

Office of the
Internal Auditor

ENGAGEMENT REPORT

July 2024

Centerpoint Segregation of Duties
Finance & Procurement



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Executive Summary

Background

Citizens has processes and technologies to manage users' digital and professional identity, allowing access to Citizens' systems and information based on the associated user-assigned roles. Although access to information systems and data is limited to authorized users, specific user roles and system workflows may cause segregation of duty (SOD) challenges. These challenges occur when one user has been given two or more conflicting tasks, creating the opportunity for unauthorized transactions. Separating job functions through access capabilities ensures proper oversight and acts as a deterrent against fraudulent activities.

In 2018, Citizens completed the Centerpoint system implementation, an Oracle cloud-based Enterprise Resource Planning (ERP) application for managing operational business processes and activities such as financial, procurement, and human resources. The complexity of Oracle user roles and permissions has created challenges in managing elevated or privileged user roles that have segregation of duties concerns. Access management of these privileged user accounts is critical to ensure proper safeguards are in place to restrict sensitive data and minimize the risk of unauthorized system activity while enabling the business functions to perform the work required to support the organization.

Objectives and Scope

This audit analyzed Centerpoint user access roles and permissions to evaluate the segregation of duties specific to Finance and Procurement processes. The scope includes a review of the following:

- Cross-functional segregation of duties
- User account provisioning
- User access reviews and monitoring activities
- Security of confidential information

Audit Results

Internal Audit procured services provided by a third-party vendor using a proprietary tool that provided a comprehensive assessment for identifying conflicts in the segregation of duties. The assessment results were analyzed to evaluate the top high-risk roles and permissions within the Finance and Procurement modules.

Results from the audit work indicate that the Financial Services and Vendor Management and Purchasing (VMAP) departments have adequate controls in place to ensure Citizens' financial and procurement systems are appropriately restricted to authorized and approved users. Internal Audit obtained reasonable assurance that segregation of duties is thoroughly managed and user roles and permissions are correctly assigned. In addition, the VMAP team successfully manages and performs quarterly access reviews of user roles to validate critical roles for all users with access to the Procurement module.

Internal Audit recommends developing the following enhancement opportunities to reduce the risk of unauthorized system modification and increase efficiency and effectiveness for user access management:



Executive Summary

- **User Access Reviews:** To further enhance oversight of Finance module users, consider performing periodic user access reviews of critical roles for all users with access to the Finance module.
- **Emergency Access Fire Call Procedure:** Consider developing an emergency access fire call procedure within the Finance module for the user roles with administrative and configuration capabilities to ensure only necessary access to the modules is granted.

We thank management and staff for their cooperation and professional courtesy throughout this audit.



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