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Internal Audit Department
ORANGE COUNTY

AUDIT HIGHLIGHT   AUGUST 20, 2014

AUDIT OF ACCESS REQUEST APPLICATION (ARA) USING COMPUTER-ASSISTED AUDIT TECHNIQUES (CAATs): AUDITOR-CONTROLLER AUDIT NO. 1357

WHAT WE DID

We reviewed design documentation for the automated Access Request Application (ARA) to identify controls that if implemented properly would facilitate appropriate **segregation of duties, reviews and approvals, audit trails, and reconciliations**. Using Computer-Assisted Audit Techniques (CAATs), we **analyzed 2,571 CAPS+ user accounts** as of November 1, 2013, to identify potential segregation of duties conflicts, inappropriate CAPS+ user access, and CAPS+ security table issues. CAATs are automated queries applied to large amounts of electronic data searching for specified characteristics. We use a proprietary, best practice and industry recognized software product (ACL) to help us in this process. CAATs query 100% of a data universe whereas traditional audits typically test a sample of transactions.

WHAT WE FOUND

Our CAATs identified several exceptions that require further research to determine whether an exception existed. We forwarded the preliminary exceptions identified during our audit to the Auditor-Controller for further research and/or clarifying existing CAPS+ access policies and procedures. We identified **three (3) Control Findings** for the Auditor-Controller to perform further research on the reported findings to determine if they are valid exceptions.

WHY THIS ANALYSIS IS IMPORTANT

The Auditor-Controller is implementing an **automated workflow process to replace the existing paper based process for authorizing access to the CAPS+ system resources** (CAPS+ Financial/Purchasing, HR/Payroll and related systems such as ERMI, VTI, and Personnel Data Warehouse) **and assigning user security roles**. All of these systems **contain sensitive and/or critical data** related to the County's financial, human resources and payroll information. This automated process is designed to ensure the creation and approval of transactions (financial, budget, purchasing, payroll, human resources) is performed **only by authorized users**. An important internal control component is the **proper assignment and segregation of employee duties**. Segregation of duties reduces the risk of both erroneous and improper actions. Roles and responsibilities are set up to require at least two different people to view each transaction. Limiting access to CAPS+ resources and maintaining integrity of security table are also critical aspects of this process.

CAATS - Cited as a Best Practice by the Institute of Internal Auditors