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TO: Sherman Bryant, Oracle ERP Program Director

FROM: Leslie Ward, City Auditor

DATE: March 29, 2007

SUBJECT: Ongoing Review of Oracle Implementation Phase 2: Assignment of Employees to Oracle Responsibilities

We reviewed responsibility assignments submitted by the departments of Aviation and Police to ensure that individual employees are not assigned incompatible business functions within the Oracle system. We identified some inconsistencies between the departments' submissions and current project team designations. We also identified a few employees whose proposed responsibilities could combine incompatible duties. The project team has defined 138 "responsibilities" (levels of access) in Oracle's 20 applications. Individuals must be assigned to one or more of these responsibilities in order to enter, change, approve, or view transactions or run reports within the Oracle system. We were unable to review assignments submitted by the departments of Corrections, Fire, Municipal Court, Parks, and Public Defender due to lack of detail. (See my e-mail of March 19, "Problem with audit review of responsibility assignments.") We haven't received assignment information for any other departments.

The Department of Aviation submitted responsibility assignments based on their current system rather than the new system designations. We compared Aviation's responsibilities to the ERP project team's responsibilities and found some inconsistencies and areas of concern:

- **Accounts Receivable.** The responsibilities for the accounts receivable application in the city's new system are not comparable to those established in Aviation's current system. Aviation's assignments would inappropriately provide individuals in 4 responsibilities (AR Accounting Manger, AR Senior Accountant, AR Accountant, and AR Accounting Technician) access to invoicing, receiving, and customer creation. In addition, the AR Accounting Manager would have additional access to "setup" functionality related to invoicing, receiving, and customer creation.

- **Projects and Grants.** The responsibilities for the projects and grants application in the city's new system are not comparable to those established in Aviation's current system. Aviation's project and grants Award Generator responsibility provides significantly more access than similar responsibilities for the city's system. For example, Aviation's Award Generator responsibility has significant access to capital projects, invoicing, and revenue functions; whereas, the new system separates aspects of these functions into nine responsibilities. The city system also appears to remove some functions that are accessible in aviation's current system. For example, it appears that aviation employees will no longer have access to generate or split asset lines for capital projects or pre-approve expenditures and encumbrances.

- **Budget.** Aviation requested that several employees be assigned to a Budget Super User responsibility, which doesn't exist in the city's system.

The Police Department submitted responsibility assignments using a previous version of the project team's designations, which have since been updated. The ERP project team updated procurement responsibilities in February to ensure that incompatible business functions were separated based on recommendations we made in January. The updated purchasing responsibilities removed some responsibilities and added others. Because the Police Department used the outdated purchasing responsibilities, we were unable to review 7 of the 32 assignments. We reviewed proposed assignments for the remaining 25 employees and concluded that their access to Oracle functions properly separates incompatible duties.

We recommend that you:

1. Provide guidance to departments in order to ensure that departments understand the functional access of each responsibility;
2. Ensure that departments use the updated, approved ERP project team responsibilities when assigning employees to responsibilities;
3. Ensure that all city departments that will have access to Oracle submit their responsibility assignments for review by April 4;
4. Ensure that the 7 Police Department employees assigned to the iProc Requestor or iSupplier Registration responsibilities are assigned current responsibility and re-submitted for review.

Please provide written responses to these recommendations no later than **April 4**. We appreciate the opportunity to provide feedback on Phase 2 of the Oracle ERP Implementation and thank the project team for their courtesy and cooperation. We look forward to continuing this constructive relationship throughout the implementation process.

Please feel free to contact Gerald Schaefer at 404/330-6876 if you have questions or would like to discuss this further. You can reach me directly at 404/330-6804.

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