



EDC Internal Audit

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Application Access Controls - Phase II Final Audit Report Report Nr. 24/10 January 14, 2011

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Introduction

The audit of application access controls was performed in two phases. Phase 1 of the audit was performed in 2009 and included an evaluation of the design effectiveness of access controls and detailed testing to determine if controls were operating as intended. Control deficiencies were found in 7 of the 11 application systems included in the scope of the 2009 audit. Actions were implemented by management in 2010 to resolve these control deficiencies. Accordingly, in anticipation of the resolution of these control deficiencies our 2010 Audit Plan included a Phase II audit to determine if the newly implemented controls were effectively designed and operating as intended.

Audit Objectives & Scope

The overall objective of this audit was to evaluate the effectiveness of the controls in place to ensure access to business applications is appropriately restricted in order to ensure the on-going integrity of application data. Our audit included an assessment of what Enterprise Risk Management (ERM) risks could materialize, identifying the controls in place to mitigate these risks and performing testing to evaluate their operating effectiveness. Specific areas of examination included controls to ensure:

- ▶ Access is properly authorized;
- ▶ Access is assigned on an as needed basis and is not excessive relative to the employee's job function;
- ▶ Timely removal of access when an employee leaves or changes roles; and
- ▶ Access by BS&T System Administrators to the production environment is restricted.

The scope of our audit included the following business applications: CAS, PSFIN, Globex, CRS, MBC, FIRM, and UFS. All access controls for UFS were operating as intended in 2009. However, UFS was included in our scope to support the external audit. MTIP and GAS were excluded from the scope of Phase II as we concluded all controls were operating as intended in 2009. Finally, limited testing was performed for PSHR and ACBS as we concluded most controls were operating as intended in 2009.

Audit fieldwork was performed during November and December 2010.

Internal Audit Opinion

In 2009, we concluded that *Opportunities Exist to Improve Controls*¹ surrounding access to business applications. Effective controls were implemented by management to address the control deficiencies noted in Phase I and are operating as intended. Accordingly, in our opinion access to business applications is now *Well Controlled*. There are no audit recommendations.

Conclusion

The audit results have been communicated to management. We would like to thank management for their support throughout the audit.

¹ Our standard audit opinions are as follows:

- **Strong Controls:** Key controls are effectively designed and operating as intended. Best in class internal controls exist. Objectives of the audited process are most likely to be achieved.
- **Well Controlled:** Key controls are effectively designed and operating as intended. Objectives of the audited process are likely to be achieved.
- **Opportunities Exist to Improve Controls:** One or more key controls do not exist, are not designed properly or are not operating as intended. Objectives of the process may not be achieved. The financial and/or reputation impact to the audited process is more than inconsequential. Timely action is required.
- **Not Controlled:** Multiple key controls do not exist, are not designed properly or are not operating as intended. Objectives of the process are unlikely to be achieved. The financial and/or reputation impact to the audited process is material. Action must follow immediately.