



**Wednesday, 10 February 2021**  
Contact: Marten Tieleman - 9364 0610  
Our Reference 6102629

Hon. Minister David Templeman  
Minister for Local Government; Heritage; Culture and the Arts  
Department of Local Government, Sport and Cultural Industries  
Level 2 State Library of WA  
Perth Cultural Centre  
25 Francis Street  
PERTH WA 6000

Dear Minister

**City of Melville – Management Response to the significant matter raised by the Office of the Auditor General (OAG) in the financial audit 30 June 2020**

In accordance with Section 7.12A(4) of the Local Government Act 1995, we write to advise you of the actions that have been taken in relation to the significant matter identified by the OAG in its 2019-2020 financial audit.

**Privileged Administrative Access**

**Finding:**

The following observations were noted in relation to privileged administrative access to the Technology One Financials application and Windows Active Directory layers:

a) Application Administrative Access - Technology One Financials

One of the Finance Project Officers was granted privileged access to the Technology One Financials application system allowing the user to access application administrative functions beyond their specified job role. Inquiries with management noted that access was granted to the staff member as part of a special finance project which has since been completed.

b) Domain Administrative Access – Windows Active Directory

Default groups, such as the Domain Admins group are security groups that are created automatically at the time of creating an Active Directory domain. These predefined groups are used to help control access to shared resources and to delegate specific domain-wide administrative roles. We noted five user accounts that were not removed from the Domain Admins group following a change in job roles and/or project completion.

**Rating: Significant**

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### **Implication**

Provision of access privileges to users beyond those necessary to perform their assigned duties may result in improper segregation of duties leading to risk of unauthorised transactions and risk of unauthorised access / changes to financial data.

### **Recommendation**

The OAG recommended that management implement a least-privileged administrative model, which enforces that all users should log on with a user account that has the minimum permissions necessary to complete the current task. In addition, provision of IT administrative privileges to business users should be very minimal and with increased oversight and where provided for specific projects, the privileged access should be removed upon completion of the project.

### **Management Comment**

- a) The Finance Project Officer is required to have system administrator access in order to undertake their role and this is not limited to a specified project. This role is required to implement system enhancements, therefore requiring access with greater privileges. Management considers there to be appropriate controls in place to ensure adequate segregation of duties and therefore doesn't consider this a significant risk.
- b) The City agrees with the need to provide least-privilege access based on a risk assessed process. Four of the five accounts identified are assigned to specific IT team members with relevant and / or advanced skills. One account is utilised by a support vendor and is disabled when not required. During the audit this account was disabled.

Whilst an account review has been initiated, the view of the City is that the risk to operations is moderate.

### **Responsible Person:**

Manager Information & Communication Technology

### **Completion Date:**

30/04/2021

In accordance with Section 7.12A(5) of the Local Government Act 1995, the City has published a copy of this letter on the City's website.

Yours faithfully

**Marten Tieleman**  
Chief Executive Officer