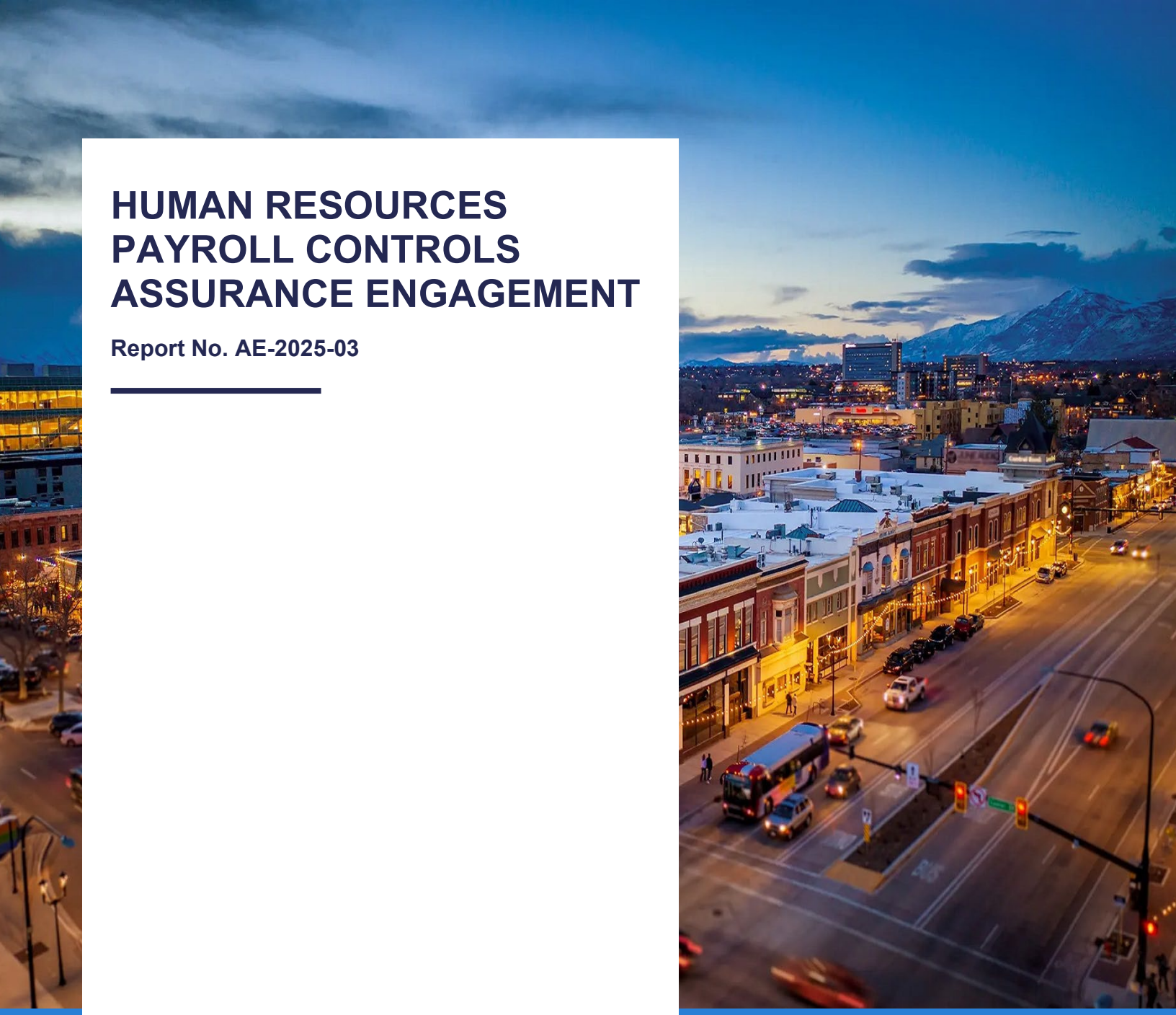

HUMAN RESOURCES PAYROLL CONTROLS ASSURANCE ENGAGEMENT

Report No. AE-2025-03

APRIL 17, 2025

Utah County Auditor Internal Audit Division
Internal Audit Manager: Calvin Bergmann, CIA, MPA
Senior Internal Auditor: Mont Wade, CIA

Utah County
HEART of UTAH

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AUDITOR'S LETTER

Office of the County Auditor

Internal Audit Division

April 17, 2025

Ralf Barnes, Director
Utah County Office of Human Resource Management
100 East Center Street, Suite 3800
Provo, Utah 84606

Dear Mr. Barnes:

The Internal Audit Division ("Division") performed an assurance engagement of Human Resources Department payroll accuracy. During this limited review, we performed the following procedures:

1. For calendar year 2024, tested Workday payroll control separation of duties for Human Resources employee population comprising:
    a. Run Manual Payment for Worker
    b. Run On Demand Payment for Worker
    c. Run Pay Calculation
    d. Run Pay Complete
    e. INT019 Payroll ACH Out (i.e., generate bank ACH file)
    f. Change Account Information
    g. Add Account
    h. Hiring
        i. Create Position
        ii. Change Organization Assignments for Worker
        iii. Hire (Create Pre-Hire)
        iv. Propose Compensation Hire
        v. Change Organization Assignments
        vi. Edit Additional Data
        vii. Contract Contingent Worker
    i. One-Time Payment

   j. Request Compensation Change
   k. Enter Time (i.e., enter an employee's time other than the HR employee's personal time)
   l. Edit Business Process Security Policy and Activate Pending Security Policy Changes
2. For calendar year 2025, tested a sample of compensation changes for operating procedure recording and authorization compliance.

The Division documented three findings, eleven unaddressed previous engagement findings, and three unaddressed previous engagement other matters during the engagement. For finding(s) and other matter(s), we provide recommendations to improve Human Resource's payroll control environment. Finding and other matter numbering is correlated with the procedure numbering above.

Note that our report, by nature, disproportionately focuses on weaknesses. This does not mean there were not strengths within the areas reviewed and other areas not reviewed. For example, we note that management has restricted certain Workday business process user permissions, improving the payroll control environment, since our AE-2024-2 engagement.

The Division appreciates the courtesy and assistance extended to us by County personnel during the engagement process. We look forward to a continuing professional relationship.

Sincerely,

Utah County Internal Audit Division

CC: Rodney Mann, Utah County Auditor; Utah County Audit Committee Member
Kim Jackson, Utah County Treasurer; Utah County Audit Committee Member
Amelia Powers Gardner, Commissioner, Utah County Board of Commissioners; Utah County Audit Committee Member

FINDING(S) & OTHER MATTER(S): CURRENT ENGAGEMENT

Finding 1.1: Insufficient Payroll System Separation of Duties (Process Security Configuration)

Condition

While testing Workday processes associated with our procedures performed, we noted the existence of an "Edit Business Process Security Policy" process, which enables a user to edit and activate (i.e., "Activate Pending Security Policy Changes") the user-based and role-based security groups enabled to initiate, edit, and approve the steps associated with an extensive list of business processes (including "Enter Time," a process explicitly tested in conjunction with this condition).

Five Human Resources employees can execute the "Edit Business Process Security Policy" process and "Activate Pending Security Policy Changes" process.

Five of these five employees have the ability to and/or perform at least one Workday payroll/hiring/compensation related function.

Human Resources employees can edit Workday process security policies to grant process access to user-based and role-based security groups, effectively eliminating separation of duties, regardless of currently assigned business process security policy.

Criteria

Per the United States Government Accountability Office's ("GAO's") *Standards for Internal Controls in the Federal Government*: "Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event."

Per the National Institute of Standards and Technology's (i.e., "NIST's") *Special Publication 800-12: An Introduction to Computer Security: The NIST Handbook*: "Least privilege refers to the security objective of granting users only those accesses they need to perform their official duties…applying this principle may limit the damage resulting from accidents, errors, or unauthorized use of system resources."

Cause

Until recently, management has not allocated sufficient resources to review the adequacy of Workday payroll internal controls.

Effect
Payroll fraud has an increased likelihood of occurrence. Management has decreased assurance that entity objectives (e.g., effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations) will be achieved.

Finding 1.2: Insufficient Payroll System Separation of Duties (Payroll Processing and Hiring)

Condition
While testing Workday processes associated with our procedures performed, we noted in multiple instances the ability of a user to execute a process (i.e., "Contract Contingent Worker") that enabled a Human Resources employee with restricted hire task permissions (i.e., no "Actions" menu "Hire Employee" submenu) to avoid hiring process restrictions and complete remaining hiring processes.

Seventeen Human Resources employees can execute the "Contract Contingent Worker" process.

Three of these seventeen employees can also execute the “Run Pay Calculation” process, “Run Pay Complete” process, and “INT019 Payroll ACH out” process.

Four of these seventeen employees can also execute the “INT019 Payroll ACH out” process.

Human Resources employees can execute both payroll processes and hiring processes.

Criteria
Per the United States Government Accountability Office’s (“GAO’s”) *Standards for Internal Controls in the Federal Government*: “Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.”

Per the National Institute of Standards and Technology’s (i.e., “NIST’s”) *Special Publication 800-12: An Introduction to Computer Security: The NIST Handbook*: “Least privilege refers to the security objective of granting users only those accesses they need to perform their official duties…applying

this principle may limit the damage resulting from accidents, errors, or unauthorized use of system resources."

Cause
Until recently, management has not allocated sufficient resources to review the adequacy of Workday payroll internal controls.

Effect
Payroll fraud has an increased likelihood of occurrence. Management has decreased assurance that entity objectives (e.g., effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations) will be achieved.

Finding 1.3: Insufficient Payroll System Separation of Duties (Payroll Processing, Hiring, and Change Bank Account Information via Task Reassignment)

Condition
While testing Workday processes associated with our procedures performed, we noted in one instance the ability of a Payroll Administrator user to reassign an unassigned task, enabling the user to execute a process (i.e., "Create Workday Account") that enabled the user to, following completing hiring processes (via the "Contract Contingent Worker" process) and reassigning the "Payment Election Enrollment Event" process from the Payroll Administrator group for approval to the user's own username for approval, independently add and edit bank accounts acting as the newly hired employee in a newly created Workday account under the newly hired employee's name.

A Human Resources employee can execute payroll processes, complete hiring processes, and change bank account information.

Criteria
Per the United States Government Accountability Office's ("GAO's") *Standards for Internal Controls in the Federal Government*: "Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event."

Per the National Institute of Standards and Technology's (i.e., "NIST's") *Special Publication 800-12: An Introduction to Computer Security: The NIST Handbook*: "Least privilege refers to the security

objective of granting users only those accesses they need to perform their official duties…applying this principle may limit the damage resulting from accidents, errors, or unauthorized use of system resources."

Cause

Until recently, management has not allocated sufficient resources to review the adequacy of Workday payroll internal controls.

Effect

Payroll fraud has an increased likelihood of occurrence. Management has decreased assurance that entity objectives (e.g., effectiveness and efficiency of operations, reliability of reporting for internal and external use, and compliance with applicable laws and regulations) will be achieved.

FINDING(S) & OTHER MATTER(S): PREVIOUS ENGAGEMENT(S)

Report No. AE-2024-2 Finding 1.1: Insufficient Payroll System Separation of Duties (Payroll Processing and Change Bank Account Information)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Security group is now limited to Payroll Admin (Robin D) and Payroll Partner (Sadie R). Payroll must have access to facilitate prenote process when erroneous account numbers are provided. Business process automatically informs employee of any account changes. No other employees have access to modify another's bank account information. Mhai needs to also have security for this, and for her there will be a second approval step for add and edit (Robin D.)if not initiated by the employee.	Brandon Chambers/Benefits Manager, Robin Davis/Payroll Administrator	10/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is implemented.

We noted the following:

Three Human Resources employees can execute the “Change Account Information” process and “Add Account” process. When the “Change Account Information” process is executed for a current payroll payment election, Workday reports an "In Progress" status and it appears an approval notification is sent to Payroll employees. It appears the process reports a "Completed" status when account edited is not a current payroll payment election. When the “Add Account” process is executed, no status is reported on the “Payment Elections” page, but the new account appears on the “Payment Elections” page, and it appears that no further action is necessary.

Two of these three can also execute the “Run Pay Calculation” process, “Run Pay Complete” process, and “INT019 Payroll ACH out” process.

One of these three employees can also execute the “INT019 Payroll ACH out” process.

Human Resources employees can execute both payroll processes (i.e., initiating payroll, approving payroll, and creating the ACH bank payroll file) and a bank account information editing process (i.e., editing bank account data for employees other than themselves).

Report No. AE-2024-2 Finding 1.2: Insufficient Payroll Control Separation of Duties (Payroll Processing and Hiring)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Payroll admin access has been removed from all HR employees other than payroll admin EE's. Recruiting employees admin EE's access to payroll removed.	Brandon Chambers/Benefits Manager, Robin Davis/Payroll Administrator,	7/19/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is implemented.

We noted the following:

Three Human Resources employees can execute comprehensive hiring processes (i.e., "Create Position," "Change Organization Assignments for Worker," "Hire (Create Pre-Hire)," "Propose Compensation Hire," "Change Organization Assignments," and "Edit Additional Data" processes).

Zero of these three employees can also execute the “Run Pay Calculation” process, “Run Pay Complete” process, and “INT019 Payroll ACH out” process.

One of these three employees can also execute the “INT019 Payroll ACH out” process.

A Human Resources employee can execute both a payroll process (i.e., creating the ACH bank payroll file) and hiring processes.

Report No. AE-2024-2 Finding 1.4: Insufficient Payroll System Separation of Duties (Payroll Processing and Change Compensation)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
No comp change/approve payroll allowed. Payroll admin group is reviewed and reduced to Robin D, Sadie. Only Mhai has access to both. Create a business process that requires a 2nd approval for any edits made by Mhai.	Brandon Chambers/Benefits Manager, Robin Davis/Payroll Administrator, Merritt Fullmer/CM	10/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is not implemented.

We noted the following:

Fifteen Human Resources employees can execute the “Request Compensation Change” process. When the “Request Compensation Change” step is executed, Workday reports a “completed” status and it appears that no further action is necessary.

Four of these fifteen employees appear to have restricted "Request Compensation Change" process data edit access, but can still execute the process and can still edit compensation data. For example, if an employee is on a Salaried Compensation Grade Profile, these four employees cannot edit salary Guidelines section data, but can remove Salary section data and add Hourly section data (e.g., Assignment Details: 200.00 USD Hourly; Plan Name: Hourly Plan) and submit the change.

Three of these fifteen employees can also execute the “Run Pay Calculation” process, “Run Pay Complete” process, and “INT019 Payroll ACH out” process.

Three of these fifteen employees can also execute the “INT019 Payroll ACH out” process. Human Resources employees can execute both payroll processes (i.e., initiating payroll, approving payroll, and creating the ACH bank payroll file) and a compensation change process.

Report No. AE-2024-2 Finding 1.5: Insufficient Payroll System Separation of Duties (Payroll Processing and Time Entry)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Functionality to edit time must be allowed in order to resolve pay issues. Corrections per policy need to happen for an employee time card if they entered in ineligible Holiday Pay, Paid Time Off, or incorrect time record. Any changes are auditable. 2nd payroll EE can verify time changes. Notifications are sent that a change has been made by TimeKeeper. Run Time change audit report to be reviewed.Will remove anyone in security groups not necessary for the function.	Robin Davis/Payroll Administrator	9/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is not implemented.

We noted the following:

Three Human Resources employees can execute the “Enter Time” process. When the “Enter Time” step is executed, Workday reports a “not required” status for the “Approval by Manager or Timekeeper” step and “To Do: Timekeeper Time Entry” step.

Three of these three employees can also execute the “Run Pay Calculation” process, “Run Pay Complete” process, and “INT019 Payroll ACH out” process.

Human Resources employees can execute both payroll processes (i.e., initiating payroll, approving payroll, and creating the ACH bank payroll file) and a timekeeping process (i.e., entering time for employees other than themselves).

Report No. AE-2024-2 Finding 1.6: Insufficient Payroll System Separation of Duties (Calculate Payroll and Complete Payroll)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Payroll Admin security group will be updated to remove unnecessary individuals that have access to the task. Current internal process is to do a final audit on these pay calculations prior to pay complete. Duties are separated in Task between pay specialist and pay administrator. Approval by payroll administrator.	Robin Davis/ Payroll Admin	10/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is implemented.

We noted the following:

Three Human Resources employees can execute the “Run Pay Calculation” process.

Three of these three employees can also execute the “Run Pay Complete” process.

Human Resources employees can both calculate payroll and complete payroll.

Report No. AE-2024-2 Finding 1.7: Insufficient Payroll System Separation of Duties (Calculate Payroll and Output Bank File)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Payroll Admin security group will be updated to remove unnecessary individuals that have access to the task. Current internal process is to do a final audit on these pay calculations prior to payroll out complete. Duties are separated in Task between pay specialist and pay admin.	Robin Davis/ Payroll Admin	10/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is not implemented.

We noted the following:

Three Human Resources employees can execute the “Run Pay Calculation” process.

Three of these three employees can also execute the “INT019 Payroll ACH out” process.

Human Resources employees can both calculate payroll and output the ACH bank file.

Report No. AE-2024-2 Finding 1.8: Insufficient Payroll System Separation of Duties (Complete Payroll and Output Bank File)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Move this function and responsibility to treasurer.	Treasuer	9/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is not implemented.

We noted the following:

Three Human Resources employees can execute the “Run Pay Complete” process.

Three of these three employees can also execute the “INT019 Payroll ACH out” process.

Human Resources employees can both complete payroll and output the ACH bank file.

Report No. AE-2024-2 Finding 1.9: Insufficient Payroll System Separation of Duties (Payroll Adjustments and Change Bank Account Information)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Only employees themselves can edit their own bank account information. Payroll team can view and edit. Second approval step for add and edit (Robin D.)if not initiated by the employee.	Brandon Chambers/Benefits Manager, Robin Davis/Payroll Administrator,	09/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is not implemented.

We noted the following:

Three Human Resources employees can execute the “Run Manual Payment for Worker” process and “Run On Demand Payment for Worker” process.

Two of these three employees can also execute the “Change Account Information” process and “Add Account” process.

Human Resources employees can both enter payroll adjustments and change bank account information.

Report No. AE-2024-2 Finding 1.11: Insufficient Payroll System Separation of Duties (Change Bank Account Information and Hiring)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Only employees themselves can edit bank their own bank account information. Second approval step for add and edit (Robin D.)if not initiated by the employee. Payroll admin no hiring authority.	Brandon Chambers/ Benefits Manager, Robin Davis/ Payroll Administrator,	10/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is implemented and communicated that the corrective action plan's second sentence is irrelevant and was mistakenly entered.

We noted the following:

Three Human Resources employees can execute the "Change Account Information" process and "Add Account" process.

One of these three employees can also execute comprehensive hiring processes (i.e., "Create Position," "Change Organization Assignments for Worker," "Hire (Create Pre-Hire)," "Propose Compensation Hire," "Change Organization Assignments," and "Edit Additional Data" processes).

A Human Resources employee can both change bank account information and complete hiring processes.

Report No. AE-2024-2 Finding 1.13: Insufficient Payroll System Separation of Duties (Process Execution Recording and Authorization)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Request limiting this recommendation to processes that represent financial risk - per previous items.	TBD	12/01/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is not implemented.

We noted the following:

Individual processes were initiated and automatically completed (i.e., “Status: Completed,” Status: Step Completed,” “Status: Submitted,” or “Your changes have been saved”) without a second employee authorizing the process to be executed. For example, “Create Position,” “Change Organization Assignments for Worker,” “Hire Employee,” “Propose Compensation Hire” (including cases where a “Review Compensation Hire” “Not Required” status task was created), “Change Organization Assignments,” “Edit Additional Data,” “Request Compensation Change,” “Add Account,” and “Enter Time” processes were all executed by an individual employee.

Report No. AE-2024-2 Finding 2.1: Nonexistent Compensation Change Standard Operating Procedures

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Comp team will complete process SOP. Comp team has a comprehensive process for reviewing and auditing compensation changes outside of Workday.	Merritt Fullmer/ Comp Manager	12/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is not fully implemented and later communicated on 3/26/2025 that this was a work-in-progress.

We noted the following:

While testing a sample of compensation changes for recording and authorization in accordance with standard operating procedures (i.e., "SOPs"), management provided us documentation of a post-compensation change review process, a chart of the HR employees to initiate specific Workday compensation events that appears to reflect the current practice, and a chart of security roles that appears to facilitate discussion of whether security should be removed from certain employees. However, it appears SOPs do not exist that provide an employee role the steps to take in Workday and under which circumstances (authorization) to complete these steps.

Report No. AE-2024-2 Other Matter 1.1: Unrestricted Incompatible Compensation Grade and Job Profile Submission

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
The system warns that this request is happening. Change to prohibit. Comp Admin security group to be updated (limited) for user access. Very Rare occasions have happened when a job profile needs to be paid outside their normal pay range. Will require additional approver.	Merritt Fullmer/ Comp Manager	12/1/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is not implemented.

Report No. AE-2024-2 Other Matter 1.3: Unmasked Sensitive Employee Data

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Bank Account info limited to Payroll admin. Payroll needs security to view bank info with second approval step if not initiated by the employee. Benefits need view of SS #.	Ranjith/IS	10/15/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is implemented. Specifically:

1. Benefits, Payroll, and Onboarding (for I-9 Form purposes) employees can view Social Security numbers; and
2. Bank Account number view access has been restricted to Payroll.

We noted the following:

Three employees were sampled to verify Social Security Number viewability. Three of three employees could view Social Security Numbers.

Two employees were sampled to verify bank account number viewability. Two of two employees could view an employee's account type, routing transit number, account number, and bank name.

The Payroll employee population was tested to verify bank account number viewability. The population was able to view an employee's account type, routing transit number, account number, and bank name without a second approval step.

Report No. AE-2024-2 Other Matter 1.4: Unregulated Out-of-State Worker Locations

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Add to pay plan policy.	Ralf Barnes/ Director	12/01/2024

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Current Engagement Condition

Management communicated on 3/7/2025 that this corrective action plan is not implemented.

MANAGEMENT RESPONSE(S)

Finding 1.1: Insufficient Payroll System Separation of Duties (Process Security Configuration)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
All HR employees have been removed from access to these processes. Exception is that Brandon and Alec have security admin permission which could allow access. They will audit each other quarterly to confirm no unauthorized processes have been completed. Also, Alec continues to identify domain housing such permissions with intent to control access. Another possible solution is to add staff to provide regular audits of processes without sufficient internal controls. Removed all payroll related business processes from Alec.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025. With continuing monitoring.

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Finding 1.2: Insufficient Payroll System Separation of Duties (Payroll Processing and Hiring)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove permission to initiate any process under. “Contract Contingent Worker” from all HR employees.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Finding 1.3: Insufficient Payroll System Separation of Duties (Payroll Processing, Hiring, and Change Bank Account Information via Task Reassignment)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove permission to initiate any process under. "Contract Contingent Worker" from all HR employees. Removed from all security groups.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.1: Insufficient Payroll System Separation of Duties (Payroll Processing and Change Bank Account Information)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove execute the "Change Account Information" process and "Add Account" process access from Brandon Chambers. Working to understand where this access resides. Segregate integration by type. (payroll vs. benefits) Mhai needs to also have security for this, and for her there will be a second approval step for add and edit (Robin D.)if not initiated by the employee.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	06/15/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.2: Insufficient Payroll Control Separation of Duties (Payroll Processing and Hiring)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove Brandon from recruitment Partner security group.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.4: Insufficient Payroll System Separation of Duties (Payroll Processing and Change Compensation)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove the "Request Compensation Change" process from all but Merritt & Mhai. Removed HR partner from other employees. Not sure what the out effect will be. May need to revisit. Remove INT019 Payroll ACH out process from Merritt. Integration administrators "must" have access to all integrations currently. Looking for a way to segregate benefits from payroll integrations.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	07/01/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.5: Insufficient Payroll System Separation of Duties (Payroll Processing and Time Entry)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove Alec's security from these processes. Permission granted and used in Sandbox has been removed.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.6: Insufficient Payroll System Separation of Duties (Calculate Payroll and Complete Payroll)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove Alec's security from these processes. Permission granted and used in Sandbox has been removed.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.7: Insufficient Payroll System Separation of Duties (Calculate Payroll and Output Bank File)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove Alec's security from these processes. Permission granted and used in Sandbox has been removed.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.8: Insufficient Payroll System Separation of Duties (Complete Payroll and Output Bank File)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove Alec's security from these processes. Permission granted and used in Sandbox has been removed. Previous plan to have treasure complete this function did not work. Looking at options for 2 payroll employees to have controls over having access to both functions.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.9: Insufficient Payroll System Separation of Duties (Payroll Adjustments and Change Bank Account Information)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Remove Alec's security from these processes. Permission granted and used in Sandbox has been removed. Workday send notice to employee anytime banking information is changed.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.11: Insufficient Payroll System Separation of Duties (Change Bank Account Information and Hiring)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Brandon is removed from recruiting admin.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	05/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 1.13: Insufficient Payroll System Separation of Duties (Process Execution Recording and Authorization)

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Unknown currently. Working on an overhaul of system user/role security. Request internal audit review in 90 days.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	8/12/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Finding 2.1: Nonexistent Compensation Change Standard Operating Procedures

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Progress has been made, but more specific details needed.	Merritt. Comp Manager	07/31/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Other Matter 1.1: Unrestricted Incompatible Compensation Grade and Job Profile Submission

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
The system warns that this request is happening. Change to prohibit. Comp Admin security group to be updated (limited) for user access.	Merritt. Comp Manager	08/15/2025

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Report No. AE-2024-2 Other Matter 1.3: Unmasked Sensitive Employee Data

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Security is somewhere in HR Partner role. Working on finding and removing.	Alce Boshard HRIS Analyst, Brandon Chambers, Manager.	07/31/2025

*Entered in MM/DD/YYYY format. Generally, the date should be within 90 days (but no longer than 180 days) of report issuance. If the recommendation has already been implemented, enter the date it was implemented.

Report No. AE-2024-2 Other Matter 1.4: Unregulated Out-of-State Worker Locations

Human Resources Management Response

Corrective Action Plan	Name and Title of Employee Responsible for Implementation	Target Date*
Implementing payroll policy	Ralf B. HRD	06/30/2025

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