

RIVERSIDE: AUDIT & ADVISORY SERVICES

December 19, 2011

To: Marc Guerra, Director
Accounts Payable / Travel

Subject: Post-Implementation Review of ePay

Ref: R2012-05

We have completed our post-implementation review of ePay, the UCR Online Payment Request System, in accordance with the UC Riverside Audit Plan. Our report is attached for your review.

We appreciate the cooperation and assistance provided by your department. Should you have any questions concerning the report, please do not hesitate to contact me.

Michael R. Jenson
Director

xc: Audit Committee Members

UNIVERSITY OF CALIFORNIA AT RIVERSIDE
AUDIT & ADVISORY SERVICES
MEMBER OF ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS

INTERNAL AUDIT REPORT R2012-05
POST-IMPLEMENTATION REVIEW OF ePAY
THE UCR ONLINE PAYMENT REQUEST SYSTEM

DECEMBER 2011

Approved by:

Noahn Montemayor
Principal Auditor

Michael R. Jenson
Director

UC RIVERSIDE
POST-IMPLEMENTATION REVIEW OF ePAY
THE UCR ONLINE PAYMENT REQUEST SYSTEM
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I. MANAGEMENT SUMMARY

Based upon the results of work performed within the scope of this post-implementation review, it is our opinion that overall, the intended objectives of implementing ePay, the UCR Online Payment Request System, have been met and related application development and maintenance processes were in compliance with applicable sections of the UC Business and Finance Bulletin (BFB) IS-10 Systems Development and Maintenance Standards.

ePay is a tool for campus departments to initiate payment requests for petty cash reimbursements, refunds, business meeting expenses, and entertainment events. It also facilitates authorized payments of accounts not otherwise paid through campus procurement or payroll systems. Successfully deployed campus-wide in July 2011, ePay has replaced the manual check payment request process that involved the use of paper check request forms. On October 1, 2011, the Accounting Office virtually stopped accepting paper check request forms.

Positive observations:

- Management, through the Financial Systems Steering Committee (FSSC), was actively engaged in enterprise application planning, development, and implementation.
- Collaboration between Accounting, Computing & Communications (C&C), and campus stakeholders appears adequate and effective, assuring achievement of system development and business process improvement objectives.
- Financial Services continues to receive and thoughtfully consider requests for modifications and enhancements to ePay features and functionalities and generally meets or exceeds user needs and expectations.

II. INTRODUCTION

A. PURPOSE

UC Riverside Audit & Advisory Services (A&AS), as part of its Audit Plan, performed a post-implementation review of ePay to assess whether the intended objectives of implementing the information technology solution have been met and to evaluate compliance with certain University

policies and procedures, efficiency and effectiveness of selected operations, and adequacy of certain internal controls.

Specific objectives of the review were to evaluate:

- The effectiveness and appropriateness of the implementation process
- Causes of time or cost overruns, and quality and/or performance issues, if any
- Productivity and performance improvements resulting from the solution
- Whether business process and internal controls were implemented
- Whether user access controls were implemented in accordance with University policy
- Whether users have been appropriately trained
- Whether the system is maintainable and can be further developed effectively and efficiently
- Whether available features and procedures, as relevant, have been implemented
- Compliance with applicable sections of the UC Business and Finance Bulletin IS-10 Systems Development and Maintenance Standards
- Opportunities for further improvement in either the solution or the implementation process

B. BACKGROUND

ePay is an online payment request application that has automated the once cumbersome procedure of submitting paper forms and obtaining manual signatures/approvals to request payments for petty cash replenishments, reimbursements, business meeting expenses, entertainment events, and other payables. Using the Enterprise Access Control System, System Access Administrators assign appropriate roles and authorities to campus users. Authorized users can then access ePay through the campus administrative portal R'Space via UCR's single sign-on infrastructure for authentication.

C. SCOPE

Post-implementation review procedures consisted of in-person and telephone interviews, observation, inquiry, and discussions with stakeholders and/or users, experimentation and familiarization with ePay, as well as studies of available documentation including application development plans and specifications, project vision statements and white papers, business/user requirements, project updates, testing and training plans, deployment notes, minutes of meetings, announcements, correspondence, and supporting records.

The review encompassed overall program management, systems interfaces, customer satisfaction, tactical/strategic planning, and application development and maintenance, and focused on the following major areas.

1. Benefits Realization

Evaluated the operational success of ePay, and reviewed productivity and performance improvements resulting from the solution. Assessed the effectiveness of the process used to deliver and implement ePay, considering whether or not the original implementation objectives and schedules have been achieved. Appraised overall user satisfaction and understanding of the new system.

2. Project Management

Evaluated whether project management practices, risk assessment activities, and delegations of authority and responsibility provided accountability for the achievement of system development and implementation goals, including compliance with applicable sections of BFB IS-10 Systems Development and Maintenance Standards.

III. INTERNAL CONTROLS AND COMPLIANCE

As part of the review, internal controls were examined within the scope of the audit.

Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the achievement of objectives in the following categories:

- * effectiveness and efficiency of operations
- * reliability of financial reporting
- * compliance with applicable laws and regulations

Substantive audit procedures were performed during the period August to November 2011. Accordingly, this evaluation of internal controls is based on our knowledge as of that time and should be read with that understanding.