



# CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Accounting Segregation of Duties and EDEN  
System Access Review

April 7, 2017

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# EXECUTIVE SUMMARY



## Overview

A fundamental element of internal control is the segregation of certain key duties along with supporting system access rights. Adequate segregation of duties reduces the likelihood that errors (intentional or unintentional) will remain undetected by providing for separate processing by different individuals at various stages of a transaction and for independent reviews of the work performed. Segregation of duties also helps mitigate the risk of users bypassing controls or prevents situations when a single user can process a transaction from entry to posting. System access rights help enforce adequate segregation of duties. The basic idea underlying segregation of duties is that no employee or group should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties.

In general, the principal incompatible duties to be segregated are:

- Physical custody of assets;
- Authorization or approval of related transactions affecting those assets;
- Recording or adjusting accounting records for related transactions; and
- Execution of the transaction or transaction control activity.



## Objectives

In accordance with the FY 2017 Internal Audit Plan, as part of a five year rotational cycle, Internal Audit performed a segregation of duties review over the key accounting and finance processes and the access rights within EDEN, the financial reporting system. EDEN supports all accounting functions within CFX, including the General Ledger, Accounts Payable Subledger, Accounts Receivable Subledger, Capital Assets Module, and Payroll Module.

The last time a review of segregation of duties and supporting access rights was performed was in 2011. Since this time, there have been numerous personnel changes in the accounting and finance function, including a change in the Chief Financial Officer and Director of Finance roles.

The overall objectives of this audit were to review for appropriate segregation of duties among CFX personnel and appropriate system access restrictions to support segregation of duties.

# EXECUTIVE SUMMARY



## Scope

Based on a review of the CFX FY 2016 CAFR, the following accounting and finance processes were identified for review of segregation of duties and system access rights:

- Financial Reporting
- Revenue and Accounts Receivable
- Purchasing and Payables
- Cash Management
- Investments
- Debt
- Capital Assets
- Payroll

# EXECUTIVE SUMMARY



## Summary of Approach and Results

Overall, Internal Audit reviewed the business process roles and access rights for 12 different accounting and finance personnel and the system access rights of 51 non-accounting users within the EDEN financial reporting application. A total of 41 EDEN permissions relating to the General Ledger, Accounts Payable, Accounts Receivable, Capital Assets, and Payroll Modules were evaluated for all 63 users.

As a result of this work, one observation was identified related to role based EDEN access rights. The table below provides an overview of the areas reviewed as part of this audit and the number of observations identified.

Activity	Approach	Number of Observations
<b>Accounting and Finance Segregation of Duties Review</b>	<ul style="list-style-type: none"> <li>Conducted interviews with the Director of Accounting and Finance to identify personnel responsibilities within the in-scope accounting and finance processes.</li> <li>Leveraged Protiviti-developed segregation of duties tools/matrices to identify conflicts or incompatible duties.</li> <li>For conflicts identified, reviewed existing compensating controls and evaluated the residual risk exposure and risk of fraud in order to suggest improvements, as appropriate.</li> </ul>	0
<b>EDEN System Access Rights Review</b>	<ul style="list-style-type: none"> <li>Conducted interviews with accounting personnel to determine how key accounting functions are performed within the EDEN financial package.</li> <li>Obtained the EDEN User Access Reports and evaluated all user access rights based on job responsibilities and appropriate segregation of duties.</li> <li>Reviewed the design effectiveness of controls in place for user access provisioning, modification, and termination.</li> <li>Reviewed a sample of terminated employees to determine if EDEN access was revoked in a timely manner.</li> <li>Verified administrator access rights to EDEN is limited to appropriate personnel.</li> </ul>	1

# DETAILED OBSERVATIONS

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## Observation 1 – EDEN User Access

Relative Priority: **Low**



There are two generic administrator accounts within the EDEN financial reporting system, "Admin" and "GoldMaster," that have unrestricted access to all EDEN modules. Generic administrator accounts present a risk to the organization as changes made using these accounts cannot be linked to a single user.

The CFO performs a review of all EDEN administrative changes at month-end to ensure the appropriate process was followed through the CFX IT ticketing system. The CFO also reviews any usage of the administrator accounts for appropriateness. This review control helps mitigate the risk of unauthorized use of the generic accounts. However, as a leading practice, administrative access rights should be granted through the individual user accounts, and not through generic accounts such as "Admin" or others.

### Recommendation

Management should consider deactivating the "Admin" and "GoldMaster" accounts within the EDEN financial reporting system unless a business reason for the account is identified.

### Management Response

Management concurs.

### Management Action Plan

The "GoldMaster" account is utilized by EDEN personnel to make administrator changes when requested by CFX. Establishing individual accounts for EDEN personnel is not feasible. Two CFX employees have knowledge of the password to the "GoldMaster" account. Management will pursue a password change with EDEN so that CFX personnel access is restricted.

Management will also determine if the "Admin" account can be deactivated without negatively impacting the business processes and will deactivate or document a business reason for the account.

### Action Plan Owner / Due Date:

Corey Quinn, Chief of Technology/Operations / 7/31/2017

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