



Audit of Employee Self-Service Payroll System Access

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Office of the Comptroller
September 3, 2015

Honorable Tom Barrett, Mayor
The Members of the Common Council
City of Milwaukee
Milwaukee, Wisconsin 53202

Dear Mayor and Council Members:

The attached report summarizes the results of our Audit of Employee Self-Service Payroll System Access. The objectives of the audit were to: 1) determine whether employee access to the Self-Service payroll and compensation system is configured appropriately and consistently; 2) determine whether the Self-Service View Paycheck function displays accurate, historical payroll data; and 3) verify whether the payroll is accurately disbursed. The scope of the audit included payroll system access and payroll data integrity for all City employees. The scope of the audit did not include the accuracy of payroll calculations.

Overall, the audit concluded that access to Employee Self-Service is configured appropriately and consistently, and the system provides accurate, historical payroll data.

Appreciation is expressed for the cooperation extended to the auditors by the staff of the Information Technology and Management Division, the Treasurer's Office, and the Comptroller's Office.

Sincerely,

Stacey Mazmanian, CIA, CGAP
Audit Manager

SM:gjl

I. Audit Scope and Objectives

The Human Resources Management System (HRMS) includes a component for Employee Self-Service, which provides employees the functionality to view payroll information from any personal computer. Internal Audit was informed of a City employee who, upon signing into HRMS, repeatedly observed inaccurate information displayed on the payroll advices (for example, the amount, job title, and bank account information displayed were incorrect and would change from paycheck to paycheck). These incidents were reported by the employee (“impacted employee”) and confirmed by the employee’s manager, as well as the Information and Technology Management Division (ITMD).

The audit focused on determining the root cause of the inaccurate information that was displayed whenever the impacted employee tried to view the pay advice in HRMS Employee Self-Service. Additionally, Internal Audit performed procedures to determine whether this was an isolated incident or affected other employees.

Since a primary function of HRMS Employee Self-Service is to provide employees with the opportunity to view payroll advices, it should be noted that this system component does not perform any payroll calculations, processing, or make payroll payments. While the information presented on the pay advice screen was not accurate for the impacted employee, the direct deposits have been accurate. The audit included an evaluation of access to HRMS, with regard to Employee Self-Service, security configurations, and the integrity and source of the payroll information available for employee viewing.

The scope of the audit included Employee Self-Service payroll system access and payroll data integrity for all City employees. This included how employee account access is granted in Employee Self-Service, proper system screen availability, and accuracy of payroll information that can be viewed by employees. The scope of the audit did not include the accuracy of payroll calculations.

The objectives of the audit were to:

1. Determine whether employee access to the HRMS Self-Service payroll and compensation system is configured appropriately and consistently;
2. Determine whether the Self-Service View Paycheck function displays accurate, historical payroll data; and
3. Verify whether the payroll is accurately disbursed.

Audit methodology included developing an understanding of the Employee Self-Service payroll system, access roles, and the payroll information created, recorded, and stored by the Oracle PeopleSoft Enterprise payroll application. The audit procedures were developed with the aim of evaluating the process and system configuration, in order to meet the audit's objectives. They included process walk-throughs, inspection of relevant documentation, review of the Employee Self-Service role configurations, and tests of transactions. Specific tests were conducted with a sample of employees that:

- Reviewed payroll advices to determine the accuracy of compensation;
- Reviewed payroll advices for proper employee ID, department name, and job title;
- Confirmed authorized users could view only their payroll information; and
- Reviewed all Employee Self-Service account roles for consistent coding.

Occasionally, when viewing HRMS Employee Self-Service, it appeared that the paycheck for the impacted employee was deposited three times. For Objective 3, noted above, Internal Audit reviewed the disbursement account to confirm that each paycheck was disbursed only once.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for the audit's findings and conclusions based on the audit objectives.

II. Human Resource Management System

The HRMS system is administered by the ITMD and comprised of the Oracle PeopleSoft Enterprise payroll application, which is third-party software, provided and operated by an external vendor. The employee pay advice viewing component of the system is called Employee Self-Service. The Employee Self-Service is a repository for employee payroll advices, while the Oracle PeopleSoft Enterprise payroll application is the source of payroll data and computations. The Enterprise Systems Section of ITMD manages and maintains the system, including payroll, benefits administration, and Employee Self-Service. It is critical that access to the Employee Self-Service system is properly restricted and that the payroll information available for employee viewing is accurate.

III. Audit Conclusion

Overall, the audit concluded that access to Employee Self-Service is configured appropriately and consistently, and the system provides accurate, historical payroll data.

A. Root Cause of Inaccurate Information on Payroll Advices

A technical representative from the ITMD, with input from vendor personnel, diagnosed the root cause of the problem as a corrupt operator ID. Furthermore, the ITMD representative advised that the corruption of an employee operator ID account is a rare occurrence and a non-critical software condition. Most importantly, the underlying payroll computations generated by the Oracle PeopleSoft Enterprise payroll application and the related payroll payments, as listed in the City payroll register, are not affected by the individual account corruption in the Employee Self-Service payroll system.

The impacted employee operator ID was deleted during non-production business hours and added back to the system, with the same Self-Service user roles as before. The solution was first implemented in the test environment and proved to be successful. The solution was then implemented in the production environment, during non-business hours, and the impacted

employee's Self-Service is now functioning properly. Thus, the display of inaccurate payroll information has been corrected for the impacted employee.

B. Audit Test Results

Review of Employee Self-Service Access Roles

Internal Audit performed a review of all Employee Self-Service users and the access roles on the system master file. The review searched for inconsistent coding. The purpose of system roles is to create both individual and authorized employee read-only account access on the Employee Self-Service payroll system, while system records are maintained by employee number and name. Based on the review, the Employee Self-Service payroll system roles are configured appropriately and consistently. No exceptions were noted.

Review of Historical Payroll Data

Internal Audit also tested a small, judgmental sample of active employees for accurate, historical payroll advice data. The employees selected were asked to review their own pay advice in the Employee Self-Service payroll system to determine that: 1) employee compensation is accurate, 2) the proper employee ID, department name, and job title are listed on the advice; and 3) the user could only view their own payroll information. Based on the review, the Employee Self-Service payroll system provides accurate, historical payroll data. No exceptions were noted.

Duplicate Payment Test

Internal Audit reviewed the City payroll register and the ACH payroll disbursement account, and confirmed the impacted employee's paycheck was only disbursed once. No exceptions were noted.