

OFFICE OF AUDITOR OF STATE
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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE _____ January 15, 2016

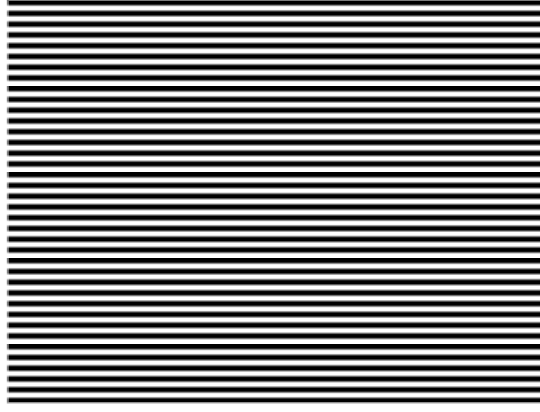
Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released a report on a review of selected general and application controls over the State University of Iowa (University) PeopleSoft Human Resources Information System (HRIS) for the period May 11, 2015 through July 31, 2015.

Mosiman recommended the University strengthen its access controls for the PeopleSoft HRIS system. The University responded positively to the recommendation.

A copy of the report is available for review at the University of Iowa, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1661-8010-BT01.pdf>.

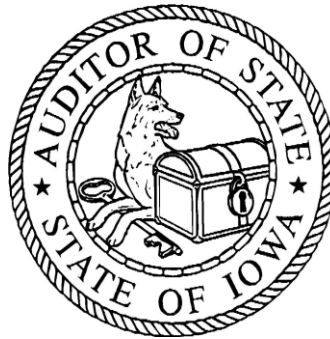
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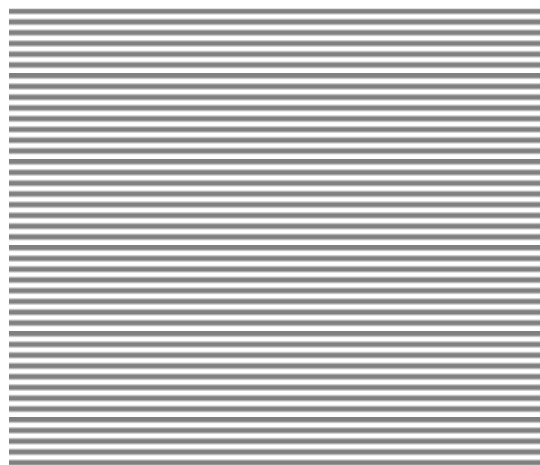
**REPORT OF RECOMMENDATIONS TO THE
STATE UNIVERSITY OF IOWA
ON A REVIEW OF SELECTED GENERAL
AND APPLICATION CONTROLS OVER THE UNIVERSITY'S
PEOPLESFT HUMAN RESOURCES INFORMATION SYSTEM**

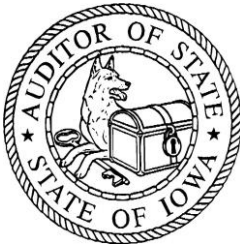
MAY 11, 2015 THROUGH JULY 31, 2015

Office of
**AUDITOR
OF STATE**
State Capitol Building • Des Moines, Iowa



Mary Mosiman, CPA
Auditor of State





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STATE OF IOWA

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November 16, 2015


To the Members of the
Board of Regents, State of Iowa:

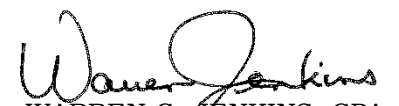
In conjunction with our audit of the financial statements of the State University of Iowa (University) for the year ended June 30, 2015, we conducted an information technology review of selected general and application controls for the period May 11, 2015 through July 31, 2015. Our review focused on the general and application controls of the University's PeopleSoft Human Resources Information System (HRIS) 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 University's general and application controls over the HRIS system. This recommendation has been discussed with University personnel and their response to this recommendation is included in this report. While we have expressed our conclusion on the University's response, we did not audit the University'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 University of Iowa, citizens of the State of Iowa and other parties to whom the University of Iowa 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 University 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 system are listed on page 6 and they are available to discuss these matters with you.


Mary Mosiman, CPA
Auditor of State


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

May 11, 2015 through July 31, 2015

PeopleSoft Human Resources Information System Controls

A. Background

The PeopleSoft Human Resources Information System (HRIS) at the University of Iowa (University) is a purchased product from Oracle and contains modules for payroll benefits and basic human resource functions, such as hiring, status changes, employee training and employment history.

B. Scope and Methodology

In conjunction with our audit of the financial statements of the University, we reviewed selected aspects of the general and application controls in place over the University's HRIS system for the period May 11, 2015 through July 31, 2015. Specifically, we reviewed the general controls: access controls, configuration management, segregation of duties and service continuity and the application controls: business process controls, including input, processing, output, master data setup and interface controls. We interviewed University staff and we reviewed University 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 University operations within the scope of our review. We developed an understanding of the University's internal controls relevant to the operations included in the scope of our review. We believe our review provides a reasonable basis for our recommendation.

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 use our finite review resources to identify where and how improvements can be made. Thus, we devote little effort to reviewing operations which 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 which 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 University's response, is detailed in the remainder of this report.

May 11, 2015 through July 31, 2015

General Controls

HRIS Authentication – ID's and passwords are used to identify and authenticate users in controlling access to system resources. The University's Enterprise Password Policy requires passwords to be a minimum of 9 characters in length, but recommend a 15 character password which includes a combination of alphabetic, numeric and special characters and is changed every 365 days. Elevated privilege account passwords are required to comply with these minimum password requirements but be changed every 180 days and consist of at least 15 characters in length, where possible. Passwords for the PeopleSoft HRIS System meet several, but not all, of these requirements. Also, user sessions timeout after 50 minutes of inactivity.

Recommendation – The University should strengthen access controls for the PeopleSoft HRIS system by ensuring compliance with the Enterprise Password Policy and reducing the logout time.

Response - PeopleSoft Human Resources user passwords currently comply with the minimum password strength rules as outlined in ITS Policy Number IT-05 – Enterprise Password. PeopleSoft Human Resource user passwords are being changed to meet the elevated privilege password requirements which include complying with minimum password strength, be changed semi-annually (180 days) and be at least 15 characters in length. Transition to the new elevated password strength rules will begin immediately.

PeopleSoft Human Resources system inactivity logouts were originally set to 30 minutes but given the nature of users work, they would get interrupted during a transaction and they would get logged out losing all their previous data entry work. Based on requests and analysis, the inactivity logouts were increased nominally to 50 minutes. All users, particularly users with privileged access, are encouraged to implement the security best practice of workstation locking after 10-20 minutes of inactivity, which operates independently of the longer application timeout, and preserves activity in progress in the application for the longer time.

Conclusion – Response accepted.

Application Controls

No recommendations were noted in our review of application controls for the University's HRIS system.

Report of Recommendations to the University of Iowa

May 11, 2015 through July 31, 2015

Staff:

Questions or requests for further assistance should be directed to:

Erwin L. Erickson, CPA, Director
Gwen D. Fangman, CPA, Senior Auditor II
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated in this review include:

Eric L. Rath, Staff Auditor
James P. Moriarity, Assistant Auditor
Melissa E. Janssen, Staff Auditor