



Council Auditor's Office

Jacksonville Aviation Authority (JAA) Payroll Audit Follow-up Report

Report #778A

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OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building



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Honorable Members of the City Council
City of Jacksonville

The purpose of this report is to document our follow-up review of our past report #778, Jacksonville Aviation Authority (JAA) Payroll Audit, and to determine whether corrective action has been taken in response to our findings and recommendations. We are providing this special written report in accordance with Ordinance Code Section 102.102. This report does not represent an audit or attestation conducted pursuant to Government Auditing Standards. The initial audit report can be found on our website.

We reviewed our recommendations and the auditees' responses from the original audit report. We sent a follow-up letter to JAA on April 26, 2018 inquiring as to the status of the original audit report recommendations. We reviewed the recommendations from our audit report, the auditees' responses to the recommendations, and the auditees' responses to our follow-up letter. We then performed limited testing to verify JAA's responses. Based on the responses received and our follow-up testing, a table detailing the original number of issues noted and the number of issues resolved as of this follow-up is included below.

It should be noted that JAA has switched to a different payroll system since the time when the original audit was conducted. We tested to make sure the issues that we found in the old payroll system did not exist in the new payroll system.

Types of Issues	Original Number of Issues	Issues Cleared	Remaining Issues
Internal Control Weaknesses	3	2	1
Findings	5	5	0
Opportunities for Improvement	2	2	0
Total	10	9	1

The following is a brief summary of the remaining issues with responses from JAA that we received on January 18, 2019.

Internal Control Weakness 1 *Excessive Access Rights to Payroll and Timekeeping System*

During the original audit, we found various issues with access rights such as a shared generic “superuser” account, an excessive number of employees with the ability to grant and change access rights, and instances of employees having access rights outside of their job functions. We recommended reviewing and modifying access rights, creating a written standard operating procedure (SOP) on performing and documenting periodic access rights reviews, and considering tasking the Information Technology Division with the responsibility of granting and changing user access, based on approvals from the Finance and Human Resource Divisions.

During follow up testing, we obtained access rights data from JAA and performed testing for the issues identified above. We found that some issues still have not been addressed:

- 1) No SOP was created on performing and documenting periodic reviews of access rights.
- 2) A shared generic account is currently being used; however, it is our understanding the intent is for this to go away once the process is completed to customize the administrative accounts.

JAA Response to the Follow-Up of Internal Control Weakness 1

Agree

Disagree

Partially Agree

1. An SOP was written and submitted. We have committed to a formal review of access rights twice per year.

2. The shared superuser account has been eliminated. We have customized the administrative accounts and have pared that down to five users all within Human Resources. We will reduce this number by 1, in the near future when we customize access rights for our Training and Organizational Development Manager position.

We would like to thank JAA for their cooperation in conducting this follow-up review.

Sincerely,

Kyle S. Billy

Kyle S. Billy, CPA
Council Auditor