

**DETROIT PUBLIC SCHOOLS**

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

**2007-43 IT General Controls – Access Review – Segregation of Duties**

**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 noted that a detailed segregation of duties review process is not in place for PeopleSoft HR/Financials.

***Possible Asserted Cause and Effect***

Absence of an appropriate segregation of duties assessment process may result in users with access to conflicting application roles, which may result in unauthorized system activity.

***Recommendation***

We recommend that management consider creating a formal Segregation of Duties Matrix, which would identify potential conflicting PeopleSoft roles and would ensure that users’ access is appropriately segregated. The matrix should be reviewed on a periodic basis to ensure compliance.

***Views of Responsible Officials***

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

***Corrective Action Plan***

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*Signature*

\_\_\_\_\_  
*Date*