



MOSSADAMS

PROPRIETARY AND CONFIDENTIAL

FINAL REPORT

FOR

CITY OF STOCKTON

INTERNAL CONTROLS TESTING: SUPERION
ACCESS

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Moss Adams LLP
3121 West March Lane, Suite 200
Stockton, CA 95219
(209) 955-6100



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I. OVERVIEW

A. BACKGROUND

Moss Adams LLP (Moss Adams), as the contracted internal auditor for the City of Stockton (the City), tested the City's internal controls over system access to Superion. The testing was conducted from May through September 2017 and focused on the operating effectiveness of key controls over the City's Superion system access processes.

The testing of internal controls for operating effectiveness was completed under the consultancy standards of the American Institute of Certified Public Accountants (AICPA). As such, this work was not an audit of internal controls that resulted in a formal opinion or other form of assurance. The specific methods used for testing controls are presented in the Scope and Methodology section of this report.

B. SCOPE AND METHODOLOGY

The scope of our procedures was the City's system access processing practices for Superion, the City's ERP system. For our testing, we selected a sample of new employees, employees with changes in position, and separated employees for the period of January 1, 2017 to March 31, 2017. To test the operating effectiveness of internal controls, we performed a number of activities, including the following:

- Interviewed key personnel, including:
 - IT Department staff
 - Senior systems analysts
 - Information Technology Officer
- Gathered and reviewed relevant documentation, including:
 - The Human Resource Department's emailed requests related to Superion access
 - Superion user access reports and security listings
 - IT service request tickets
 - Purchasing authority request forms
 - HTE Payroll Personnel Module access request forms
- Performed tests of internal controls for Superion system access processing, including:
 - Reviewed City policies and procedures related to IT system access
 - Reviewed a sample of newly hired employees that were granted Superion access to verify:
 - System access was documented with an IT service request ticket
 - System access was approved by appropriate personnel
 - The new user was granted appropriate access based on job title
 - Reviewed a sample of employees with positions changes to verify:
 - If no change in system access occurred, assessed if this was reasonable for the position change

- If a change in system access occurred, determined that the change of access was documented with an IT service request ticket, access was approved, and access was appropriate based on job title
- Reviewed a sample of separated employees that had access to the Superion system to verify:
 - Human Resources notified IT timely of the separation
 - Removal of access was documented with an IT service request ticket
 - Access was removed timely
- Reviewed the City's documentation for completing periodic Superion user access reviews

C. SUMMARY

The results of our testing revealed opportunities for the City and its departments to further improve practices related to Superion system access. In particular, we observed weaknesses in the following areas:

- Formal, comprehensive IT access control policies and procedures
- Centrally retaining department access approvals
- Lack of process to periodically review Superion user access
- Standardized process for granting access based on job description

The overall conclusion of this review is that the City should continue its work to design and implement a strong internal control environment as well as continue ongoing monitoring to assess and ensure the effectiveness of these controls. Such work should be considered a priority and completed in phases over the next 12 months. Moss Adams would like to thank City staff for their cooperation and assistance during our review.

II. TESTING RESULTS

TEST	RESULTS	EXCEPTIONS
Reviewed the City's IT user access policy and procedures for completeness	Not able to assess	See Finding 1 for details
<p>For a sample of newly hired employees with Superion access, Moss Adams tested that:</p> <ul style="list-style-type: none"> • System access was documented with an IT service request ticket • System access was approved by appropriate personnel • The new user was granted appropriate access based on job title 	0 exceptions of 7 tested related to documentation of approved level of access; however, approval was not centrally retained	See Finding 2 for details
<p>For a sample of employees with position changes, Moss Adams tested:</p> <ul style="list-style-type: none"> • For instances where no change in system access occurred, whether this was reasonable for the position change • For instances where a change in system access occurred, determined whether the change of access was documented with an IT service request ticket, access was approved, and access was appropriate based on job title 	0 exceptions of 5 tested	Not applicable
<p>For a sample of separated employees that had access to the Superion system, Moss Adams tested that:</p> <ul style="list-style-type: none"> • Human Resources notified IT timely of the separation • Removal of access was documented with an IT service request ticket • Access was removed timely 	0 exceptions of 5 tested	Not applicable
Reviewed management's periodic review of Superion access	Not able to assess	See Finding 3 for details
Reviewed Superion's responsibility matrix used to assign access	Not able to assess	See Finding 4 for details

III. FINDINGS AND RECOMMENDATIONS

1	FINDING	<p>The City does not have formally written policies or procedures related to provisioning, deprovisioning, and reviewing system user access.</p> <p>Without formal policies and procedures in place, the City is at risk of users gaining unauthorized access to IT systems.</p>
	RECOMMENDATION	<p>Establish policies and procedures related to provisioning, deprovisioning, and reviewing system access.</p> <p>The implemented policies and procedures should outline and address the various steps to be followed for all instances of access change (i.e., granting, changing, or removing access) as well as the process for periodically reviewing user access. The various departments and staff affected by these policies and procedures should then be notified and trained on the process.</p>
2	FINDING	<p>While new hire access requests were supported by an IT service desk ticket and an approval request form showing the level of access in Superion that was approved, the access request form was not consistently retained in an IT service desk ticket.</p> <p>The forms used to document approval of Superion access, were often retained on a Senior Systems Analyst's computer, rather than retained as an attachment to the IT service desk ticket.</p>
	RECOMMENDATION	<p>Retain Superion approval access forms in the IT service desk system.</p> <p>Keeping all support for approval of access in the IT service desk system ensures that documentation can be referenced as needed and ensures that in the case of turnover this information is not lost.</p>
3	FINDING	<p>The City does not have a process to periodically (usually quarterly or annually) review Superion user access.</p> <p>Periodic user access reviews provide a monitoring control for user access to ensure that all access is appropriate. Even with strong controls over the provisioning and deprovisioning process, there is the risk that an employee change will occur and access will not be properly updated in Superion. A periodic user access review provides an additional control to help detect inappropriate access.</p>
	RECOMMENDATION	<p>Implement a process to review Superion access at least annually.</p> <p>IT should ensure that access reviews are completed, and Superion access information should be provided to business process owners (payroll, purchasing, accounting, etc.) to review and approve access. Business process owners should document any changes to be made to</p>

access. The periodic user access review should be formally documented and retained.

4 FINDING

System access is not assigned according to job description.

The City currently assigns system access by copying the access profile from one individual to another. For example, if an individual is transferring or leaving a position, the individual entering that position will likely be configured to copy the prior employee's access. Through this practice, any errors in access provided to one individual can easily be replicated and passed on to other individuals. For example, if an hourly clerical staff member were incorrectly or inappropriately granted access to approve purchases, anytime their access profile was copied to a new individual this error would be replicated.

RECOMMENDATION

Establish a responsibility matrix for assigning system access and document practices in policy and procedure.

In collaboration with the other departments, the IT Department should develop a matrix to assign appropriate system access by job description and responsibilities. To begin this process, the City could document access levels currently assigned to all individuals occupying certain job positions. Once the appropriateness of these levels is verified, the IT Department should document these access profiles and use them going forward. Additionally, any requests to deviate from standard access levels should require additional approvals.

EXAMPLE

JOB DESCRIPTION	DEPT(S)	FUNCTION			
		GENERAL	PAYROLL	PURCHASING	OTHER
Office Manager or Business Manager	All	HTEGPL Work Order Building Maintenance	Payroll: User Department – Hours Entry	Purchasing: Approval	None
Accounting Clerk or Accounting Technician	Finance	HTEGPL Work Order Building Maintenance	Payroll: User Department – Full Access Payroll: Finance Access	Purchasing: Finance – Full Access	None
Clerical Staff (Hourly)	All	HTEGPL GMBA: Inquiry Work Order Building Maintenance	None	None	Land Management: Use / Inquire ONLY Customer Information System: Collections Functions Customer Information System: Bank Draft Processing

