

DETROIT PUBLIC SCHOOLS

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

2007-33 IT General Controls – Program Change Testing

Finding Type: Internal Control over Financial Reporting – Significant Deficiency

Fiscal Year: July 1, 2006 to June 30, 2007

Requirement

Control activities are the policies and procedures that help ensure management directives are carried out. They help ensure that necessary actions are taken to address risks to achievement of the entity’s objectives. Control activities occur throughout the organization, at all levels and in all functions, including information technology (IT). They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties.

Condition

During our testwork over IT general controls, we could not ascertain if all program changes are tested prior to implementation to production. We inspected a selection of 15 Change and Migration Request forms and noted that 14 of the 15 forms did not have evidence that testing was carried out. Additionally, 1 of the 15 forms was not formally approved by the Application Support Manager.

Possible Asserted Cause and Effect

Inadequate testing may result in business operations disruptions. Additionally, absence of formal change approval may result in unauthorized changes being migrated to production.

Recommendation

We recommend that all changes are tested and approved prior to implementation. Testing and approval details should be captured in the change records.

Views of Responsible Officials

We understand and agree with the noted observation and are working toward corrective actions.

Corrective Action Plan

Signature

Date