

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 2.12
(ID # 21737)**

MEETING DATE:
Tuesday, May 02, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2023-328: Riverside County Human Resources Department, Follow-up Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2023-328: Riverside County Human Resources Department, Follow-up Audit

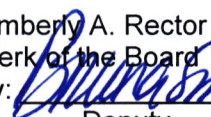
ACTION:Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 4/14/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Gutierrez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: May 2, 2023
xc: Auditor-Controller

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	n/a

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Based on the results of our audit, we found that of the two recommendations:

- One of the recommendations was implemented.
- One of the recommendations was not implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-022 included as an attachment to this follow-up audit report or it can also be found at <https://auditorcontroller.org/divisions/internal-audit>.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller - Internal Audit Report 2023-328: Riverside County Human Resources Department, Follow-up Audit.


 Stephanie Perez, Principal Management Analyst 4/24/2023

Internal Audit Report 2023-328

**Riverside County
Human Resources Department
Follow-up Audit**

Report Date: May 2, 2023



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www.auditorcontroller.org



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CONTROLLER
COUNTY OF RIVERSIDE

Ben J. Benoit
Riverside County Auditor-Controller

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

May 2, 2023

Michael Bowers
Human Resources Director
Riverside County Human Resources Department
4080 Lemon St, 7th Floor
Riverside, CA 92502

Subject: Internal Audit Report 2023-328: Riverside County Human Resources Department, Follow-up Audit

Dear Mr. Bowers:

We completed the follow-up audit of Riverside County Human Resources Department. Our audit was limited to reviewing actions taken as of February 10, 2022, to help correct the findings noted in our original audit report 2022-022 dated July 12, 2022.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusion.

The original audit report contained two recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the two recommendations :

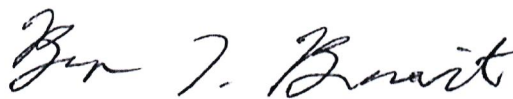
- One of the recommendations was implemented.
- One of the recommendations was not implemented.

**Internal Audit Report 2023-308: Riverside County Human Resources Department,
Follow-up Audit**

Summary of the conditions from the original audit and the results of our review on the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-022 included at "Attachment A" of this audit report along with your department status letter as "Attachment B." You can also find the original audit report at <https://auditorcontroller.org/divisions/internal-audit/reports>.

We completed testing to determine whether the recommendations were implemented. We concluded that one recommendation was not implemented. The results were communicated with the Human Resources management and your response to our conclusion is included this report.

We thank you and your staff for the help and cooperation. The assistance provided contributed significantly to the successful completion of this audit.



Ben J. Benoit
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Deputy Auditor-Controller

cc: Board of Supervisors
Jeff A. Van Wagenen, County Executive Officer
Dave Rogers, Chief Administrative Officer
Grand Jury

**Internal Audit Report 2023-308: Riverside County Human Resources Department,
Follow-up Audit**

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Internal Audit Report 2023-308: Riverside County Human Resources Department,
Follow-up Audit

System Access Controls

Finding 1: Timely Termination of Access Rights to the County Systems

“Four (13%) out of a sample of 30 were not timely disabled. We identified employee access rights were not disabled within 24 hours upon their termination from Human Resources. The longest time lapsed to submit and approve the access removal request being 6 days and the shortest being 2 days. County of Riverside Information Security Standard V1.0, Section 4.1, *Account and Access Management*, states, ‘Account for terminated or transferred employees shall be disabled or removed on the day of termination or transfer.’ Since department did not timely submit and approve the access termination request through Riverside County Service Now, the access rights were not timely removed by the Information Technology staff. Former employees with the ability to access the Human Resources Management System and other county systems following their termination date increase the risk of unauthorized use, disclose, modification, or destruction whether accidental or intentional.”

Recommendation 1.1

“Ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, by disabling user system access to Human Resources Management System and other county systems on the day of an employee’s termination or transfer from the department.”

Current Status 1.1: Not Implemented

Seven (23%) out of 31 sampled terminated employees did not have their active directory account termination requests created in a timely manner. The average time lapsed was 16 days with the longest being 78 days and the shortest being 2 days.

Management’s Response

“HR has been working to identify and correct specific deficiencies in terminating the access rights of County employee’s that separate from the County or transfer to another County Department. We have identified two major gaps in our internal processes.

**Internal Audit Report 2023-308: Riverside County Human Resources Department,
Follow-up Audit**

In reviewing the examples provided in the recent audit report, we found that HR was at times not receiving timely notifications from managers when an employee resigned or transferred to another Department. The second and most glaring problem, was the delay in approval of the terminations in Service Now. The approval step in the Service Now workflow was creating redundancies in the process because HR receives the termination request from the managers in writing. This is usually an email with the employee's resignation letter attached. This delay resulted in the termination workflow in Service Now to come to a halt, until the manager was reminded or prompted to approve the request.

To address the above deficiencies, HR has implemented the following changes:

- HR has centralized internal procedures for terminations within the Administrative Services Division. All terminations are currently routed by the employees' managers to the to the HR Admin Services Officer (ASO) at HRAdminServices@rivco.org for processing.
- Most importantly, HR has centralized the submission and approval workflow in Service Now within the Administrative Services Division. All approvals are routed back to designated staff for processing the Service Now employee termination request, currently the HR ASO. This change allows the ASO to submit, as well as approve the termination requests in Service Now, without having to wait for a manger to approve. By rerouting the approval back to the person initiating the Service Now request, HR has streamlined the process and eliminated redundancy.
- In addition, HR Administration has been communicating and engaging with managers and supervisors to raise awareness of the new procedure for terminations. In our last HR Managers meeting, the HR Director stressed the importance of timely termination notices to HR Administration. "

Recommendation 1.2:

"Establish policies and procedures to submit and approve the Riverside County Service Now ticket for user access rights termination within 24 hours upon employee termination or transfer from department in accordance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*".

Current Status 1.2: Implemented

Attachment A

Internal Audit Report 2022-022

Riverside County Human Resources
Department Audit

Report Date: July 12, 2022



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Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
(951) 955-3800

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COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

July 12, 2022

Michael Bowers
Interim Human Resources Director
Riverside County Human Resources Department
4080 Lemon St, 7th Floor
Riverside, CA 92502

**Subject: Internal Audit Report 2022-022: Riverside County Human Resources
Department Audit**

Dear Mr. Bowers:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Human Resources Department to provide management and the Board of Supervisors with an independent assessment of internal controls over system access controls.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant and useful information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this audit provides a reasonable basis for our conclusion.

Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. Our responsibility is to evaluate the internal controls.

Our conclusion and details of our audit are documented in the body of this audit report.



**Internal Audit Report 2022-022: Riverside County Human Resources Department
Audit**

As requested, in accordance with paragraph III.C of the Board of Supervisors Resolution 83-338, management responded to each reported condition and recommendation contained in our report. Management's responses are included in the report. We will follow-up to verify that management implemented the corrective actions.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
Jeff A. Van Wagenen, Jr., County Executive Officer
Dave Rogers, Chief Administrative Officer
Grand Jury

Internal Audit Report 2022-022: Riverside County Human Resources Department
Audit

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**Internal Audit Report 2022-022: Riverside County Human Resources Department
Audit**

Executive Summary

Overview

Riverside County Human Resources Department (Human Resources) provides central supporting throughout the employment cycle of Riverside County employees. Human Resources services include recruitments of permanent and temporary positions, employee relations, leave management, risk management, insurance, and benefits maintenance. Human Resources has a recommended budget of \$253 million for FY2022-23 and has 5,706 positions to execute its responsibilities. *County of Riverside, Fiscal Year 2022-23, Recommended Budget, Volume 1, 185-186.*

Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment about the adequacy and effectiveness of internal controls over system access controls. Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Audit Scope and Methodology

We conducted the audit from January 13, 2022, through May 3, 2022, for operations from July 1, 2022, through March 7, 2022. Following a risk based approach, our scope initially included the following:

- Purchasing Process
- Temporary Assignment Program
- System Access Controls
- Terminated Employees -Payroll Registers Controls

Through inquiry, observations, and examination of relevant documentation, it was determined through a risk assessment of business processes for purchasing process, temporary assignment program, and terminated employees-payroll registers controls, that the risk exposure to the Human Resources associated with these processes are well mitigated with internal controls and are functioning as designed. Therefore, we focused our audit scope to internal controls over system access controls.

**Internal Audit Report 2022-022: Riverside County Human Resources Department
Audit**

Audit Highlights

Summary of Existing Conditions

System access rights were not disabled within 24 hours for employees ending employment with Human Resources. When system access is not disabled timely, there is a security risk to the information maintained in the systems used by the department.

Summary of Improvement Opportunities

- Ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, by disabling user system access to Human Resources Management System and other county systems on the day of an employee's termination or transfer from the department
- Establish policies and procedures to submit and approve the Riverside County Service Now ticket for user access rights termination within 24 hours upon employee termination or transfer from department in accordance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*

Audit Conclusion

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to system access controls.

**Internal Audit Report 2022-022: Riverside County Human Resources Department
Audit**

System Access Controls

Background

System access controls within information systems ensure proper confidentiality, integrity, and availability to the data stored within the system. Authentication is a control which confirms a user's identity to provide access to a systems sensitive information. Sensitive information is any information that must be protected from unauthorized access to maintain the information security of an organization or an individual. Authentication is often achieved by using login credentials such as a username and password. Authentication relies on the presumption that the user is authorized to use the system and that only the user knows the login credentials to gain access.

Human Resources Management System is used by Human Resources and all county departments to manage the county workforce and related processes throughout the employee lifecycle. Human Resources Management System contains sensitive financial and non-financial information of the county human resources including personnel data, employment history, benefits administration, and payroll records. The security of Human Resources Management System requires a high level of protection.

Riverside County Information Technology (Information Technology) has developed a formal process to disable user access for terminated employee with active directory that link to Human Resources Management System through Riverside County Service Now system. Designated employees from department can request account access, modification, or termination by submitting a help desk ticket to Riverside County Service Now. This communication channel allows department to immediately notify Information Technology for any changes to the employee access account. Upon the employee termination or transfer, Human Resources access management team submits a help desk ticket to Information Technology to remove the access of the employee. This ticket contains various workflow tasks such as disabling e-mail accounts, active directory, application system access, badge access, software licenses, and any equipment that has been issued to the employee. The process of the help desk ticket is not started until Human Resources security liaison approves the ticket. After all the tasks have been completed, notification is sent to the access management team and the ticket is closed.

**Internal Audit Report 2022-022: Riverside County Human Resources Department
Audit**

Objective

To verify the existence and adequacy of internal controls over systems utilized by Human Resources.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of County of Riverside Information Security Standard v1.0.
- Interviewed and performed walkthrough with Human Resources staff to gain an understanding of the termination of employee user access process.
- Reviewed Human Resources system access termination flowchart.
- Performed testing of system access rights of terminated employees within the audit period.
- Verified whether the system access rights of the terminated employees were immediately disabled on the day of employee's termination or transfer out from department.

Finding 1: Timely Termination of Access Rights to the County Systems

Four (13%) out of a sample of 30 were not timely disabled. We identified employee access rights were not disabled within 24 hours upon their termination from Human Resources. The longest time lapsed to submit and approve the access removal request being 6 days and the shortest being 2 days. County of Riverside Information Security Standard V1.0, Section 4.1, *Account and Access Management*, states, "Account for terminated or transferred employees shall be disabled or removed on the day of termination or transfer." Since department did not timely submit and approve the access termination request through Riverside County Service Now, the access rights were not timely removed by the Information Technology staff. Former employees with the ability to access the Human Resources Management System and other county systems following their termination date increase the risk of unauthorized use, disclose, modification, or destruction whether accidental or intentional.

**Internal Audit Report 2022-022: Riverside County Human Resources Department
Audit**

Recommendation 1.1

Ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, by disabling user system access to Human Resources Management System and other county systems on the day of an employee's termination or transfer from the department.

Management's Response

"Concur. Management will create written procedures for Termination of Access Rights related to employee separation or transfer. HR administration team will provide a training session for all HR Managers on these procedures to ensure awareness, understanding, and compliance."

Actual/Estimated Date of Corrective Action: **12/31/2022**

Recommendation 1.2

Establish policies and procedures to submit and approve the Riverside County Service Now ticket for user access rights termination within 24 hours upon employee termination or transfer from department in accordance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*.

Management's Response

"Concur. Management will create written procedures for Termination of Access Rights related to employee separation or transfer. HR administration team will provide a training session for all HR Managers on these procedures to ensure awareness, understanding, and compliance."

Actual/Estimated Date of Corrective Action: **12/31/2022**

Attachment B



The following are the current status of the reported findings and planned corrective actions contained in Internal Audit Report 2022-022: Riverside County Human Resources Department Audit.

Michael Bowers

2-10-2023

Authorized Signature

Date

Finding 1: Timely Termination of Access Rights to the County Systems

"Four (13%) out of a sample of 30 were not timely disabled. We identified employee access rights were not disabled within 24 hours upon their termination from Human Resources. The longest time lapsed to submit and approve the access removal request being 6 days and the shortest being 2 days. County of Riverside Information Security Standard V1.0, Section 4.1, *Account and Access Management*, states, "Account for terminated or transferred employees shall be disabled or removed on the day of termination or transfer." Since department did not timely submit and approve the access termination request through Riverside County Service Now, the access rights were not timely removed by the Information Technology staff. Former employees with the ability to access the Human Resources Management System and other county systems following their termination date increase the risk of unauthorized use, disclose, modification, or destruction whether accidental or intentional."

Current Status

Reported Finding Corrected? Yes No



Michael Bowers - HR Director
Steven Espinoza - Assistant HR Director
Shondi Miller - Assistant HR Director
Mylene Daniels - Deputy HR Director

The reported findings have been corrected as of the date of this response.

The Human Resources Department has recently hired an Administrative Services Officer for central department administration and one of the responsibilities of the incumbent is to ensure system access termination is completed timely through Service Now pursuant to County of Riverside Information Security Standard V1.0, Section 4.1, Account and Access Management, and Finding 1. Following the audit results, internal working procedures were reviewed by multiple stakeholders involved in this process, and all parties are aware of the expectations and timeline requirements.

Additionally, supplementary focus and attention will be applied within our Temporary Assignment Program (TAP) to ensure that *temporary* employee terminations / transfers and system access is processed timely for those temporary positions that fall within Human Resources, but are physically assigned to another department. It is necessary that hiring department keep Human Resources informed timely of any terminations / transfers so that corrective action can be taken immediately. Human Resources will continue to partner with departments to ensure temporary staff terminations / transitions and system access termination is a priority.

Recommendation 1.1

"Ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, by disabling user system access to Human Resources Management System and other county systems on the day of an employee's termination or transfer from the department."

Management Reply

"Concur. Management will create written procedures for Termination of Access Rights related to employee separation or transfer. HR administration team will provide a training session for all HR Managers on these procedures to ensure awareness, understanding, and compliance."

Actual/Estimated Date of Corrective Action: May 30, 2023

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

The reported findings have been partially corrected as of the date of this response.

Given recent significant changes in the Human Resources Department central administration staffing, the correction to finding 1, recommendation 1.1, is in progress. Following the audit results, internal working procedures were reviewed by multiple stakeholders involved in this process, and all parties are aware of the expectations and timeline requirements. Additionally, supplementary focus and attention will be applied within our Temporary Assignment Program (TAP) to ensure that employee terminations / transfers and system access is processed timely for those temporary positions that fall within Human Resources, but are physically assigned to another department.

The Department recently hired an Administrative Services Officer for central administration and one of the responsibilities of the incumbent is to ensure system access termination is completed timely through Service Now pursuant to County of Riverside Information Security Standard V1.0, Section 4.1, Account and Access Management, and Recommendation 1.1. Given the new Administrative Services Officer only moved into the new assignment on January 12, 2023, additional time is being requested to fully implement the recommendation.

It is anticipated that a draft internal policy for Human Resources Managers will be available for Human Resources Executive Review in April of 2023, and we have targeted the May 8, 2023, Human Resources Manager's meeting to share the internal policy and process as a training session to ensure awareness and compliance.

Recommendation 1.2

"Establish policies and procedures to submit and approve the Riverside County Service Now ticket for user access rights termination within 24 hours upon employee termination or transfer from department in accordance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*."

Management Reply

"Concur. Management will create written procedures for Termination of Access Rights related to employee separation or transfer. HR administration team will provide a training session for all HR Managers on these procedures to ensure awareness, understanding, and compliance."

Actual/Estimated Date of Corrective Action: May 30, 2023

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

The reported findings have been partially corrected as of the date of this response.

Given recent significant changes in the Human Resources Department central administration staffing, this correction to finding 1, recommendation 1.2, is in progress. The Department recently hired an Administrative Services Officer for central administration and one of the responsibilities of the Incumbent is to ensure system access termination is completed timely through Service Now pursuant to County of Riverside Information Security Standard V1.0, Section 4.1, Account and Access Management, and Recommendation 1.1. An additional responsibility of the Incumbent is to ensure that an Internal policy is established for departmental use, as recommended (1.2). Given the new Administrative Services Officer only moved into the new assignment on January 12, 2023, additional time is being requested to implement the recommendation.

It is anticipated that a draft Internal policy for managers will be available for HR Executive Review in April of 2023, and we have targeted the May 8, 2023, HR Manager's meeting to share the Internal policy and process as a training session to ensure awareness and compliance.