

INTERNAL AUDIT

Audit Report

Centerpoint Configurations

June 15, 2021



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Executive Summary

Background

In 2016, Oracle Fusion Cloud Service, an integrated enterprise resource planning solution referred to as Centerpoint, was purchased to support Citizens' strategic goal to ensure a strong financial operating environment. Centerpoint replaced independent applications previously used by Finance, Procurement and Human Resources.

The Financial and Procurement modules within Centerpoint support accounting, procurement, and budgeting activities. General ledger, accounts payable, fixed assets, cash management, and expense transactions are entered, processed, and managed in the financial module. The Procurement module is utilized to enter, process, and manage purchase orders. The Human Capital Management (HCM) module is utilized to enter, process, and manage payroll, benefits, time and labor, and talent management for Citizens.

Business unit management is responsible for determining how the Centerpoint application is configured to support the business processes within their purview. Configuration settings are often reviewed with the IT Centerpoint support team, and that team is responsible for making changes to the configuration settings in the application.

Objectives and Scope

The objective of this audit was to validate that Centerpoint modules are properly configured to ensure that security is adequate and prevents the override of key controls, business operational process requirements are met with configuration settings, and the configuration settings are aligned with settings commonly used for Oracle Fusion Cloud modules to ensure effective and efficient controls. Internal audit engaged a consulting firm, KPMG, to assist with reviewing the current configuration settings and their alignment with settings commonly used while considering Citizens' unique business requirements to confirm the most appropriate and secure configurations are utilized.

Specific consideration was given to:

- Permissions which may allow modification of configuration settings.
- Configuration settings that may allow some controls to be overridden.
- Configuration settings that may provide the expected control or mitigation of risk within business processes or activities.
- Whether configuration settings are aligned with common practices.
- Whether configuration settings agree with business owners' understanding in alignment with operational processes.
- A review of the process for implementing Oracle quarterly releases with respect to changes to configuration settings that may adversely impact business processes or controls.

Audit Results

Results from our audit work show that there are effective controls and processes related to making changes to Centerpoint configuration settings and implementing the Oracle quarterly updates for the application. We also noted that Centerpoint configuration settings are generally aligned with settings commonly used and are appropriate for Citizens.



Executive Summary

The ability to make changes to the configuration settings is limited to a small number of IT personnel who are members of the Centerpoint support team. In addition, there is a process for implementing Oracle quarterly releases with respect to changes to configuration settings that may adversely impact business processes or controls.

Centerpoint configuration settings were reviewed for the Financial, Procurement and Human Capital Management modules. Configuration settings for the Procurement and Human Capital Management modules did not differ from settings commonly used.

Internal Audit found several configuration settings for the Financial module which differed from settings commonly used. These settings were discussed with Accounting management and determined to present only a low risk due to the existence of compensating controls. Accounting management was advised that if any circumstances or processes change, which are related to these configuration settings, that the settings should be re-evaluated to ensure that they continue to be appropriate. During our discussions with Accounting management, Internal Audit noted that they had a suitable understanding of configuration settings within the Financial module.

We would like to thank management and staff for their cooperation and professional courtesy throughout the course of this audit.



Distribution

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