

PeopleSoft Financials and Supply Chain Management Continuous Auditing

RECOMMENDATIONS:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2021 SEPTEMBER 9:

That Council receive this report for the Corporate Record.

Excerpt from the Minutes of the Regular Meeting of the Audit Committee, held 2021 September 9:

“Moved by Citizen Representative Caltagirone

That with respect to Report AC2021-1251, the following be approved:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

And further, that this be forwarded to the 2021 September 13 Combined Meeting of Council as an item of Urgent Business.

For: (5): Councillor Woolley, Councillor Farkas, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED”

HIGHLIGHTS

- Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. In accordance with Bylaw 30M2004 (as amended), the City Auditor reports the outcome of all audits to the Audit Committee (including Administration’s response and corrective actions to be taken regarding specific recommendations). The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 33M2020.
- What does this mean to Calgarians? Continuous auditing results are a strong indicator that access controls with PeopleSoft Financials and Supply Chain Management (FSCM) are effective in mitigating risks of fraudulent or unauthorized transactions, inaccurate financial reporting, and system downtime.
- Why does it matter? Implementing continuous auditing is an efficient and cost-effective approach to monitor system access and associated risks in a timely manner.
- Strategic alignment: Citizen Priority – A Well Run City.

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DISCUSSION

The City Auditor's Office has completed a continuous auditing project to monitor system access within PeopleSoft Financials and Supply Chain Management. PeopleSoft FSCM is the system used across The City for financial and procurement management. Finance and Supply business units are the data and process owners. Enterprise Support Services (IT ESS) is the IT group responsible for system support. System access is part of a series of controls that mitigate the risks of fraudulent or unauthorized transactions, inaccurate financial reporting, and system downtime. For example, Finance Accounts Payable (AP) also review voucher entry reports as a detective control.

Using PowerBI we created an interactive web-based dashboard, which automatically monitored for instances where system access appeared to exceed the requirements of a position. Our scope for detailed entitlements testing was AP and IT ESS privileged technical access. We presented Administration an initial dashboard on May 15th and refreshed it to capture their progress in addressing observations on August 12th. Attachment 1 is summarization of the initial dashboard and subsequent refresh.

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Our initial results showed Administration had implemented access controls that restricted access to much of higher risk AP and technical functionality, including consideration of segregation of duties. In the case of AP, a multi-layered approach was used that restricted access based upon both the page and invoice or voucher type. Our initial results identified instances where access exceeded the needs of a user's job role. We were pleased that Administration promptly took action to resolve these items, which are reflected in Attachment 1.

ATTACHMENT

1. PeopleSoft FSCM Access Scorecard Summary (May and August 2021) - AC2021-1251 ATT1
2. PeopleSoft FSCM Access Continuous Auditing Presentation Slide - AC2021-1251 ATT2

DEPARTMENT CIRCULATION

Name	Title, Department or Business Unit	Approve/Consult/Inform
Liz Ormsby	Acting City Auditor	Approve
David Duckworth	City Manager	Inform
Carla Male	CFO	Inform
Jan Bradley	Chief Information Technology Officer	Inform
Les Tochor	Director Finance/City Treasurer	Inform
Michael Perkins	Manager Tax, Receivables & AP	Inform
Greg Soderquist	Manager, IT	Inform