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**Hyperion Software  
Implementation Audit**

March 29, 2019



**City of Fort Worth  
Department of Internal Audit**

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Fort Worth, Texas 76102

**Audit Staff**

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The Hyperion Software Implementation Audit was conducted as part of the Department of Internal Audit's Fiscal Year 2018 Annual Audit Plan.

### Audit Objectives

The objectives of this audit were to:

- evaluate internal controls regarding the transfer of data between the Hyperion Budget Planning and Reporting system and the general ledger;
- determine the accuracy and completeness of Hyperion data; and,
- ensure reports generated from the Hyperion Budget Planning and Reporting system are accurate, reliable, and useful.

### Audit Scope

Our audit included a review for the period October 1, 2017 through December 31, 2018.

### Opportunities for Improvement

Proper maintenance of user accounts

Proper completion and maintenance of project deliverable documentation

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## Executive Summary

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As part of the FY2018 Annual Audit Plan, the Department of Internal Audit conducted an audit of the Hyperion Budget Planning and Reporting system. We concluded that the software properly tracks information associated with the City's operating and capital budgets, and properly receives financial data via interfaces from the City of Fort Worth's financial system.

The Department of Internal Audit identified seven (7) active Hyperion user accounts for individuals who were listed as terminated City of Fort Worth (CFW) employees in the City's PeopleSoft Human Resources system.

Also, no formal acceptance documentation was located for 14 Hyperion software implementation deliverables. Formal acceptance for another 12 deliverables was completed by the CFW after the contract-defined Acceptance Period had expired.

We surveyed 115 Hyperion users and received responses from 34. In response to that survey, some users indicated that improvements to Hyperion data reporting and training are needed. The responses are shown in [Exhibit I](#) of this report.

These findings are discussed in further detail within the [Detailed Audit Findings](#) section of this report.

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## Background

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The City of Fort Worth's Performance and Budget Department (which is comprised of 27 authorized positions, 17 of which are associated with budgeting) is responsible for employee and operational performance, process improvement, and the City's annual operating and capital budgets.

The Hyperion Budget Planning and Reporting system (acquired from Oracle, Inc., and referred to as Hyperion within this report) was initially purchased in February 2010 as part of the PeopleSoft Financials acquisition. Implementation of Hyperion occurred between October 2016 and April 2017, and was completed at a cost of \$1,222,577.79, including the first year of software maintenance.

Hyperion serves as the replacement for the Budget Reporting and Analysis Support System (BRASS) previously used to manage the City's annual budgets. Hyperion provides departments with the ability to plan their budgets for the upcoming fiscal year, and provides the Performance and Budget Department and the City Manager's Office with the ability to review and approve submitted budgets. Unlike BRASS, Hyperion provides departments with the ability to view their budgeted expenditures in near real-time, forecast future expenditures against the current budget, and compare current fiscal year spending to that of prior fiscal years.

As of July 12, 2018, access to Hyperion was provided to a total of 180 City employees across all departments. Eleven of the 180 user accounts were set-up for administrative purposes.

- Six (6) of the 11 users were assigned to the Performance and Budget Department for software application administration purposes. System Administrators within the Performance and Budget Department assign Hyperion software functionality-related permissions to each user account.
- Five (5) of the 11 users were assigned to the Information Technology (IT) Solutions Department for IT-related administrative purposes.



## Objectives

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The objectives of this audit were to:

- evaluate internal controls regarding the transfer of data between Hyperion and the general ledger;
- determine the accuracy and completeness of Hyperion data; and,
- ensure reports generated from Hyperion are accurate, reliable, and useful.

## Scope

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Our audit included a review for the period October 1, 2017 through December 31, 2018.

## Methodology

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To achieve the audit objectives, the Department of Internal Audit performed the following:

- interviewed key personnel within the Performance and Budget Department;
- interviewed Hyperion users from different City of Fort Worth (CFW) departments;
- reviewed Hyperion user accounts for usage, maintenance, and segregation of duties;
- reviewed the Hyperion implementation project Statement of Work and related invoices;
- reviewed available Hyperion reports;
- surveyed Hyperion users;
- reconciled FY2019 general ledger data to Hyperion; and,
- evaluated internal controls for the transfer of data between Hyperion and the general ledger.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



## Audit Results

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Based on our audit results, we concluded that Hyperion adequately provides CFW departments with the ability to create and manage their annual operating and capital budgets, forecast future expenditures, and report on budget-vs-actual spending. In addition, Hyperion downtime records did not indicate system unavailability as an issue, as no instances of system downtime were identified.

During audit fieldwork, we identified weaknesses in the maintenance of Hyperion user accounts and the tracking of software implementation deliverables.

### *User Account Maintenance*

A review of Hyperion user accounts identified seven (7) active accounts for individuals who were listed as terminated CFW employees in the City's PeopleSoft Human Resources system.

### *Software Implementation Deliverables*

The City did not sign off on 26 of the 35 deliverables within the timeframe required by contract. There were no sign-offs for 14 deliverables, and the CFW's sign-off of 12 deliverables occurred after the expiration of the five-day Acceptance Period.

We also identified an issue with Hyperion reporting, and obtained feedback regarding users' perception of Hyperion.

- Budget-to-actual data during the 1<sup>st</sup> quarter of FY2019 was not visible in Hyperion until the quarter was completed. The lack of visibility was caused by programming scripts that were not turned on when the fiscal year began.
- We surveyed 115 Hyperion users within the CFW, and conducted interviews with various CFW department personnel. Survey participants were asked to comment on their level of satisfaction regarding Hyperion's ease of use, reliability, reporting features, data accuracy, and training and support provided by the Performance and Budget Department.

Several respondents expressed frustration with Hyperion's budget creation process. They reported inaccuracies in the capturing and recording of budget data for their departments, as well as the complexity of Hyperion. The respondents' comments were taken into consideration during our audit testing. While we were unable to replicate the inaccuracies, Hyperion users could benefit from additional training throughout the year, rather than just during the annual budget creation process. Survey responses received by Internal Audit are summarized in [Exhibit I](#) of this report.



## Overall Evaluation

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High	Medium	Low
	<a href="#"><u>Active Hyperion accounts for terminated employees</u></a>	
	<a href="#"><u>Some Hyperion project implementation deliverables not formally accepted or rejected</u></a>	



## Detailed Audit Findings

### 1. Active Hyperion user accounts exist for terminated employees.

Internal Audit reviewed a list of 180 Hyperion user accounts provided by the Performance and Budget Department, and compared those accounts to the PeopleSoft Human Resources system and the CFW network. The review showed that seven (7) active Hyperion accounts existed for individuals who were no longer employed by the CFW.

Access to the City network is required in order to log into Hyperion. If such access were available, it is possible that an active Hyperion user account could be used, even if the employee associated with the account has been terminated. It should be noted that based on our test results, City network access had been canceled for these seven terminated employees.

Hyperion system administration personnel in the Performance and Budget Department did not receive formal notifications from the PeopleSoft ERP Human Resources system regarding employee terminations. As a result, Performance and Budget Department personnel would not necessarily know to deactivate a Hyperion account assigned to a terminating employee.

The Control Objectives for Information and Related Technology standard states that user identity and logical access should be managed to ensure that all users have information access rights in accordance with their business requirements, and should coordinate with business units that manage their own access rights within business processes.

**Recommendation 1A:** *The Chief Performance Officer should ensure that active Hyperion accounts for terminated CFW employees are identified and deactivated.*

**Auditee's Response:** Concur. IT has added Pam Kacmarynski and Danielle Pickle (Performance and Budget Department) to an automated report that sends out daily employee Terms and changes. HRIS has also included Pam Kacmarynski and Danielle Pickle (Performance and Budget Department) on a bi-weekly Termination Distribution List sent out every Pay Day Friday that sends a list of all terminations during the pay period.

**Target Implementation Date:** Complete

**Responsibility:** Responsibility for terminating access rests on Budget. By giving access to the reports, HR and IT have completed their action items.

**Recommendation 1B:** *The Human Resources Director, in conjunction with the Chief Technology Officer, should ensure that a process and procedure is in place to alert departmental software system administrators of CFW employee terminations, so that the appropriate department software user accounts can be deactivated in a timely manner.*

**Auditee's Response:** Concur. The Budget Manager responsible for Hyperion contacted IT and HR to begin receiving the Termination/Position Change list that is generated from the Peoplesoft systems. The first report was received on 2/28/2019 as an automated email from [Zena@fortworthtexas.gov](mailto:Zena@fortworthtexas.gov). A process has been created to ensure terminated employees are deactivated.

**Target Implementation Date:** Complete





**Responsibility:** Budget Manager

**2. The City did not formally accept or reject some project deliverables.**

According to the Hyperion implementation project’s Statement of Work (SOW), the vendor was to present an Acceptance Certificate to the CFW, upon completion of each project deliverable. The CFW then had five (5) business days to either accept the deliverable, in writing, or provide the vendor with a written basis for rejection. This five (5) business-day period is known as the Acceptance Period. If the CFW did not formally accept or reject a project deliverable within the Acceptance Period, acceptance of the deliverable was deemed to have occurred.

Internal Audit reviewed the Hyperion implementation project’s SOW and related deliverables documentation.

- Although payments were made, Acceptance Certificates could not be located for 14 project deliverables. It is unknown as to whether the CFW formally accepted the work performed.
- Acceptance Certificates for 12 deliverables were signed by a CFW representative after the SOW-specified Acceptance Period had ended. Because acceptance of the deliverables was provided after the Acceptance Period ended, the CFW would not have contractually been able to reject any of the deliverables in question if there had been problems with completion.

Deliverables Accepted by the CFW after Expiration of Five-Day Acceptance Period			
Deliverable # and Title	Acceptance Certificate Received	Acceptance Certificate Returned	# Business Days Lapsed
1 – Project Charter	1/10/2017	1/17/2017	4
2 – Project Plan	1/10/2017	1/17/2017	4
3 – Project Weekly Status Report	1/10/2017	1/17/2017	4
4 – Fit Gap Analysis	1/17/2017	1/24/2017	4
5 – Conversion Plan (deliverable removed per Change Order #1)	N/A	N/A	N/A
6 – Interface Plan	1/17/2017	1/24/2017	5
7 – Report Plan	1/17/2017	1/24/2017	5
8 – Security Plan	1/17/2017	1/24/2017	5
9 – Change Management Plan (deliverable removed per Change Order #1)	N/A	N/A	N/A
10 – Operating Line Item Plan Type – Configuration Completed	5/7/2017	6/6/2017	21**
11 – Labor / Personnel Plan Type – Configuration Completed	5/5/2017	6/6/2017	22**
12 – Conference Room Pilot Plan	1/10/2017	1/17/2017	4
13 – Training Plan	1/24/2017	2/9/2017	12**
14 – Testing Plan	1/24/2017	2/9/2017	12**
15 – Conversion Development (deliverable removed per Change Order #1)	N/A	N/A	N/A
16 – System / Integration Testing	5/7/2017	6/6/2017	21**
17 – Report Development	5/11/2017	6/6/2017	17**
18 – Interface Development	5/7/2017	6/6/2017	21**
19 – User Acceptance Testing	5/7/2017	6/6/2017	21**
20 – End User Training	5/7/2017	6/6/2017	21**
21 – Cutover	5/7/2017	6/6/2017	21**
22 – Capital Plan Type – Configuration Completed	N/A	NONE*	N/A
23 – Revenue Plan Type – Configuration Completed	N/A	NONE*	N/A
24 – Conversion Development (deliverable removed per Change Order #1)	N/A	N/A	N/A
25 – System / Integration Testing	N/A	NONE*	N/A
26 – Report Development	N/A	NONE*	N/A
27 – Interface Development	N/A	NONE*	N/A
28 – User Acceptance Testing	N/A	NONE*	N/A
29 – End User Training	N/A	NONE*	N/A
30 – Cutover	N/A	NONE*	N/A
31 – Post Production Support Month 1	5/23/2017	6/6/2017	9**
32 – Post Production Support Month 2	5/31/2017	6/6/2017	4
33 – Post Production Support Month 3	N/A	NONE*	N/A
34 – Post Production Support Month 4	N/A	NONE*	N/A
Change Order #1 – Removal of deliverables 5, 9, 15, and 24	N/A	N/A	N/A
Change Order #2 – Enterprise Performance Reporting Cloud Service (EPRCS)	5/11/2017	6/6/2017	17**
Change Order #3 – PSPB Essbase ASO Reporting Database – Project Kick-off	N/A	NONE*	N/A



Deliverable # and Title	Acceptance Certificate Received	Acceptance Certificate Returned	# Business Days Lapsed
Change Order #4 – Reduction of Production Support from 9 weeks to 5 weeks	N/A	N/A	N/A
Change Order #5 – Secure Socket Layer Functionality Configuration – replaced by Change Order #8	N/A	N/A	N/A
Change Order #6 – Consulting Services through 12/31/2017 (no work performed or invoiced)	N/A	N/A	N/A
Change Order #7 – Create new Capital Projects Plan Type	N/A	NONE*	N/A
Change Order #8 – Secure Socket Layer Functionality Configuration	N/A	NONE*	N/A
Change Order #9 – Enterprise Performance Reporting Cloud Service (EPRCS) Support	N/A	NONE*	N/A

\* Deliverables without a signed Acceptance Certificate  
 \*\* Deliverables signed after the five (5) business-day Acceptance Period

Source: Performance and Budget Department

**Recommendation 2:** *The Chief Performance Officer should ensure that the acceptance or rejection of deliverables associated with future projects is processed in accordance with the signed Statement of Work.*

**Auditee’s Response:** Concur. All future projects managed by the Performance and Budget Department will ensure that the project deliverables are formally accepted or rejected within the accordance of the signed Statement of Work. The staff have been educated in this process and the implications of missing those deadlines. The deadlines will be mapped and noted at the beginning of any future projects to ensure all participants are well aware of those deadlines

**Target Implementation Date:** Complete

**Responsibility:** Assistant Director



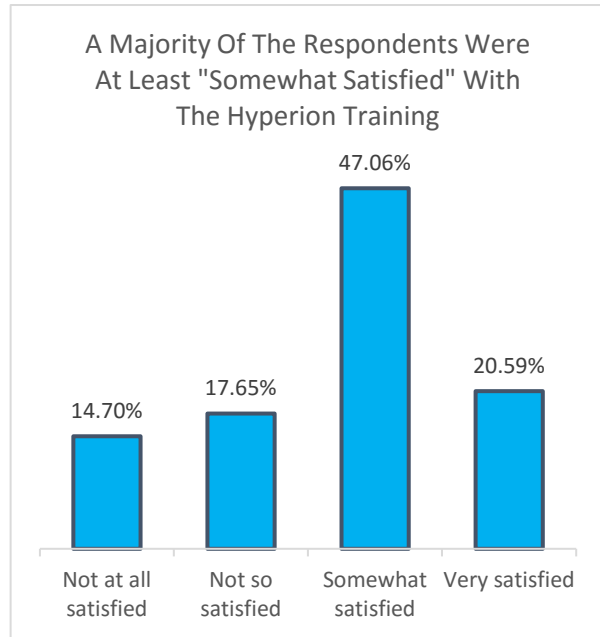
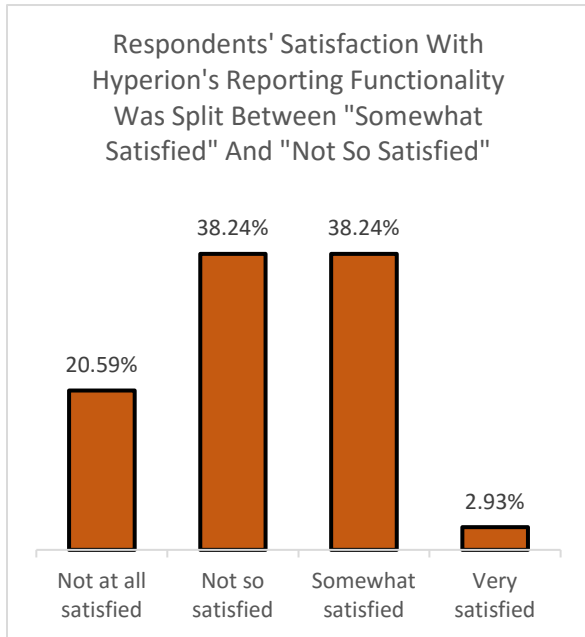
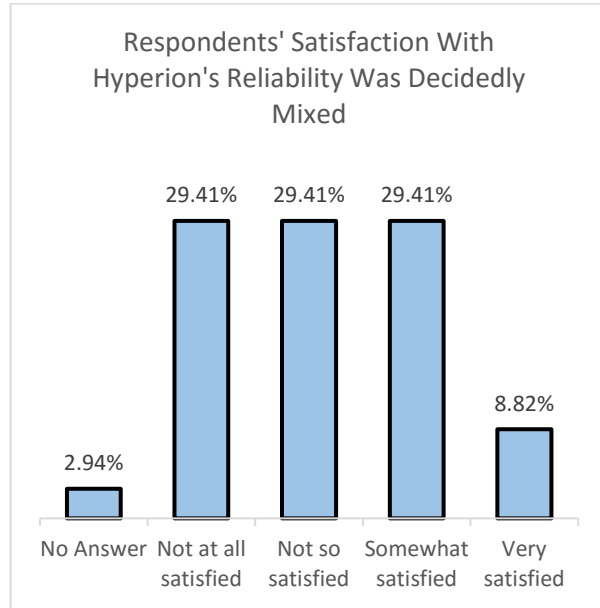
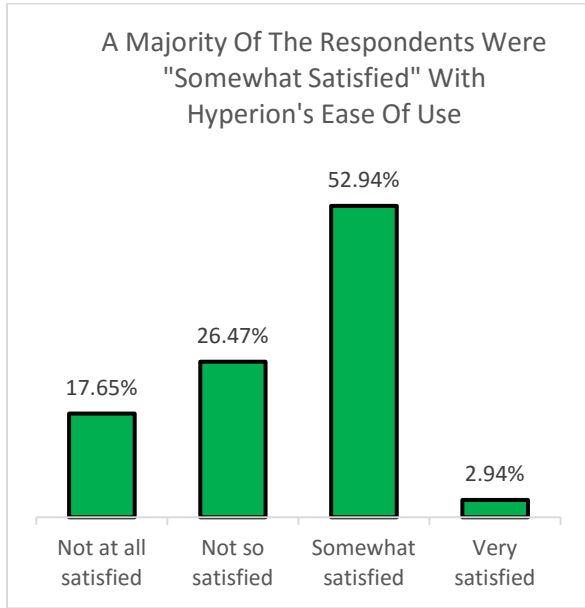
## Acknowledgements

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The Department of Internal Audit would like to thank the Performance and Budget Department and user departments for their cooperation and assistance during this audit.

## Exhibit I – Hyperion Users’ Survey Responses

A multi-question Hyperion usage survey was sent to Hyperion users, asking for feedback regarding different aspects of Hyperion (e.g., ease of use, reliability, report functionality, and training). Of the 115 Hyperion users surveyed, 34 submitted responses which are summarized in the following charts.



## Exhibit I – Hyperion Users’ Survey Responses (cont’d)

