



City of San Antonio

Agenda Memorandum

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In Control: Audit Committee

AUDIT COMMITTEE SUMMARY

August 16, 2016

Follow-up Audit of Finance Department Payroll

Report Issued July 11, 2016

Background

In June of 2014, the Office of the City Auditor completed an audit of the Finance Department's payroll process. The objective of the audit was to determine if the controls over the City's payroll activities are adequate.

The Office of the City Auditor issued a report that found controls over the City's payroll activities were in place and working effectively but did observe areas needing improvement. Specifically, payroll duties were not properly segregated and access rights were not properly restricted within SAP's payroll function. In addition, controls over the physical check printing process required strengthening.

Follow-up Audit Objective

Determine if management effectively implemented action plans resulting from the prior audit.

Audit Scope and Methodology

The audit scope was limited to the recommendations and corrective action plans made in the original report from the period of September 2015 through December 2015.

Audit Conclusion

Finance has made progress implementing adequate controls to address the recommendations. Finance has successfully implemented one action plan strengthening internal controls over the payroll check printing process.

However, the following action plan has not been fully implemented. Finance and Human Resources are in the process of removing and creating new roles within SAP that would allow for the appropriate segregation of duties. However, this process has not yet been completed and as a result, SAP payroll duties were not properly segregated and access rights were not properly restricted.

We made specific recommendations to address this issue. The Director of Finance and Human Resources concurred with our recommendations and developed a positive corrective action plan.