

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



**ITEM: 2.4
(ID # 22444)**

MEETING DATE:
Tuesday, July 11, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2023-327: Riverside University Health System, Medical Center, Follow-up Audit, All Districts [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2023-327: Riverside University Health System, Medical Center, Follow-up Audit

ACTION: Consent

Ben J. Benoit

Ben J. Benoit, COUNTY AUDITOR-CONTROLLER

6/30/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Perez and Gutierrez
Nays: None
Absent: Washington
Date: July 11, 2023
xc: Auditor-Controller

Kimberly A. Rector
Clerk of the Board

By: *Kimberly A. Rector*
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:

BACKGROUND:

Summary

We completed a follow-up audit of Riverside University Health System, Medical Center. Our audit was limited to reviewing actions taken as of February 16, 2023, to correct findings noted in our original audit report 2022-021 dated July 12, 2022. The original audit report contained seven recommendations, all of which required implementation to help correct the reported findings.

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

- Five of the recommendations were implemented.
- Two of the recommendations were not implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-021 included as an attachment to this follow-up audit report, or it can also be found at <https://auditorcontroller.org/divisions/internal-audit/reports>.

Impact on Citizens 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 2023-327: Riverside County University Health System, Medical Center, Follow-up Audit.

Internal Audit Report 2023-327

**Riverside University Health System,
Medical Center,
Follow-up Audit**

Report Date: July 11, 2023



Office of Ben J. Benoit
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
(951) 955-3800

www.auditorcontroller.org



**COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER**

County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802

ACC | **AUDITOR
CONTROLLER**
COUNTY OF RIVERSIDE

Ben J. Benoit
Riverside County Auditor-Controller

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

July 11, 2023

Jennifer Cruikshank
Chief Executive Officer
Riverside University Health System, Medical Center
26520 Cactus Avenue
Riverside, CA 92555

**Subject: Internal Audit Report 2023-327: Riverside University Health System,
Medical Center, Follow-up Audit**

Dear Ms. Cruikshank:

We completed the follow-up audit of Riverside University Health System, Medical Center. Our audit was limited to reviewing actions taken as of February 16, 2023, to help correct the findings noted in our original audit report 2022-021 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 seven recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the seven recommendations:

- Five of the recommendations were implemented.
- Two of the recommendations were not implemented.

**Internal Audit Report 2023-327: Riverside University Health System, Medical Center,
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 2022-021 included as "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 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 2023-327: Riverside University Health System, Medical Center,
Follow-up Audit

Table of Contents

	Page
Results:	
Accounts Held Outside of the Treasury – Patient Property Account.....	4
HAC Journal Entries.....	5
Purchasing Processes.....	6
System Access Controls.....	7

Attachments:

A. Internal Audit Report 2022-021

B. Status of Findings as Reported by Riverside University Health System, Medical Center
on February 16, 2023

Internal Audit Report 2023-327: Riverside University Health System, Medical Center,
Follow-up Audit

Accounts Held Outside of the Treasury – Patient Property Account

Finding 1: Accounts Held Outside of the Treasury – Patient Property Account

“Medical Center does not maintain documentation with evidence of a formal review and approval process over bank reconciliations for their patient property account. We verified monthly bank reconciliations are being performed. However, the department does not document whether the bank reconciliations were reviewed or approved. As such, we cannot determine whether adequate segregation of duties exist over the management of the patient property account. Standard Practice Manual 1001, *Internal Control*, states that, to maintain an effective system of internal control, ‘well-documented policies and procedures are established and maintained to promote employee understanding of job duties, provide day-to-day guidance to staff and help ensure continuity during employee absences or turnover.’ Additionally, Standard Practice Manual 1001, *Internal Control*, states, ‘records are routinely examined and reconciled to determine that transactions were properly processed.’ The department does not have formal policies and procedures as it relates to maintaining the patient property account. Without a formal review and approval process, there may be an increase in clerical errors or may not allow for adequate segregation of duties. Segregation of duties reduces the risk of error, misappropriation of assets, and acts of unauthorized activities.

Additionally, the department is not in compliance with state regulations relating to the escheatment of unclaimed personal property. We verified Medical Center has held patient funds in their patient property account for nearly 35 years, with 133 patients whose funds were deposited prior to July 1, 2019. The State Controller's Office's Unclaimed Property Law and Regulations, §1519, *Property Held by Government or Governmental Subdivision or Agency*, states, ‘all tangible personal property located in this state, held for the owner by any government or governmental subdivision or agency, that has remained unclaimed by the owner for more than three years escheats to this state.’ Personnel was not fully aware of the state laws and regulations relating to the escheatment of unclaimed personal property. By not following the State Controller's Office's Unclaimed Property Law and Regulations, the department is subject to fines and penalties.”

Internal Audit Report 2023-327: Riverside University Health System, Medical Center,
Follow-up Audit

Recommendation 1.1

“Develop policies and procedures that ensure bank reconciliations for the patient property account are adequately reviewed and approved to maintain compliance with the Standard Practice Manual 1001, *Internal Control*.”

Current Status 1.1: Implemented

Recommendation 1.2

“Develop policies and procedures that ensure patient funds that have been unclaimed for three years or more are escheated to the state to maintain compliance with the State Controller's Office's Unclaimed Property Law and Regulations, §1519, *Property Held by Government or Governmental Subdivision or Agency*.”

Current Status 1.2: Implemented

HAC Journal Entries

Finding 2: HAC Journal Entries

“Medical Center does not maintain documentation over the HAC journal entry review, approval, and reconciliation process. As such, we cannot determine whether adequate segregation of duties exist over HAC journal entries. The Standard Practice Manual 1001, *Internal Control*, states that, to maintain an effective system of internal control, ‘well-documented policies and procedures are established and maintained to promote employee understanding of job duties, provide day-to-day guidance to staff and help ensure continuity during employee absences or turnover.’ Additionally, Standard Practice Manual 1001, *Internal Control*, states, ‘records are routinely examined and reconciled to determine that transactions were properly processed.’ The department does not have formal policies and procedures as it relates to creating, reviewing, and processing HAC journal entries. Without a formal review, approval, and reconciliation process, there may be an increase in clerical errors or may not allow for adequate segregation of duties, which can reduce the risk of error, misappropriation of assets, and acts of unauthorized activities.”

**Internal Audit Report 2023-327: Riverside University Health System, Medical Center,
Follow-up Audit**

Recommendation 2

“Develop policies and procedures that ensure HAC journal entries are adequately reviewed, approved, and reconciled to maintain compliance with the Standard Practice Manual 1001, *Internal Control*.”

Current Status 2: Implemented

Purchasing Processes

Finding 3: Purchase Orders

“Thirty-five of 7,280 purchase orders, totaling \$5.73M, exceeded low value purchase authority limitations of \$25,000 per day per vendor for expenditures against contracted vendors. Additionally, 18 of 7,090 purchase orders, totaling \$1.05M, exceeded low value purchase authority limitations of \$5,000 per day per vendor for expenditures against non-contracted vendors. The *Purchasing Policy Manual*, states, ‘low value purchase authority allows departmental staff the ability to issue LVPOs up to the amount of \$5,000 per day per vendor and issues purchase orders up to the dollar value of \$25,000 against existing PeopleSoft Contracts.’ Personnel was not fully aware of purchasing order limitations. Buyer limitations are put in place to ensure compliance with county purchasing policies and mitigate risks of inappropriate purchasing practices. Exceeding buyer limitations also circumvents the formal bid requirements designed to ensure the best use of taxpayer dollars.”

Recommendation 3.1

“Develop a process to maintain compliance with purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.”

Current Status 3.1: Not Implemented

In our testing to verify compliance with the Riverside County *Purchasing Policy Manual*, we identified 65 of 3,563 instances, totaling \$7,331,992, where purchase orders were not in compliance with the per day, per vendor purchase authority limitations for contracted vendors. We emphasize the need to ensure compliance with county policy to mitigate the risks associated with this practice and to stay in alignment with the objectives the *Purchasing Policy Manual* is set to achieve. Regarding the per day, per

**Internal Audit Report 2023-327: Riverside University Health System, Medical Center,
Follow-up Audit**

vendor purchase authority limitations for non-contracted vendors, we did not identify any instances of non-compliance.

Management's Response

"Riverside University Health System- Medical Center (RUHS-MC) follows the Riverside County's purchasing policies and procedures. RUHS-MC utilizes vendors with multiple contracts as contracts are separated out by unit in order to meet specific needs and quantify item unit counts for patient billable items. In reviewing instances where our low value purchase order processors exceeded their daily limitations, we outlined instances where contracts were in place but not used. To ensure we are in compliance we will re-train our staff to link purchase orders to appropriate contracts, as from the findings all instances had a contract in place. To ensure we are fully implementing purchase orders to be in compliance with per day limitations, per vendor for contracted vendors we will be routing to our Procurement Contract Specialist. They will review and approve purchase orders after daily vendor limitations have been exceeded as the purchasing agent is given full authority given by Ordinance 459."

Recommendation 3.2

"Ensure personnel with purchasing responsibilities are trained on the Riverside County *Purchasing Policy Manual*."

Current Status 3.2: Implemented

System Access Controls

Finding 4: System Access Controls

"Of the three system applications chosen for testing, employee access rights were terminated upon separation from only one system (System A), while terminated employees still had access to the other two (System B and System C). Additionally, for all three systems, access rights were not terminated in a timely manner (within 24 hours). See Table B for a summary of findings:

**Internal Audit Report 2023-327: Riverside University Health System, Medical Center,
 Follow-up Audit**

Table B: Summary of Findings – System Access Controls

System	Findings
System A	Three out of a total of nine employees (33%) did not have their access removed in a timely manner, with the average days lapsed being 17 days.
System B	Of the 3,220 employees with access to System B enabled, 179 employees (6%) terminated from the county continue to have access to System B.
	Five of out of a total of 701 employees (<1%) did not have their access removed in a timely manner. The average days lapsed was 6 days, with the longest taking 15 days to terminate and the shortest taking 2 days.
System C	Of the 1,324 employees with access to System C enabled, 224 employees (17%) terminated from the county continue to have access to System C.
	Nine out of a sample of 10 employees (90%) did not have their access removed in a timely manner. The average days lapsed was 48 days, with the longest taking 186 days to terminate and the shortest taking 11 days.

County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, states, ‘Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer.’ The department’s current policies and procedures do not include a process that ensures accounts for terminated or transferred employees are to be disabled or removed on the day of termination or transfer. When an account is not closed immediately after employment has ended, there is a security risk to the information maintained in the systems used by the department. Given the sensitivity of the information Medical Center maintains in their systems, safeguarding sensitive information should be of high priority.”

Recommendation 4.1

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

**Internal Audit Report 2023-327: Riverside University Health System, Medical Center,
 Follow-up Audit**

Current Status 4.1: Not Implemented

Of the three system applications chosen for testing, employee access rights for one system (System A) were terminated upon separation from the department and were terminated timely (within 24 hours of separation). For the other two systems (System B and System C), employee access rights were not terminated upon separation from the department and were not terminated timely. See Table A for a summary of follow-up observations:

Table A: Summary of Follow-up Observations - System Access Controls

System	Findings
System B	Of the 3,336 employees with access to System B enabled, 48 employees (1%) separated from the department continued to have access to System B at the time of our review (May 2023).
	Two-hundred seventy-six out of a total of 306 employees (90%) did not have their access removed in a timely manner. The average days elapsed was 13 days, with the longest taking 100 days to remove access and the shortest taking 2 days.
System C	Of the 1,390 employees with access to System C enabled, 141 employees (10%) separated from the department continued to have access to System C at the time of our review (May 2023).
	Twenty-seven out of a total of 42 employees (64%) did not have their access removed in a timely manner. The average days elapsed was 118 days, with the longest taking 388 days to remove access and the shortest taking 2 days.

Management's Response

"Our department has been working on a plan to meet policy 1058 to disable accounts within 24 hours. Our plan has been partially implemented to include 2 of our teams in our department. The two teams are service desk and Identity Access Management. Both will work together to meet the goals. Our team has ensured the service desk has the access needed to disable the accounts and 'How to' training material has been presented to the team and included in class training. Also, in the effort to change the work flow several other teams are involved and working together to improve and map out Visio workflows to improve the technician roles. We have informed RUHS managers of the

**Internal Audit Report 2023-327: Riverside University Health System, Medical Center,
Follow-up Audit**

process when requesting a termination or inactivate accounts as we found that HR is not always aware, and it creates a delay for our team to act. Recently in this effort our leadership has presented the training material to the RUHS management team and reinforced our SAR process. Terminating account requests have become a high priority for our teams. The continuation of improvement will continue as we are looking at technology to automate the process.”

Recommendation 4.2

“Update department policies and procedures to include the immediate disabling of user access rights for terminated or transferred employee in accordance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*.”

Current Status 4.2: Implemented

Attachment A

Internal Audit Report 2022-021

**Riverside University Health System,
Medical Center Audit**

Report Date: July 12, 2022



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
(951) 955-3800**

www.auditorcontroller.org



**COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER**

County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802

ACC | **AUDITOR
CONTROLLER**
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

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

July 12, 2022

Jennifer Cruikshank
Chief Executive Officer
Riverside University Health System, Medical Center
26520 Cactus Avenue
Riverside, CA 92555

Subject: Internal Audit Report 2022-021: Riverside University Health System, Medical Center Audit

Dear Ms. Cruikshank:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside University Health System, Medical Center to provide management and the Board of Supervisors with an independent assessment of internal controls over accounts held outside of the Treasury - patient property account, HAC journal entries, purchasing processes, and 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.



Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit

Our conclusion and details of our audit are documented in the body of this audit report. 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 Roger, Chief Administrative Officer
Grand Jury



Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit

Table of Contents

	Page
Executive Summary	4
 Results:	
Accounts Held Outside of the Treasury – Patient Property Account	7
HAC Journal Entries.....	10
Purchasing Processes.....	12
System Access Controls	16

**Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit**

Executive Summary

Overview

Riverside University Health System, Medical Center (Medical Center) is comprised of the Medical Center, hospital-based clinics, and the Medical and Surgical Center with approximately 3,500 healthcare professionals and support staff. Medical Center trains 1,000 medical residents and students and 2,500 nursing students annually. The hospital and outpatient clinics offer the following care options: Occupational and physical therapy, clinical laboratory testing, pulmonary treatment, and diagnostic services. Medical Center also specializes in pediatric, obstetric, gynecological care, endocrinology, infectious disease, orthopedics, and surgery.

Medical Center has a recommended budget of \$1.08 billion for FY 2022-23 and 4,723 recommended positions. *County of Riverside, Fiscal Year 2022-23 Recommended Budget Volume 1, 354.*

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 accounts held outside of the Treasury - patient property account, HAC journal entries, purchasing processes, and 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 December 30, 2021, through April 20, 2022, for operations from July 1, 2020, through April 14, 2022. Following a risk-based approach, our scope initially included the following:

- Accounts Held Outside of the Treasury - Patient Property Account
- Emergency Response Plan
- HAC Journal Entries
- Inventory Controls and Monitoring - COVID-19 Vaccination Inventory
- Purchasing Processes
- System Access Controls

**Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit**

Through inquiry, observations, and limited examination of relevant documentation, it was determined through a risk assessment of the emergency response plan and inventory controls and monitoring - COVID-19 vaccination inventory, that the risk exposure to Medical Center associated with these processes are well mitigated with internal controls and are functioning as designed. Therefore, our audit scope focused on internal controls over accounts held outside of the Treasury - patient property account, HAC journal entries, purchasing processes, and system access controls.

Audit Highlights

Summary of Existing Conditions

- Medical Center does not maintain documentation with evidence of a formal review and approval process over bank reconciliations for their patient property account and the department is not in compliance with state regulations. Without a formal review and approval process, there may be an increase in clerical errors or may not allow for adequate segregation of duties. By not following state regulations, the department is subject to fines and penalties.
- Medical Center does not maintain documentation over the HAC journal entry review, approval, and reconciliation process. Without a formal review, approval, and reconciliation process, there may be an increase in clerical errors or may not allow for adequate segregation of duties.
- Purchase order approvals exceeded buyer limitations set by Purchasing. Exceeding buyer limitations circumvents requisitions and approving controls put in place to ensure compliance with county purchasing policies and mitigate risks of inappropriate purchasing practices.
- Terminated employees continue to have active or enabled accounts and employee access rights were not terminated in a timely manner upon termination from the county. When an account is not closed immediately after employment has ended, there is a security risk to the information maintained in the systems used by the department.

Summary of Improvement Opportunities

- Develop policies and procedures that ensure bank reconciliations for the patient property account are adequately reviewed and approved to maintain compliance with the Standard Practice Manual 1001, *Internal Control*.

**Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit**

- Develop policies and procedures that ensure patient funds that have been unclaimed for three years or more are escheated to the state to maintain compliance with the State Controller's Office's Unclaimed Property Law and Regulations, §1519, *Property Held by Government or Governmental Subdivision or Agency*.
- Develop policies and procedures that ensure HAC journal entries are adequately reviewed, approved, and reconciled to maintain compliance with the Standard Practice Manual 1001, *Internal Control*.
- Develop a process to maintain compliance with purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.
- Ensure personnel with purchasing responsibilities are trained on the Riverside County *Purchasing Policy Manual*.
- Ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, by disabling user system accounts on the day of an employee's termination or transfer from the department.
- Update department policies and procedures to include the immediate disabling of user access rights for terminated or transferred employee 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 accounts held outside of the Treasury - patient property account, HAC journal entries, purchasing processes, and system access controls.

Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit

Accounts Held Outside of the Treasury – Patient Property Account

Background

Medical Center currently holds an interest-bearing bank account held outside of the Riverside County Treasury consisting primarily of patient funds that were accidentally left behind once a patient is discharged from the hospital. Medical Center maintains a spreadsheet to track the patient's name and the amount of money left behind. Medical Center attempts to contact the patient via letter if their records indicate the money has not been claimed. The account currently holds funds for approximately 145 patients, with the oldest known deposit date being December 28, 1987. As of February 28, 2022, the accounts bank balance totals \$16,020.

Objective

To verify the existence and adequacy of internal controls over the department's cash management processes related to their patient property account.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of departmental processes and procedures.
- Researched state standards and best practices as it relates to holding patient property.
- Interviewed key personnel regarding the department's cash management processes for the patient property account.
- Obtained a copy of the department's patient property listing.
- Obtained bank reconciliations and bank statements for three randomly selected months.
- Analyzed the review, approval, and reconciliation process for the patient property account.

Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit

Finding 1: Accounts Held Outside of the Treasury – Patient Property Account

Medical Center does not maintain documentation with evidence of a formal review and approval process over bank reconciliations for their patient property account. We verified monthly bank reconciliations are being performed. However, the department does not document whether the bank reconciliations were reviewed or approved. As such, we cannot determine whether adequate segregation of duties exist over the management of the patient property account. Standard Practice Manual 1001, *Internal Control*, states that, to maintain an effective system of internal control, "well-documented policies and procedures are established and maintained to promote employee understanding of job duties, provide day-to-day guidance to staff and help ensure continuity during employee absences or turnover." Additionally, Standard Practice Manual 1001, *Internal Control*, states, "records are routinely examined and reconciled to determine that transactions were properly processed." The department does not have formal policies and procedures as it relates to maintaining the patient property account. Without a formal review and approval process, there may be an increase in clerical errors or may not allow for adequate segregation of duties. Segregation of duties reduces the risk of error, misappropriation of assets, and acts of unauthorized activities.

Additionally, the department is not in compliance with state regulations relating to the escheatment of unclaimed personal property. We verified Medical Center has held patient funds in their patient property account for nearly 35 years, with 133 patients whose funds were deposited prior to July 1, 2019. The State Controller's Office's Unclaimed Property Law and Regulations, §1519, *Property Held by Government or Governmental Subdivision or Agency*, states, "all tangible personal property located in this state, held for the owner by any government or governmental subdivision or agency, that has remained unclaimed by the owner for more than three years escheats to this state." Personnel was not fully aware of the state laws and regulations relating to the escheatment of unclaimed personal property. By not following the State Controller's Office's Unclaimed Property Law and Regulations, the department is subject to fines and penalties.

Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit

Recommendation 1.1

Develop policies and procedures that ensure bank reconciliations for the patient property account are adequately reviewed and approved to maintain compliance with the Standard Practice Manual 1001, *Internal Control*.

Management's Response

"Partially Concur. We partially concur with recommendation 1.1 as documentation does exist for an annual review and approval of the patient property account at year end. However, the department has recently developed a policy and procedures to ensure that the bank reconciliations are adequately reviewed and approved on a monthly basis."

Actual/estimated Date of Corrective Action: June 10, 2022

Recommendation 1.2

Develop policies and procedures that ensure patient funds that have been unclaimed for three years or more are escheated to the state to maintain compliance with the State Controller's Office's Unclaimed Property Law and Regulations, §1519, *Property Held by Government or Governmental Subdivision or Agency*.

Management's Response

"Concur. The department concurs with recommendation 1.2 and has developed a policy and procedure to ensure that patient funds unclaimed for three years or more are escheated to the State."

Actual/estimated Date of Corrective Action: June 10, 2022

HAC Journal Entries

Background

Closing journal entries are posted at the end of an accounting period (monthly, quarterly, or annually) to transfer temporary accounts to permanent accounts. These entries prepare the temporary accounts for the next accounting period and reset the income and expense accounts. For Medical Center, if the department is unable to provide all closing journal entries to the Auditor-Controller's Office by the time a month is closed, they must submit HAC journal entries for approval. HAC journal entries are monthly closing journal entries that were not posted prior to the Auditor-Controller's Office closing the month off to any additional changes or adjustments. These HAC journal entries are to be reviewed by the Auditor-Controller's Office, and, if approved, the Auditor-Controller's Office will re-open the month temporarily for Medical Center to post the closing journal entries. Once the HAC journal entries are posted by Medical Center, the Auditor-Controller's Office will re-close the month and no further closing journal entries can be posted.

Objective

To verify the existence and adequacy of internal controls over department HAC journal entry processes.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of departmental processes and procedures.
- Interviewed key personnel regarding the HAC journal entry process.
- Obtained a listing of all HAC journal entries for the month of January 2022.
- Analyzed the review, approval, and reconciliation process for posting HAC journal entries to the Riverside County financial system.

Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit

Finding 2: HAC Journal Entries

Medical Center does not maintain documentation over the HAC journal entry review, approval, and reconciliation process. As such, we cannot determine whether adequate segregation of duties exist over HAC journal entries. The Standard Practice Manual 1001, *Internal Control*, states that, to maintain an effective system of internal control, "well-documented policies and procedures are established and maintained to promote employee understanding of job duties, provide day-to-day guidance to staff and help ensure continuity during employee absences or turnover." Additionally, Standard Practice Manual 1001, *Internal Control*, states, "records are routinely examined and reconciled to determine that transactions were properly processed." The department does not have formal policies and procedures as it relates to creating, reviewing, and processing HAC journal entries. Without a formal review, approval, and reconciliation process, there may be an increase in clerical errors or may not allow for adequate segregation of duties, which can reduce the risk of error, misappropriation of assets, and acts of unauthorized activities.

Recommendation 2

Develop policies and procedures that ensure HAC journal entries are adequately reviewed, approved, and reconciled to maintain compliance with the Standard Practice Manual 1001, *Internal Control*.

Management's Response

"Partially Concur. While RUHS-MC's Fiscal department historically has not had formal documented policies and procedures for creating, reviewing, and approving HAC journals, staff and corresponding Supervisors have established internal controls and separated duties to oversee the function of creating, reviewing and approving HAC journals. Furthermore, each time a HAC journal is prepared that entry is communicated to and coordinated with the Auditor Controller's Office. RUHS has also requested that Peoplesoft document the approval process however, as recommended the department has created documented policies and procedures to formally, review, approve and reconcile the HAC journal process."

Actual/estimated Date of Corrective Action: June 10, 2022

Purchasing Processes

Background

Riverside County Purchasing and Fleet Services Department is responsible for implementing policies and procedures set forth in the Riverside County *Purchasing Policy Manual* (December 31, 2021). The Director of Purchasing is the Purchasing Agent for Riverside County and can delegate his/her authority to Riverside County staff with limitations that vary depending on the level of authority granted. See Table A for a purchasing authority delegation summary:

Table A: Purchasing Authority Delegation Summary

Position	Purchase Order Authority	PO's Against PeopleSoft Contracts
Low Value Purchase Authority (LVPA)	\$5,000 per day per vendor	\$25,000 per day per vendor
Buyer I	\$25,000 per day per vendor	\$100,000 per day per vendor
Buyer II	\$50,000 per day per vendor	\$100,000 per day per vendor

Purchasing authority limitations will vary depending on whether purchases are made against county contracted vendors and non-county contracted vendors. The *Purchasing Policy Manual* states, "County staff may be granted LVPA upon successful completion of LVPO training. LVPA allows departmental staff the ability to issue purchase orders up to the amount of \$5,000 per day per vendor and issues purchase orders up the dollar value of \$25,000 against existing RivCoPro or PeopleSoft contracts."

Expenditures of \$5,000 or greater, require county departments to obtain a minimum of three written quotes from potential vendors to ensure the best use of taxpayer dollars. The *Purchasing Policy Manual* describes the splitting of purchase orders as follows, "Deliberate attempts to split orders, where the purpose is keeping total cost of each order down below bid limits, and failure to combine orders when practical for the best interest of the county in order to circumvent the limitations, is prohibited and may result in disciplinary actions reduced or suspended purchasing authority."

Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit

Objective

To verify the existence and adequacy of internal controls over department purchasing processes.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of county procurement policies and procedures.
- Interviewed key personnel regarding procurement processes.
- Obtained a listing of all purchase orders for Medical Center.
- Obtained a listing of all Medical Center staff with delegated purchasing authority.
- Analyzed department expenditure data for the audit period to identify instances where buyer limitations were exceeded at the \$5,000 and \$25,000 limitations.

Finding 3: Purchase Orders

Thirty-five of 7,280 purchase orders, totaling \$5.73M, exceeded low value purchase authority limitations of \$25,000 per day per vendor for expenditures against contracted vendors. Additionally, 18 of 7,090 purchase orders, totaling \$1.05M, exceeded low value purchase authority limitations of \$5,000 per day per vendor for expenditures against non-contracted vendors. The *Purchasing Policy Manual*, states, "low value purchase authority allows departmental staff the ability to issue LVPOs up to the amount of \$5,000 per day per vendor and issues purchase orders up to the dollar value of \$25,000 against existing PeopleSoft Contracts." Personnel was not fully aware of purchasing order limitations. Buyer limitations are put in place to ensure compliance with county purchasing policies and mitigate risks of inappropriate purchasing practices. Exceeding buyer limitations also circumvents the formal bid requirements designed to ensure the best use of taxpayer dollars.

Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit

Recommendation 3.1

Develop a process to maintain compliance with purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.

Management's Response

"Do Not Concur. RUHS-MC holds multiple contracts with the same vendor for various products ordered by multiple departments within the hospital. The Purchasing Authority Delegation Summary table, referenced as Table A in this draft audit summary, is interpreted to mean \$5,000, per day, per vendor not per Buyer. If the ACO is interpreting this authority to be per vendor per day, then critical supplies and orders for patient care will be severely impacted resulting in a substantial backlog of requisitions and orders for our client departments. This interpretation does not align with the work processes of our department and hospital operations nor is it an efficient model to process PO's. Buyer Assistants, who are our dedicated LVPA processors, do not confer with one another daily on their respective PO's issued for the same vendor by a separate Buyer Assistant. If a Buyer Assistant had to consult with other Buyer Assistants every day on all the Purchase Orders each one issues to mitigate exceeding the \$5,000 threshold, per vendor, the execution of Purchase Orders and timeliness to execute critical orders would simply be paralyzed jeopardizing RUHS-MC's ability to provide patient care. RUHS will work with the County of Riverside Purchasing Department to explore further options and solutions."

Actual/estimated Date of Corrective Action: TBD

Auditor's Comment

The purchasing authority delegation summary in Table A refers to daily buyer limitations based on position. These are the maximum amount of purchase orders, by dollar-amount, that an individual with a specific purchasing role can approve in a single day. All county operations should work under established Purchasing guidelines as each policy is created with an objective that ensures compliance with all applicable laws, regulations, procurement requirements, and to support the best interests of the County. If an operation cannot work within the guidelines, then the department should communicate with Purchasing for appropriate solutions. As such, we want to emphasize the need for compliance within the parameters established within the guidelines. Our recommendation does not change after receiving the response provided by Medical Center. As indicated in our finding, at the time of our review, Medical

**Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit**

Center exceeded low value purchase authority limitations of \$25,000 per day per vendor for expenditures against contracted vendors, and \$5,000 per day per vendor for expenditures against non-contracted vendors.

Recommendation 3.2

Ensure personnel with purchasing responsibilities are trained on the Riverside County *Purchasing Policy Manual*.

Management's Response

"Concur. County of Riverside Purchasing Department requires all employees with delegated purchasing authority to attend the monthly Countywide Buyer's Meeting. Those meetings were suspended in 2020 due to the COVID-19 pandemic but resumed once again in March of 2021. The Buyer's Meetings provide monthly announcements and procurement related training topics. RUHS-MC staff regularly attend these meetings."

Actual/estimated Date of Corrective Action: Ongoing

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.

Active Directory is a directory service which allows Medical Center to manage permissions and access to network resources, and linked data applications utilized by the department. When a user ends employment with Medical Center, Medical Center IT is notified through the creation of help desk tickets to disable Active Directory to remove permissions and network access. These help desk tickets contain various workflow tasks such as disabling e-mail accounts, active directory, data/application systems access, badge access, reclaiming software licenses, and reclaiming any equipment that may have been issued to an employee. A help desk ticket is not closed until all tasks within have been completed by Medical Center IT personnel.

Objective

To verify the existence and adequacy of internal controls over employee access termination to system applications used by Medical Center.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of County of Riverside Information Security Standard v1.0.
- Interviewed key personnel regarding the department's employee access termination processes.

Internal Audit Report 2022-021: Riverside University Health System, Medical Center Audit

- Obtained listing of employees who had access to System A, System B, and System C during the audit review period
- Obtained listing of employees whose access to specific system applications (System A, System B, and System C) were terminated during the audit review period.
- Verify access rights to System A, System B, and System C were disabled within 24 hours of an employee's termination from Medical Center.

Finding 4: System Access Controls

Of the three system applications chosen for testing, employee access rights were terminated upon separation from only one system (System A), while terminated employees still had access to the other two (System B and System C). Additionally, for all three systems, access rights were not terminated in a timely manner (within 24 hours). See Table B for a summary of findings:

Table B: Summary of Findings - System Access Controls

System	Findings
System A	Three out of a total of nine employees (33%) did not have their access removed in a timely manner, with the average days lapsed being 17 days.
System B	Of the 3,220 employees with access to System B enabled, 179 employees (6%) terminated from the county continue to have access to System B.
	Five of out of a total of 701 employees (<1%) did not have their access removed in a timely manner. The average days lapsed was 6 days, with the longest taking 15 days to terminate and the shortest taking 2 days.
System C	Of the 1,324 employees with access to System C enabled, 224 employees (17%) terminated from the county continue to have access to System C.
	Nine out of a sample of 10 employees (90%) did not have their access removed in a timely manner. The average days lapsed was 48 days, with the longest taking 186 days to terminate and the shortest taking 11 days.

**Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit**

County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, states, "Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer." The department's current policies and procedures do not include a process that ensures accounts for terminated or transferred employees are to be disabled or removed on the day of termination or transfer. When an account is not closed immediately after employment has ended, there is a security risk to the information maintained in the systems used by the department. Given the sensitivity of the information Medical Center maintains in their systems, safeguarding sensitive information should be of high priority.

Recommendation 4.1

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

Management's Response

"Partially Concur. RUHS-MC has been deactivating employee Microsoft Window's account access upon separation from the County and while users can't sign into other systems without Microsoft Window's access, best practice would be to disable accounts in all systems. RUHS-MC is revising policies and procedures to reflect the auditor's recommendation and will retrain staff as a result."

Actual/estimated Date of Corrective Action: July 31, 2022

Recommendation 4.2

Update department policies and procedures to include the immediate disabling of user access rights for terminated or transferred employee in accordance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*.

Internal Audit Report 2022-021: Riverside University Health System, Medical Center
Audit

Management's Response

"Partially Concur. RUHS-MC has been deactivating employee Microsoft Window's account access upon separation from the County and while users can't sign into other systems without Microsoft Window's access, best practice would be to disable accounts in all systems. RUHS-MC is revising policies and procedures to reflect the auditor's recommendation and will retrain staff as a result."

Actual/estimated Date of Corrective Action: July 31, 2022

Attachment B

[Department Letterhead]

The following are the current status of the reported findings and planned corrective actions contained in Internal Audit Report 2022-021: Riverside University Health System, Medical Center Audit.



Joe Zamora

2/16/2023

Authorized Signature

Date

Finding 1: Accounts Held Outside of the Treasury - Patient Property Account

"Medical Center does not maintain documentation with evidence of a formal review and approval process over bank reconciliations for their patient property account. We verified monthly bank reconciliations are being performed. However, the department does not document whether the bank reconciliations were reviewed or approved. As such, we cannot determine whether adequate segregation of duties exist over the management of the patient property account. Standard Practice Manual 1001, *Internal Control*, states that, to maintain an effective system of internal control, "well documented policies and procedures are established and maintained to promote employee understanding of job duties, provide day-to-day guidance to staff and help ensure continuity during employee absences or turnover." Additionally, Standard Practice Manual 1001, *Internal Control*, states, "records are routinely examined and reconciled to determine that transactions were properly processed." The department does not have formal policies and procedures as it relates to maintaining the patient property account. Without a formal review and approval process, there may be an increase in clerical errors or may not allow for adequate segregation of duties. Segregation of duties reduces the risk of error, is appropriation of assets, and acts of unauthorized activities.

Additionally, the department is not in compliance with state regulations relating to the escheatment of unclaimed personal property. We verified Medical Center has held patient funds in their patient property account for nearly 35 years, with 133 patients whose funds were deposited prior to July 1, 2019. The State Controller's Office's Unclaimed Property Law and Regulations, §1519, *Property Held by Government or Governmental Subdivision or Agency*, states, "all tangible personal property located in this state, held for the owner by any government or governmental subdivision or agency, that has remained unclaimed by the owner for more than three years escheats to this state." Personnel was not fully aware of the state laws and regulations relating to the escheatment of unclaimed personal property. By not following the State Controller's Office's Unclaimed Property Law and Regulations, the department is subject to fines and penalties."

Current Status

Reported Finding Corrected? Yes No

Policy and procedures have been developed and implemented.

Recommendation 1.1

"Develop policies and procedures that ensure bank reconciliations for the patient property accounts are adequately reviewed and approved to maintain compliance with the Standard Practice Manual 1001, *Internal Control*."

Management Reply

"**Partially Concur.** We partially concur with recommendation 1.1 as documentation does exist for an annual review and approval of the patient property account at year end. However, the department has recently developed a policy and procedures to ensure that the bank reconciliations are adequately reviewed and approved on a monthly basis."

Actual/estimated Date of Corrective Action: **June 10, 2022**

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).

Corrective action has been in place since June 10, 2022. Monthly bank reconciliations are now being reviewed and approved.

Recommendation 1.2

"Develop policies and procedures that ensure patient funds that have been unclaimed for three years or more are escheated to the state to maintain compliance with the State Controller's Office's Unclaimed Property Law and Regulations, §1519, *Property Held by Government or Governmental Subdivision or Agency*."

Management Reply

"**Concur.** The department concurs with recommendation 1.2 and has developed a policy and procedure to ensure that patient funds unclaimed for three years or more are escheated to the State."

Actual/estimated Date of Corrective Action: **June 10, 2022**

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).

Corrective action has been in place since June 10, 2022. Policy and procedures have been developed to ensure patient funds unclaimed for three years or more are escheated to the State.

Finding 2: HAC Journal Entries

"Medical Center does not maintain documentation over the HAC journal entry review, approval, and reconciliation process. As such, we cannot determine whether adequate segregation of duties exist over HAC journal entries. The Standard Practice Manual 1001, *Internal Control*, states that, to maintain an effective system of internal control, "well-documented policies and procedures are established and maintained to promote employee understanding of job duties, provide day-to-day guidance to staff and help ensure continuity during employee absences or turnover." Additionally, Standard Practice Manual 1001, *Internal Control*, states, "records are routinely examined and reconciled to determine that transactions were properly processed." The department does not have formal policies and procedures as it relates to creating, reviewing, and processing HAC journal entries. Without a formal review, approval, and reconciliation process, there may be an increase in clerical errors or may not allow for adequate segregation of duties, which can reduce the risk of error, misappropriation of assets, and acts of unauthorized activities."

Current Status

Reported Finding Corrected? Yes No

Policy and procedures have been developed and implemented.

Recommendation 2

"Develop policies and procedures that ensure HAC journal entries are adequately reviewed, approved, and reconciled to maintain compliance with the Standard Practice Manual 1001, *Internal Control*."

Management Reply

"Partially Concur. While RUHS-MC's Fiscal department historically has not had formal documented policies and procedures for creating, reviewing, and approving HAC journals, staff and corresponding Supervisors have established internal controls and separated duties to oversee the function of creating, reviewing and approving HAC journals. Furthermore, each time a HAC journal is prepared that entry is communicated to and coordinated with the Auditor Controller's Office. RUHS has also requested that Peoplesoft document the approval process however, as recommended the department has created documented policies and procedures to formally, review, approve and reconcile the HAC journal process."

Actual/estimated Date of Corrective Action: **June 10, 2022**

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).

Corrective action has been in place since June 10, 2022. The HAC journal review and approval process is documented as approver now signs the HAC journal log. Once HAC journals are posted, a reconciliation to the HAC journal log is performed, review and approval signature is obtained.

Finding 3: Purchase Orders

"Thirty-five of 7,280 purchase orders, totaling \$5.73M, exceeded low value purchase authority limitations of \$25,000 per day per vendor for expenditures against contracted vendors. Additionally, 18 of 7,090 purchase orders, totaling \$1.05M, exceeded low value purchase authority limitations of \$5,000 per day per vendor for expenditures against non-contracted vendors. The *Purchasing Policy Manual*, states, "low value purchase authority allows departmental staff the ability to issue LVPOs up to the amount of \$5,000 per day per vendor and issues purchase orders up to the dollar value of \$25,000 against existing PeopleSoft Contracts." Personnel was not fully aware of purchasing order limitations. Buyer limitations are put in place to ensure compliance with county purchasing policies and mitigate risks of inappropriate purchasing practices. Exceeding buyer limitations also circumvents the formal bid requirements designed to ensure the best use of taxpayer dollars."

Current Status

Reported Finding Corrected? Yes No

We have developed and implemented a training for all our Purchasing personnel to reinforce purchasing thresholds which includes orientations on the Purchasing Manual, Ordinance 459- Authority of the Purchasing Agent, Government Code 31000- BOS Authority to Contract for Services, Government Code 25500- Appointment of the Purchasing Agent and Purchasing Authority Overview.

Recommendation 3.1

"Develop a process to maintain compliance with purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*."

Management Reply

"**Do Not Concur.** RUHS-MC holds multiple contracts with the same vendor for various products ordered by multiple departments within the hospital. The Purchasing Authority Delegation Summary table, referenced as Table A in this draft audit summary, is interpreted to mean \$5,000, per day, per vendor not per Buyer. If the ACO is interpreting this authority to be per vendor per day, then critical supplies and orders for patient care will be severely impacted resulting in a substantial backlog of requisitions and orders for our client departments. This interpretation does not align with the work processes of our department and hospital operations nor is it an efficient model to process PO's. Buyer Assistants, who are our dedicated LVPA processors, do not confer with one another daily on their respective PO' s issued for the same vendor by a separate Buyer Assistant. If a Buyer Assistant had to consult with other Buyer Assistants every day on all the Purchase Orders each one issues to mitigate exceeding the \$5,000 threshold, per vendor, the execution of Purchase Orders and timeliness to execute critical orders would simply be paralyzed jeopardizing RUHS-MC's ability to provide patient care. RUHS will work with the County of Riverside Purchasing Department to explore further options and solutions."

Actual/estimated Date of Corrective Action: TBD

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).

We have developed and implemented a training for all our Purchasing personnel to reinforce purchasing thresholds which includes orientations on the Purchasing Manual.

Recommendation 3.2

"Ensure personnel with purchasing responsibilities are trained on the Riverside County *Purchasing Policy Manual*."

Management Reply

"**Concur.** County of Riverside Purchasing Department requires all employees with delegated purchasing authority to attend the monthly Countywide Buyer's Meeting. Those meetings were suspended in 2020 due to the COVID-19 pandemic but resumed once again in March of 2021. The Buyer's Meetings provide monthly announcements and procurement related training topics. RUHS-MC staff regularly attend these meetings."

Actual/estimated Date of Corrective Action: **Ongoing**

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of

All purchasing personnel with delegated purchasing authority are attending the monthly Countywide Buyer's Meeting which resumed in 2021. Our Procurement Contract Specialist assigned to RUSH Medical Central gather topics of interest from our purchasing personnel for training topics.

completion for planned corrective action that is partially or not implemented).

Finding 4: System Access Controls

"Of the three system applications chosen for testing, employee access rights were terminated upon separation from only 011e system (System A), while terminated employees still had access to the other two (System Band System C). Additionally, for all three systems, access rights were not terminated in a timely maimer (within 24 hours). See Table B for a summary of findings:

Table B: Summary of Findings – System Access Controls

System	Findings
System A	Three out of a total of nine employees (33%) did not have their access removed in a timely manner, with the average days lapsed being 17 days.
System B	Of the 3,220 employees with access to System B enabled, 179 employees (6%) terminated from the county continue to have access to System B.
	Five of out of a total of 701 employees (<1%) did not have their access removed in a timely manner. The average days lapsed was 6 days, with the longest taking 15 days to terminate and the shortest taking 2 days.

System C	Of the 1,324 employees with access to System C enabled, 224 employees (17%) terminated from the county continue to have access to System C.
	Nine out of a sample of 10 employees (90%) did not have their access removed in a timely manner. The average days lapsed was 48 days, with the longest taking 186 days to terminate and the shortest taking 11 days.

County of Riverside Information Security Standard v1.0, Section 4.1, Account and Access Management, states, "Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer." The department's current policies and procedures do not include a process that ensures accounts for terminated or transferred employees are to be disabled or removed on the day of termination or transfer. When an account is not closed immediately after employment has ended, there is a security risk to the information maintained in the systems used by the department. Given the sensitivity of the information Medical Center maintains in their systems, safeguarding sensitive information should be of high priority."

Current Status

Reported Finding Corrected? Yes No

The finding has been corrected and policies in place to ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, Account and Access Management.

Recommendation 4.1

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

Management Reply

"**Partially Concur.** RUHS-MC has been deactivating employee Microsoft Window's account access upon separation from the County and while users can't sign into other systems without Microsoft Window's access, best practice would be to disable accounts in all systems. RUHS-MC is revising policies and procedures to reflect the auditor's recommendation and will retrain staff as a result."

Actual/estimated Date of Corrective Action: **July 31, 2022**

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 correction action has been fully implemented and additional resources have been added for deactivations to ensure all accounts in the system are deactivated following policies and procedures.

Recommendation 4.2

"Update department policies and procedures to include the immediate disabling of user access rights for terminated or transferred employee in accordance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*."

Management Reply

"**Partially Concur.** RUHS-MC has been deactivating employee Microsoft Windows account access upon separation from the County and while users can't sign into other systems without Microsoft Windows access, best practice would be to disable accounts in all systems. RUHS-MC is revising policies and procedures to reflect the auditor's recommendation and will retrain staff as a result."

Actual/estimated Date of Corrective Action: **July 31, 2022**

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 correction action has been fully implemented and additional resources have been added for deactivations to ensure all accounts in the system are deactivated following policies and procedures.