

DETROIT PUBLIC SCHOOLS

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

2007-34 IT General Controls – Program Change – Systems Configuration

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 program change controls, we noted that a formal process for making configuration changes to PeopleSoft HR/ Financials is not in place.

Possible Asserted Cause and Effect

Absence of a formal configuration change process may result in unauthorized configuration changes resulting in business disruption and/or loss of application integrity.

Recommendation

We recommend that all configuration changes should follow the common change control process, whereby the change requests are recorded, authorized, impact analyzed, tested, and approved prior to implementation to production.

Views of Responsible Officials

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

Corrective Action Plan

Signature

Date