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NEWS RELEASE

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FOR RELEASE August 14, 2013

Auditor of State Mary Mosiman today released a report on a review of selected general and application controls over the Iowa Department of Administrative Service's (DAS) Human Resource Information System (HRIS), Payroll System and Integrated Information for Iowa System (I/3) for the period March 26, 2012 through April 27, 2012.

The report includes a recommendation the Department establish additional security policies to limit physical access to the Data Center and Server Farm.

A copy of the report is available for review at the Iowa Department of Administrative Services, in the Office of Auditor of State and on the Auditor of State's web site at http://auditor.iowa.gov/reports/1360-8990-BI06.pdf.

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REPORT OF RECOMMENDATIONS TO THE IOWA DEPARTMENT OF ADMINISTRATIVE SERVICES ON A REVIEW OF SELECTED GENERAL AND APPLICATION CONTROLS OVER THE HUMAN RESOURCE INFORMATION SYSTEM (HRIS), PAYROLL SYSTEM AND INTEGRATED INFORMATION FOR IOWA SYSTEM (I/3)

MARCH 26, 2012 THROUGH APRIL 27, 2012

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Mary Mosiman, CPA
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August 9, 2013

To Michael R. Carroll, Director of the
Iowa Department of Administrative Services:

In conjunction with our audit of the financial statements of the State of Iowa for the year ended June 30, 2012, we conducted an information technology review of selected general and application controls over the Iowa Department of Administrative Services' (DAS) Human Resource Information System (HRIS), Payroll System and Integrated Information for Iowa System (I/3) for the period March 26, 2012 through April 27, 2012. Our review focused on the general and application controls of the HRIS, Payroll and I/3 Systems as they relate to our audit of the financial statements. The review was more limited than would be necessary to give an opinion on internal controls. Accordingly, we do not express an opinion on internal controls or ensure all deficiencies in internal controls are disclosed.

In conducting our review, we became aware of certain aspects concerning information technology controls for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following pages. We believe you should be aware of this recommendation which pertains to the Department's general and application controls over the HRIS, Payroll and I/3 Systems. This recommendation has been discussed with Department personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the Department's response, we did not audit the Department's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department of Administrative Services, citizens of the State of Iowa and other parties to whom the Iowa Department of Administrative Services may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Iowa Department of Administrative Services during the course of our review. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our review of the HRIS, Payroll and I/3 Systems are listed on page 7 and they are available to discuss these matters with you.

Mary Mosiman
MARY MOSIMAN, CPA
Auditor of State

Warren Jenkins
WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Human Resource Information System (HRIS), Payroll System and Integrated Information for Iowa System (I/3) General and Application Controls

A. Background

The Human Resource Information System (HRIS) is the state-wide human resource system used to manage the qualification of applicants, employee classifications, time reports, compensation, benefits, leave, performance, training and development. The Payroll system is the state-wide system used to process the bi-weekly payroll. The Integrated Information for Iowa (I/3) system is the State Enterprise Resource Planning System. I/3 supports the State's financial processes, such as accounts payable, accounts receivable, general accounting and budget preparation.

B. Scope and Methodology

In conjunction with our audit of the financial statements of the State of Iowa, we reviewed selected aspects of the general and application controls in place over the Department of Administrative Services' (DAS) HRIS, Payroll and I/3 Systems for the period March 26, 2012 through April 27, 2012. Specifically, we reviewed the overall general controls: security management and contingency planning; the mainframe general controls: access controls, configuration management and segregation of duties; and the server platform general controls: access controls and configuration management. For the HRIS and Payroll Systems, we reviewed the application controls: segregation of users, data input, data processing and data output controls. For the I/3 System, we reviewed the application controls: segregation of users, data input, data output and interface controls. We interviewed staff of the Department and we reviewed Department policies and procedures. To assess the level of compliance with identified controls, we performed selected tests.

We planned and performed our review to adequately assess those Department operations within the scope of our review. We developed an understanding of the Department's internal controls relevant to the operations included in the scope of our review. We believe our review provides a reasonable basis for our recommendations.

We used a risk-based approach when selecting activities to be reviewed. We focused our review efforts on those activities we identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, we used our finite review resources to identify where and how improvements can be made. Thus, we devoted little effort to reviewing operations that may be relatively efficient or effective. As a result, we prepare our review reports on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

C. Results of the Review

As a result of our review, we found certain controls can be strengthened to further ensure the reliability of financial information. Our recommendation, along with the Department's response, is detailed in the remainder of this report.

General Controls

Data Center Physical Access – Physical access to the Department of Administrative Services – Information Technology Enterprise Data Center and Server Farm is controlled by access cards. On April 27, 2012, there were 136 active access cards with level 37 access giving the holder 24 hour access 7 days a week. Many of these employees do not appear to need access to the Data Center or Server Farm in order to carry out their job duties.

Recommendation – Physical access should be limited to only those individuals who need access to perform their job duties.

Response – ITE has reviewed the list of individuals with access to the data center and will be updating data center access policies and procedures to strengthen security.

Conclusion – Response accepted.

Application Controls

No recommendations were noted in our review of application controls for the Department's HRIS, Payroll and I/3 Systems.

Staff:

Questions or requests for further assistance should be directed to:

Erwin L. Erickson, CPA, Director
Steven O. Fuqua, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in this review include:

Mark C. Moklestad, CPA, Senior Auditor
Brett M. Zeller, Senior Auditor II
Alison P. Herold, Senior Auditor
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