
Reconciliation and payroll issues have been noted with employees who are impacted with LWOP and military LWOP on their timesheets. The following items were noted:  
- 2 of 25 (8%) employees records tested with LWOP could not be reconciled to amounts paid due to unreported time  

**Overpayments:**  
- 10 of 23 (43%) employees had LWOP overpayments of $12,446 that were not recovered timely  
- 3 of 3 employees tested with military LWOP had a total of $11,289 in overpayments that were still in process of being recovered as of September 30, 2015  

**Underpayments:**  
- 3 of 23 (13%) employees tested were underpaid approximately $1,151  

**Unreported Time Analysis**  
- A total of 2,632 employees had 41,937 hours of unreported time for three months (March, April, and May 2015) that totaled approximately $1.1 million in payroll payments  
  - Auditors were not able to identify if these unreported hours were actual hours worked, leave time, or time that should have not been paid |
| 2       | Talent Acquisition Management Functionality | Based on review with hiring managers and Human Resource Division Subject Matter Experts (“SMEs”), the following Human Resource functions were not working properly and reducing process efficiency in most cases:  
- Cloning function not properly replicating a job requisition and identifying the new job location properly  
- Screening function not filtering out applicants that do not meet minimum qualifications  
It was also noted that an editing function allows a hiring manager the ability to make changes to a submitted job |

March 2016
Application. Even though no editing or changes to an application were discovered, this editing function, if used, could compromise the integrity of the application process. It was also confirmed that no log, query, or process existed to review or identify when and if a job applicant data was changed.

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<th>3</th>
<th>PeopleSoft Access Roles</th>
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<td>6 of 15 (40%) employees tested had no documented approval for the 14 assigned Human Capital Module (HCM) access roles granted after the PeopleSoft implementation. The access review process includes sending an access report to program SMEs monthly to review and validate access to the HCM. Since May 2015, 2 of 3 SMEs tested were not reviewing the monthly report.</td>
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### Audit Scope

Audit scope included evaluations of system access controls and payroll calculations and reconciliations within the PeopleSoft Human Capital Management (HCM) Module. System access testing included evaluating the appropriateness of elevated access rights and the granting of access rights from October 31, 2014 to May 31, 2015. Testing for payroll included reviewing payroll transactions from October 31, 2014 to May 31, 2015. Transfer of payroll data was also tested between TxDOT and the Comptroller of Public Accounts (CPA) during that same time period.

The audit also focused on reviewing the functionality in the Talent Acquisition Management (TAM) module within HCM. Testing included review of current functionality, pre-implementation testing and training, and post-implementation fixes for known issues. Testing documentation from December 26, 2013 to May 1, 2014 was reviewed. System functionality was reviewed as of September 2015.

The audit was performed by Tracey Garza, Timothy Owen, Ky Stafford, and Cynthia Scheick (Engagement Lead). The audit was conducted during the period from June 9, 2015 to September 30, 2015.

### Methodology

The methodology used to complete the objectives of this audit included:

- Reviewed TxDOT internal documents including policy and procedure manuals and organizational charts.
- Tested payroll and HR changes, such as W4 changes, merit payments, lump sum payments, longevity pay, and salary increases to see if changes were inputted and the PeopleSoft system processed correctly.
- Tested employees with “leave without pay” and “military leave without pay” hours to determine if pay was accurately deducted from payroll payments.
- Reviewed the timeliness of collecting or refunding inaccurate payments to employees.
• Reviewed the Human Capital Module (HCM) Functional Roles and Responsibilities for Payroll and Human Resource Division (HRD) positions, which was used as the criteria for access testing
• Reviewed HRD and Finance staff, who were assigned HCM roles, to validate access was appropriate
• Evaluated HCM access audit reports that designated any access issues noted
• Obtained and reviewed Data Base Administrators (DBAs) from a third party provider responsible for the implementation and NTT DATA to identify and assess roles and responsibilities
• Tested user access to the HCM production database evaluating the accuracy and security of payroll transfers to the CPA
• Reviewed documentation of pre-implementation testing and training for the TAM module
• Evaluated documentation and communication of issues with functions of the TAM module not working as intended
• Reviewed data elements that interface between PeopleSoft and Active Directory (Novell ID)
• Evaluated password syncing between Active Directory and PeopleSoft
• Interviewed key stakeholders, such as PeopleSoft Director, Finance Director, Human Resource Director, and staff in Human Resource and Payroll

These procedures were applied as necessary to perform the audit fieldwork.

Background
This report is prepared for the Texas Transportation Commission and for the Administration and Management of TxDOT. The report presents the results of the PeopleSoft Post Implementation – Payroll and Recruiting audit, which was conducted as part of the Fiscal Year 2015 Audit Plan.

TxDOT implemented a new PeopleSoft system in October 2014. PeopleSoft is an integrated suite of software, which provides a common technology platform across core business areas of human resources, finance, supply chain, and payroll. The TxDOT PeopleSoft system replaced over 20 mainframe and legacy systems in Finance, Human Resources, and General Services. The new PeopleSoft consists of three main applications: Financial Supply Chain Management (FSCM), Enterprise Learning Management (ELM), and Human Capital Management (HCM). The HCM application includes modules for the payroll function, time and labor reporting, and recruiting (i.e., talent acquisition management, also known as “TAM”). The payroll and TAM functions in the HCM module were reviewed for this audit.

To implement PeopleSoft, TxDOT had a designated team consisting of TxDOT employees and third party vendors. TxDOT also established an Executive Steering Committee and a separate ERP Section dedicated to managing the PeopleSoft implementation. In addition, TxDOT employees from key program areas, also known as subject matter experts (SMEs), were used to help identify gaps in the legacy systems and identify areas of improvement. Third party vendors were used as the ERP System Integrators and to provide program quality management and oversight. Third party vendors within the designated team were responsible for coding the system, conducting gap analysis, testing the functionality of the
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code, ensuring the system functions worked properly, and giving proper access levels and roles to employees and to the system.

Implementation problems or issues are communicated and addressed through TxDOT’s information technology (IT) ticket system, TxDOTNow. These tickets are to be addressed by a third party vendor or the ERP Section. The primary vendor used to design and implement PeopleSoft was retained to provide ongoing maintenance support.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards and in conformance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Recommendations to mitigate risks identified were provided to management during the engagement to assist in the formulation of the management action plans included in this report. The Office of Internal Audit uses the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework version 2013.

A defined set of control objectives was utilized to focus on reporting, operational, and compliance goals for the identified scope areas. Our audit opinion is an assessment of the health of the overall control environment based on (1) the effectiveness of the enterprise risk management activities throughout the audit period and (2) the degree to which the defined control objectives were being met. Our audit opinion is not a guarantee against reporting misstatement and reliability, operational sub-optimization, or non-compliance, particularly in areas not included in the scope of this audit.
Detailed Findings and Management Action Plans (MAP)

Finding No. 1: Leave Without Pay Process

Condition
The department did not fully identify or recover inaccurate payroll payments associated with both Leave Without Pay (LWOP) and unreported time scenarios. As a result, identifying, recovering, or adjusting payroll payments can take more than one payroll cycle.

In addition, it was discovered that employees were paid for time that was not fully supported. Timesheet documentation provided information on hours worked, as well as, employee benefit leave hours taken like sick, annual, or compensatory time.

Effect/Potential Impact
Inaccurate support and reporting of leave balances could lead to employee balances being overstated.

Criteria
Fair Labor Standards Act (FLSA) recordkeeping regulation (29 CFR Part 516) requires employers to keep accurate records for each non-exempt worker including data about the hours worked and the wages earned. Further, the Payroll function is responsible to ensure accurate payment of employee’s salary and submitting accurate data to the Comptroller of Public Accounts (CPA). Texas Administrative Code for Overpayments and Underpayments of Compensation covers the due process, employee repayment options, Comptroller notification requirements for overpayments, and states that underpayments of compensation shall be corrected no later than the following pay period.

Cause
Although payroll processes have focused on ensuring employees are fully paid and on time, the current LWOP and unreported time payroll processes are still primarily based on the previous system functionality. In addition, the ability to review the “unreported time report” was only given to the Time and Labor Administrators and not direct supervisors. Further, it was determined that this report did not capture all unreported time.

Current policies and procedures also still reflect the legacy system (ETSA) instead of PeopleSoft.

Evidence
Leave without pay (LWOP) and military LWOP

Auditors tested 25 of 190 (13%) employees with LWOP and 3 of 10 (30%) employees with military LWOP with the following results:

- 2 of 25 (8%) employees records that had LWOP could not be reconciled to amounts paid due to unreported time on their timesheet
Overpayments

- 10 of 23 (43%) employees had LWOP aggregate overpayments of $12,446 that were not recovered timely; not all overpayments were initially identified by Finance
  - 2 of 10 ($2,156) overpayments were not recovered until two months later
  - 8 of 10 ($10,290) overpayments (between January and May 2015) were still in the process of being recovered as of September 30, 2015
- 3 employees tested with military LWOP had a total of $11,289 in overpayments. These payments were still in process of being recovered as of September 30, 2015

Underpayments

- 3 of 23 (13%) employees tested were underpaid approximately $1,151
  - Payroll review processes did not identify these underpayments as of August 25, 2015

Unreported Time

Auditors evaluated PeopleSoft system queries of unreported time for March, April, and May 2015 and identified the following:

- 2,632 employees had a total of 41,937 hours of unreported time (i.e., no employee time was entered into PeopleSoft) that totaled approximately $1.1 million in payroll payments. Auditors were not able to identify if these hours were actual hours worked, leave time (i.e., sick or personal leave, compensatory time), or time that should have not been paid (i.e., LWOP or military LWOP)

Management Action Plan (MAP):

MAP Owners:
- Paul Campbell, Director, Finance Division - Payments Management
- Sylvia Mraz, Manager, Finance Division - Employee Payments
- Sue Park, Work Lead, Finance Division - Payroll/Time & Labor

MAP 1.1:
Payroll and Time & Labor teams will ramp up the reconciliation efforts by:

- Establishing a method for providing thorough audit training to the field for the portion of the employee population they are supporting, including a scaled-down version of a payroll checklist that allows payroll liaisons to promptly complete a reconciliation audit for the hours being paid vs. hours actually due
- Coordinating a shared mailbox for Time & Labor that will be monitored at least once per hour during the monthly payroll processing week
- Reviewing employees in deployed or military leave status (as identified by HR TL Admin) prior to running payroll each month (due by the 10th of each month)
- In the event that an employee’s payroll is to be corrected for an overpayment and/or underpayment discovered from LWOP or military LWOP, the employee will be contacted by the Finance Division in writing before any payroll changes are made to discuss the timing and amount that will impact the employee(s) future paychecks
MAP 1.2:
- Work with Information Management Division (IMD) to modify existing reports and queries that will be used within the Central Payroll Team for monitoring overpayments and underpayments
- Request a query/report be created for daily review of employees with LWOP or a termination date entered after payroll has run

MAP 1.3:
To gain further control of unreported time, suggest to the ERP Section of IMD that the system disallow a timesheet to be saved, and offer a message stating such, if there is evidence of unreported time in any field on the dates that have passed

MAP 1.4:
Payroll and Time & Labor teams will collaborate on preparation of fully detailed desk instructions that will cover all job tasks within the respective scope of responsibility. Our goal is to ensure the documented processes for the payroll and time systems represent the agency’s pursuit of “best in class” products and services for all of our customers including:
- Reference materials and SOP’s that define the processing steps required to complete a time sheet or to get a payroll processed through the SPRS system, and all related activities necessary to comply with state, federal and local rules and regulations
- Feedback and input from each of the unit “experts” within various segments of our business flow to be used to best define the tasks and controls necessary to meet our integrity goal
- Testing the process guides within the payroll unit to also meet the goal of cross-training staff for optimum coverage

Completion Date:
April 15, 2016

MAP Owner:
Teri Augustine, Director, Information Management Division - Enterprise Planning Section

MAP 1.5:
- If Central Payroll Team query resources require enhanced support, the Information Management Division will ensure resources are assigned to provide support
- Central Payroll Team will work on developing a query/report that provides a daily review of employees with LWOP or a termination date entered after payroll has run. If Central Payroll Team query resources require enhanced support, Information Management Division will ensure resources are assigned to provide support

MAP 1.6:
The Information Management Division will meet with the Finance Division to determine if disallowing timesheet submittal is the best solution and provide Internal Audit with a decision by March 1, 2016. On December 10, 2015 the Information Management Division implemented a warning message that states the employee has not entered the correct amount of hours when there is evidence of unreported time in any field

Completion Date:
April 15, 2016
Finding No. 2: Talent Acquisition Management Module Implementation

Condition
The Talent Acquisition Management (TAM) module was implemented to drive efficiency in the recruiting process, but three functions did not work properly when implemented: 1) the cloning function did not properly replicate a job requisition and identify the new job location, 2) the screening function did not filter out unqualified applicants, and 3) an edit feature gave hiring managers the ability to make changes to submitted job applications (i.e., making changes to the applicants job history and education) without notifying the applicant or human resources.

Although there was no evidence of changes being made by a hiring manager, there was no tracking or review of such attempts since October 2014. In September 2015, a fix was successful.

Effect/Potential Impact
With 1,048 hiring managers attempting to recruit and hire qualified staff, the additional time to manually screen applicants and reproduce existing job requisitions, due to these TAM functionalities not working, reduced the overall efficiency and possible success of hiring for some of those managers. Further, providing inaccurate training creates potential confusion on how the system works, reduces productivity, and increases rework.

Making edits to an applicant’s job application by a hiring manager would violate Texas Penal Code 37.10 - Tampering with Government Record and lead to criminal prosecution. Further, any alteration of the record would lead to the agency violating the Public Information Act and negates the integrity of the record.

Criteria
The Texas Project Delivery Framework published by the Texas Department of Information Resources provides guidance to agencies during project implementation by including development, testing, and deployment based on project planning activities and deliverables. Testing is performed to help ensure the product and/or service is ready to be operationalized. The testing should determine if the system operates in accordance with the business objectives of the organization and meets organizational goals. As part of the testing, the results should be reviewed, documented, and maintained.

According to industry standards, testing can take up to 45% of total project development time. For this implementation and as compared to industry standards, a minimum of 5 months should have been allotted for testing the system.

Cause
Testing for these three functions (i.e., cloning a job, run applicant screening, and editing hiring manager security) was done in three days and all remaining testing of the TAM Recruitment module was done within eleven days between the end of December 2013 and May 2014.

Further, 13 of 763 (2%) tests conducted on the TAM module were related to testing of the cloning, screening, and hiring manager security functions to determine if they were working.
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properly. The testing scenario’s script information tested basic functionality and did not assess if the job application information displayed was accurate.

Evidence

TxDOT Now Tickets

Auditors reviewed 414 TxDOT Now Tickets originated between October 6, 2014 and June 8, 2015 that related to the TAM module to obtain information on functions that were not working properly after implementation. This information would help assess possible impacts to the efficiency gains that the module was to provide:

- 4 of 414 (1%) TxDOT Now Tickets related to the cloning function. Tickets related to cloned job requisitions showing the incorrect job location and receiving an error message
  - The first ticket on the cloning functionality was submitted in November 2014, a month after implementation
- 7 of 414 (2%) TxDOT Now Tickets related to problems with the preliminary screening of applicants functionality began in October 2014
- No end user tickets were related to the hiring manager’s ability to change job applicant data

Auditors met with hiring managers and Human Resource subject matter experts to observe and substantiate that the three TAM functions were not working properly:

- It was observed that the cloning function was not properly cloning a job requisition and identifying the new job location properly
- It was observed that the screening function was not filtering out applicants that did not meet minimum qualifications
- It was observed that hiring managers have the ability to make changes to job applicant data after the application was submitted:
  - It was also confirmed that no log, query, or process existed to review or identify when and if a job applicant data was changed

Management Action Plan (MAP):

MAP Owners:
Connie Hofmann, Lead HR Specialist, Human Resource Division
Joe Seifert, Workforce Section Director, Human Resource Division

MAP 2.1:
PeopleSoft 9.2 HCM Cloning Process to Create Job Openings:

- Human Resources Division worked with ERP technical group and outside consultants to implement system fixes for the TAM Job Opening Clone Process
  - Problem occurred when trying to change
    - Work location and primary position number on cloned job openings
- HRD tested these issues successfully in unit test. Functionality works as intended when changing the location and primary position number. For position number, the new position number must match cloned job code or system will generate an error message
- Cloning fixes were migrated to production on July 12, 2015 and August 12, 2015

Completion Date:
Action Completed
MAP 2.2:
Human Resource Division will improve PeopleSoft 9.2 HCM System Screening Process by conducting the following:

- Reviewing system screening questions and criteria to ensure the screening functions are filtering out applicants that do not meet minimum qualifications
- Developing or updating system screening questions
- Testing system screening functions
- Evaluating test results and recommend system and/or process changes
- Retesting system screening functions to ensure that
  - applicants who do not meet minimum qualifications are not included in the screened list
  - applicants who meet minimum qualifications are included in the screened list
- Updating training, guidelines, and job aids
- Providing training to HR staff and managers on setting up questions and how to define screen criteria for the best results

All these steps will be documented and training records will be kept.

**Completion Date:**
April 15, 2016

MAP 2.3:
Human Resource Division will improve Audit PeopleSoft 9.2 HCM Application Data Edits by doing the following:

- A system fix to remove Hiring Managers ability to edit job applications was migrated on September 2, 2015 and tested successfully on September 3, 2015
- Identifying PS 9.2 HCM Application data fields that can be edited by HR staff
- Developing, documenting, and implementing process for why application data may need to be changed
- Submitting IT request to turn on PSAudit for selected fields
- Testing process to edit application data in selected fields
- Running PS Audit report monthly to verify that data changes are correct
- Updating training, guidelines and job aids
- Providing training to HR staff

All these steps will be documented and training records will be kept.

**Completion Date:**
April 15, 2016
Finding No. 3: PeopleSoft Access Controls

Condition
Documentation to support for Human Capital Module (HCM) access role request/creation and their subsequent approval was not found for the Payroll and the Human Resources Division staff. Since the HCM maintains confidential employee information and is used to perform financial (payroll) and personnel transactions (hiring, employee classifications, etc.), user access and role definitions should be carefully considered and documented upon creation and approval.

Additionally, access reviews for HCM user roles and permissions were not always being performed and the required annual review process by supervisors had not been implemented.

Effect/Potential Impact
Inadequate system access controls (i.e., support and documentation of access role request/creation) can lead to segregation of duty concerns, as well as, unauthorized disclosure, modification, or deletion of data within the application impacting the integrity and confidentiality of financial, current employee, and future employment data. In addition, without a documented and well vetted access review and approval process being in place, granting of inappropriate access could also be given without the appropriate supervisor review/approval being performed.

Criteria
Title 1, Texas Administrative Code, Section 202.22(B) requires the approval of access to information resources and the periodic review of access lists to be performed by the data owner or designated representatives.

TxDOT Information Security Manual requires supervisors to approve and forward all users’ requests for access to the Security Administrator. Supervisors are also required to annually review, in conjunction with the Security Administrator, each user’s access capabilities based on current job duties or management requirements.

Cause
Individual documented records were not retained for each employee’s HCM role request and approval. Multiple HCM role requests and approvals were allowed to be submitted through one ticket in the TxDOT NOW system even though those requested were for multiple staff and roles with different supervisors. These tickets cannot be searched to locate the approval documentation for each employee to ensure proper access was given for each role.

There is no standard documented process or design for PeopleSoft user access reviews that will help ensure user’s access capabilities are evaluated based on current job duties or management requirements. In addition, the user access audit reports that are produced by the ERP Section include complex and technical user role and permission level information, but they did not include or highlight the important detailed edit capabilities (i.e., delete or modify etc.) each user can perform within the system.
Evidence
- Auditors tested the access approval for 15 Payroll and HRD employees (112 total roles assigned) to the Human Capital Management (HCM) module
  - 6 of 15 (40%) employees tested had no documented approval for the 14 assigned HCM access roles granted after the PeopleSoft implementation
    - Examples or roles granted without a documented approval include access to administer base benefits, maintain payroll data, manage payroll processes, report payroll info, correct payable time, manage recruiting configurations, and access Human Resources reports
- Three of 6 subject matter experts (SMEs) designated for Payroll and HRD (Recruiting and Time & Labor) access reviews were interviewed to determine their review process of the monthly user access audit report
  - Since May 2015, 2 of 3 SMEs tested had never reviewed the monthly report

Management Action Plan (MAP):

MAP Owner:
Teri Augustine, Director, Information Management Division - Enterprise Planning Section

MAP 3.1:
To ensure documentation of access approval is available for each user granted access to PeopleSoft HCM module, ERP Section will work with the Human Resource Division to develop and distribute a process and guidance for Supervisors concerning user access roles and permissions which will include all of the following:
- Require a single TxDOT Now to be submitted for each staff role request
- Develop guidance and procedures on how the monthly access reviews are to be conducted. Provide these procedures to individual staff managers and post these procedures to the Human Resources section of the PeopleSoft Website. Include a contact assistance number in the guidance for staff managers to ensure reviewers have access to knowledge of the information in the user access reports and how to review it
- Require feedback from Supervisors when the access reviews are distributed to ensure the reviews have been conducted
- Develop and distribute a comprehensive annual review process in conjunction with Supervisors of each user’s roles, permissions and capabilities based on the user’s current job duties or management requirements

Completion Date:
April 15, 2016
Observation and Recommendation

Audit Observation (a): PeopleSoft Security Controls

Security controls are not designed to allow for review and detection of potential unauthorized activities (e.g., modify employee payroll or employment data) to the Human Capital Management (HCM) database. Activities performed by Database Administrators (DBAs) are not available for this type of review as audit logs are not enabled for the HCM production database due to space constraints. HCM production database contains confidential information for Payroll and the Human Resources Division (HRD).

Effect/Potential Impact

By not tracking all activities to the database by DBAs, proper accountability may not be timely enforced/understood and detective controls may not be established which increases the possibility of internal threats and unauthorized activity. In addition, risk to the integrity and confidentiality of financial and employment data may be increased which could lead to negative financial and reputational damages.

Audit Recommendation

Information Management Division should apply a risk-based approach to identifying high-risk database audit transactions to be logged in order to implement some sort of detective controls around DBA activity while limiting the amount of storage space used and not slowing down server performance. A process should also be established to review audit logs regularly and report exceptions when needed.
Summary Results Based on Enterprise Risk Management Framework

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Scope Area Assessment

Rating Assessment Grid

| Exemplary | Satisfactory | Needs Improvement | Unsatisfactory |

Closing Comments

The results of this audit were discussed with the Directors of the Human Resources Division, Finance Division, and Information Management Division (including the Enterprise Planning Section), as well as, key staff for Payroll and Recruiting functions. We appreciate the assistance and cooperation received from the divisional staff contacted during this audit.