

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



ITEM: 2.2  
(ID # 24057)

MEETING DATE:  
Tuesday, January 30, 2024

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2024-318: Riverside County Facilities Management Follow-up Audit.

ACTION: Consent

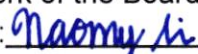
  
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 1/20/2024

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MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Perez and Gutierrez  
Nays: None  
Absent: None  
Date: January 30, 2024  
xc: Auditor Controller

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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

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

**C.E.O. RECOMMENDATION:**

**BACKGROUND:**

**Summary**

We completed a follow-up audit of the Riverside County Facilities Management. Our audit was limited to reviewing actions taken as of August 9, 2023, to correct findings noted in our original audit report 2023-004 dated February 28, 2023. The original audit report contained ten recommendations, all of which required implementation to help correct the reported findings.

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

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

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2023-004 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 2024-318: Riverside County Facilities Management, Follow-up Audit.



Office of Ben J. Benoit  
Riverside County Auditor-Controller

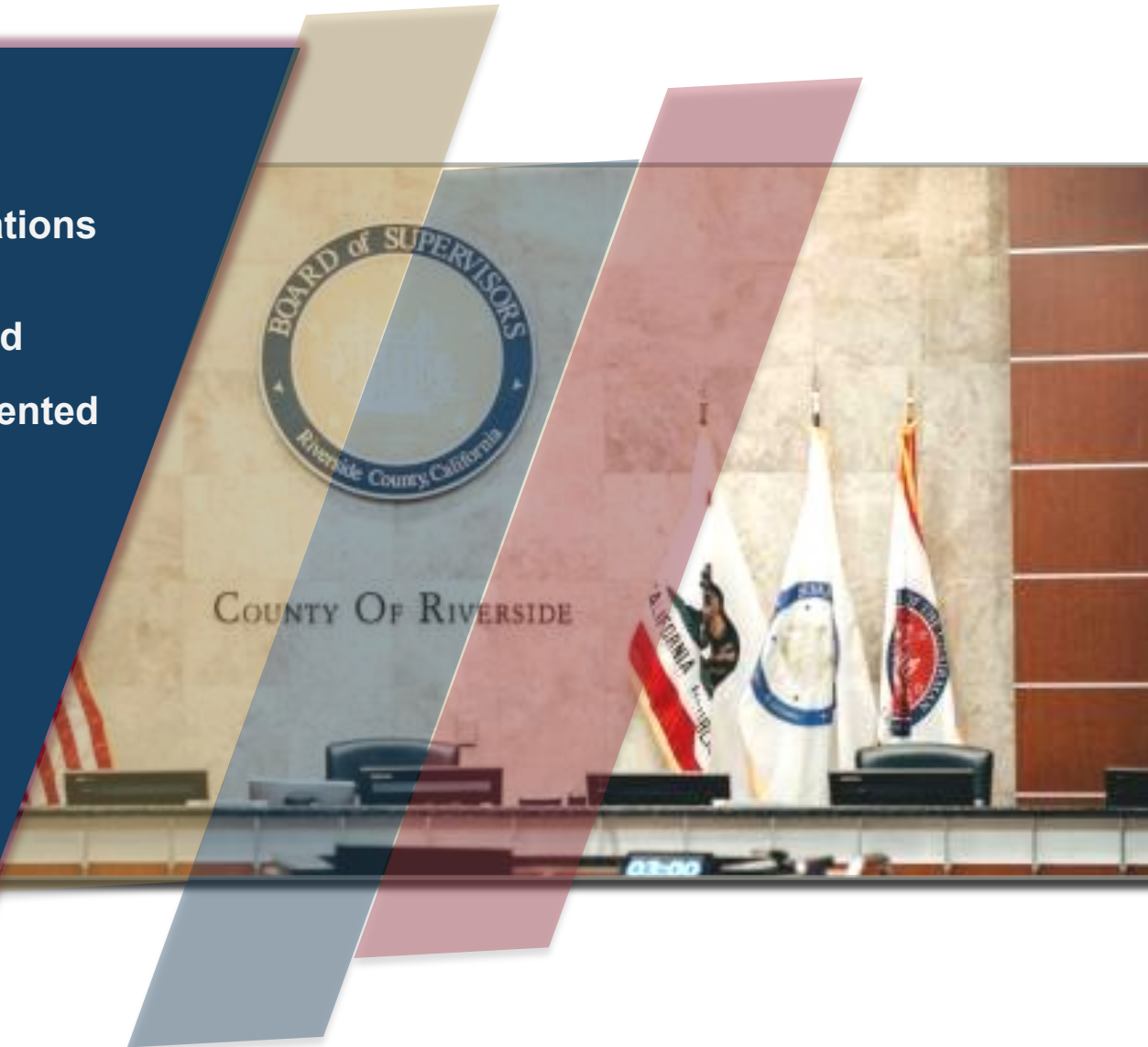
# Internal Audit Report

## 2024-318

Follow-up

10 Recommendations

- ✓ 5 Implemented
- ✗ 5 Not Implemented



**Riverside County  
Facilities Management,  
Follow-up Audit**

January 30, 2024



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

**Ben J. Benoit, Auditor-Controller**  
Tanya S. Harris, DPA, CPA, Assistant Auditor-Controller

4080 Lemon Street, 11<sup>th</sup> Floor  
P.O. Box 1326  
Riverside, CA 92502-1326  
951-955-3800



January 30, 2024

Rose Salgado  
Director  
Riverside County Facilities Management  
3133 Mission Inn Ave  
Riverside, CA 92507

**Subject: Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit**

Dear Ms. Salgado:

We completed the follow-up audit of Riverside County Facilities Management. Our audit was limited to reviewing actions taken as of August 9, 2023, to help correct the findings noted in our original audit report 2023-004 dated February 28, 2023.

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 ten recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the ten recommendations:

- Five recommendations were implemented.
- Five recommendations were not implemented.

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 2023-004 included as "Attachment A" of this audit report along with our department status letter as "Attachment B."



**Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit**

You can also find the original audit report at <https://auditorcontroller.org/divisions/internal-audit>.

We thank you and your staff for your 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 2024-318: Riverside County Facilities Management, Follow-up Audit

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## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### GASB 87 Lease Reporting Compliance

#### Finding 1: Policies and Procedures for GASB 87

“Written policies and procedures over the management of leases to ensure proper and accurate classification for GASB 87 reporting purposes had not been documented as of June 22, 2022. 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.’ Policies and procedures had not been developed as GASB 87 reporting requirements had recently come into effect. This can lead to a lapse in productivity and accuracy of a process in the event that the department experiences unplanned turnover.

As of October 31, 2022, Facilities Management provided a draft copy of the proposed policy that will be implemented over this area.”

#### Recommendation 1

“Ensure policies and procedures for the reporting guidelines include processes needed to ensure the proper classification of GASB 87 leases are documented and always updated as processes change.”

#### Current Status 1: Implemented



## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### Purchasing Processes

#### Finding 2: Purchase Orders

“We identified 27 of 8,194 instances (<1%), totaling \$1,550,342 where purchase orders were split and non-compliant with 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.’ This process was not closely monitored for compliance. The splitting of purchase orders is non-compliant with requisitions and approving controls put in place to ensure county purchasing policies are followed and mitigates the risks of unaligned practices with county purchasing process objectives. Splitting purchase orders increases the risk that formal bid requirements will not be properly performed which limits the department's ability to ensure the best use of taxpayer dollars.”

#### Recommendation 2.1:

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

#### Current Status 2.1: Implemented

#### Recommendation 2.2:

“Ensure personnel with purchasing responsibilities are trained on purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.”

#### Current Status 2.2: Implemented

#### Recommendation 2.3

“Increase purchasing authority limitation for the individual buyers to ensure limitations are not exceeded.”

#### Current Status 2.3: Implemented





## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### **Finding 3: Contract Monitoring**

“We identified 22 of 51(43%) vouchers sampled that were not linked to a county contract as required. Expenditures were made from vendors with existing county contracts without linking the expenditures to the existing contracts. Standard Practice Manual 1001, *Internal Controls*, states, ‘safeguarding of assets’ and ‘ensuring accuracy, reliability, and timeliness of financial records and reports’ are internal controls used to, ‘provide reasonable assurance regarding the achievement of objectives.’ Contracts are established between Riverside County and vendors to procure goods/ services and typically include pricing agreements, terms and conditions, and limits on expenditures. Expenditures were not closely monitored to assure they were linked to contracts respectively. Linking expenditures to contracts is a control designed to ensure contract limitations are monitored, reduce the risk of expenditures exceeding the contract limit, and ensure that departments are within the contract's terms and conditions. Additionally, by not linking expenditures to contracts, management is unable to closely monitor contract expenditures, impacting their ability to negotiate future contract pricing.”

#### **Recommendation 3.1:**

“Develop policies and procedures to ensure expenditures are linked to existing county contracts.”

#### **Current Status 3.1: Implemented**

#### **Recommendation 3.2:**

“Ensure expenditures are linked to existing county contracts.”

#### **Current Status 3.2: Not Implemented**

Twenty out of 20 (100%) vouchers sampled that were not linked to existing county contracts as required.

#### **Management’s Response:**

“The Department experienced a delay in implementation. Central Purchasing conducted the training in March 2023 to ensure the FM Purchasing Team understood the process. Additionally, during this time the PeopleSoft Application had undergone an upgrade. During the upgrade some vendor contracts would not link to the purchase orders. To date, this continues to be an issue that Central Purchasing is working through. The FM Purchasing Team continues to link contracts to purchase orders when the system allows.”



## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### System Access Controls

#### **Finding 4: Timely Termination and Monitoring of Access Rights**

“A process to monitor whether access rights to system applications are terminated in a timely manner are not in place. We identified the following in our review of Active Directory and non-Active Directory accounts:

##### *Active Directory*

Of the 13 individuals tested, we were unable to determine whether access rights were terminated in a timely manner for 12 (91.3%) of the individuals as the department does not track when an employee’s access is terminated. For one individual, we were able to determine that termination occurred 64 days after departure from department.

##### *Non-Active Directory*

For the two system applications chosen for testing that were not linked to active directory, we were unable to determine if access rights were terminated in a timely manner for three of the individuals tested, the department does not monitor when the employee’s access is terminated. For one individual, we were able to determine that termination occurred 55 days after departure from department.

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 does not have written policies and procedures to monitor and ensure user accounts for terminated or transferred employees are disabled or removed on the day of termination or transfer. Monitoring account terminations helps ensure that account deactivations are carried out properly and in a timely manner and assists management in identifying areas where additional improvement and training is needed. Maintaining active directory access rights open after employment has ended exposes the department to risk where information maintained in department systems can be continuously accessed by individuals who no longer have a right or need to know. Depending on the sensitivity of the information maintained by department systems, it can create administrative issues and have a financial impact if held liable.”

#### **Recommendation 4.1:**

“Develop a process to document when user access rights are terminated within system applications.”



## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### **Current Status 4.1: Not Implemented**

The department is in the process of establishing a centralized system for documenting the deactivation dates of access rights and for reconciling terminated access requests with Riverside County Information Technology. This reporting system will be tailored to each application used within the department.

### **Management's Response:**

"The Department experienced a delay in implementation. In the last several months, Human Resources in collaboration with County Information Technology has developed a report for Facilities Management that reflects termed or transferred employees that have not had their security rights removed. The Department is currently utilizing this report as part of its reconciliation process. Additionally, at the point of employee onboarding and separation, the Department is utilizing a checklist. The checklist will assist in ensuring all applicable actions are taken at hire and separation. At separation this includes the disabling of e-mail accounts, system access, and application deactivation. Lastly, the department has developed procedures to be shared with Supervisors and Managers about the process."

### **Recommendation 4.2:**

"Develop a process to monitor account deactivation dates to ensure compliance with County of Riverside Information Security Standard v.10, Section 4.1, *Account and Access Management*."

### **Current Status 4.2: Not Implemented**

The department is currently in the process of establishing a centralized system for documenting the deactivation dates of access rights and for reconciling terminated access requests with Riverside County Information Technology. This reporting system will be tailored to each application used within the department.

### **Management's Response:**

"The Department experienced a delay in implementation. In the last several months, Human Resources in collaboration with County Information Technology has developed a report for Facilities Management that reflects termed or transferred employees that have not had their security rights removed. The Department is currently utilizing this report as part of its reconciliation process. Additionally, at the point of employee onboarding and separation, the Department is utilizing a Checklist. The checklist will assist in ensuring all applicable actions are taken at hire and separation. At separation this includes the disabling of e-mail accounts,



## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

system access, and application deactivation. Lastly, the department has developed procedures to be shared with Supervisors and Managers about the process.”

### **Recommendation 4.3:**

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

### **Current Status 4.3: Not Implemented**

The department is currently in the process of establishing a centralized system for documenting the deactivation dates of access rights and for reconciling terminated access requests with Riverside County Information Technology. This reporting system will be tailored to each application used within the department.

### **Management’s Response:**

“The Department experienced a delay in implementation. In the last several months, Human Resources in collaboration with County Information Technology has developed a report for Facilities Management that reflects terminated or transferred employees that have not had their security rights removed. The Department is currently utilizing this report as part of its reconciliation process. Additionally, at the point of employee onboarding and separation, the Department is utilizing a Checklist. The checklist will assist in ensuring all applicable actions are taken at hire and separation. At separation this includes the disabling of e-mail accounts, system access, and application deactivation. Lastly, the department has developed procedures to be shared with Supervisors and Managers about the process.”

### **Recommendation 4.4:**

“Develop policies and procedures to ensure the disabling of Active Directory accounts are requested and approved within 24 hours of an employee’s termination or transfer from the department.”

### **Current Status 4.4: Not Implemented**

The department is currently in the process of establishing a centralized system for documenting the deactivation dates of access rights and for reconciling terminated access requests with Riverside County Information Technology. This reporting system will be tailored to each application used within the department.



## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### **Management's Response:**

“The Department experienced a delay in implementation. In the last several months, Human Resources in collaboration with County Information Technology has developed a report for Facilities Management that reflects termed or transferred employees that have not had their security rights removed. The Department is currently utilizing this report as part of its reconciliation process. Additionally, at the point of employee onboarding and separation, the Department is utilizing a Checklist. The checklist will assist in ensuring all applicable actions are taken at hire and separation. At separation this includes the disabling of e-mail accounts, system access, and application deactivation. Lastly, the department has developed procedures to be shared with Supervisors and Managers about the process.”

# ATTACHMENT A

**Internal Audit Report 2023-004**

**Riverside County  
Facilities Management  
Audit**

**Report Date: February 28, 2023**



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

[www.auditorcontroller.org](http://www.auditorcontroller.org)





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

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4080 Lemon Street, 11<sup>th</sup> Floor  
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Fax (951) 955-3802



**Ben J. Benoit**  
Riverside County Auditor-Controller

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

February 28, 2023

Rose Salgado  
Director  
Riverside County Facilities Management  
3133 Mission Inn Ave  
Riverside, CA 92507

**Subject: Internal Audit Report 2023-004: Riverside County Facilities Management Audit**

Dear Ms. Salgado:

In accordance with Board of Supervisors Resolution 83-338, we audited Riverside County Facilities Management to provide management and the Board of Supervisors with an independent assessment of internal controls over GASB 87 lease reporting compliance, 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.

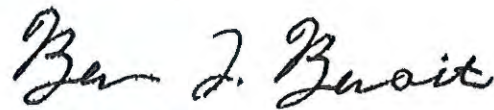
Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls.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

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

**Internal Audit Report 2023-004: Riverside County Facilities Management 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.

We thank you and your staff for your 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, Jr., County Executive Officer  
Dave Rogers, Chief Administrative Officer  
Grand Jury

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Internal Audit Report 2023-004: Riverside County Facilities Management Audit

## Executive Summary

### Overview

Riverside County Facilities Management (Facilities Management) is comprised of ten separate divisions that support county departments and agencies occupying approximately 16 million square feet of county-owned and leased space. The Facilities Management portfolio of professional services consist of various responsibilities which include property acquisition, disposition, design, and development as well as management of new construction, tenant improvements, space planning, energy management, custodial and maintenance services and the management and oversight of community centers, active parks, the Desert Expo Center and most recently County Fairgrounds as well. Funding sources, for Facilities Management, include internal services funds, general funds, and special revenue funds.

Facilities Management has an adopted budget of \$271.8 million for FY 2022-23 and 437 authorized positions. *County of Riverside, Fiscal Year 2022-23 Adopted Budget Volume 1, 180.*

### 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 GASB 87 lease reporting compliance, 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 June 1, 2022, through September 29, 2022, for operations from July 1, 2020, through September 27, 2022. Following a risk-based approach, our scope initially included the following:

- County-Owned Buildings Inventory Completeness
- GASB 87 Lease Reporting Compliance
- Purchasing Processes
- System Access Controls

Through inquiry, observations, and limited examination of relevant documentation, it was determined through a risk assessment of the business processes for county-owned buildings inventory completeness, that the risk exposure to Facilities Management



## Internal Audit Report 2023-004: Riverside County Facilities Management Audit

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 GASB 87 lease reporting compliance, purchasing processes, and system access controls.

### Audit Highlights

#### *Summary of Existing Conditions*

- Written policies and procedures over the management of leases to ensure proper and accurate classification for GASB 87 reporting purposes had not been documented as of June 22, 2022. This can lead to a lapse in productivity and accuracy of a process in the event that the department experiences unplanned turnover.
- Split purchases were identified in multiple purchase orders. The splitting of purchase orders is non-compliant with requisitions and approving controls put in place to ensure county purchasing policies are followed, and mitigates the risks of unaligned practices with county purchasing process objectives.
- Expenditures were made from vendors with existing county contracts without linking the expenditures to the existing contracts. Linking expenditures to contracts is a control designed to ensure contract limitations are monitored, reduce the risk of expenditures exceeding the contract limit, and ensure departments are within the contract's terms and conditions.
- Terminated employees' access rights to county systems linked to active directory were not disabled timely. Maintaining active directory access rights open after employment has ended exposes the department to risk where information maintained in department systems can be continuously accessed by individuals who no longer have a right or need to know

#### *Summary of Improvement Opportunities*

- Ensure policies and procedures for the reporting guidelines include processes needed to ensure the proper classification of GASB 87 leases are documented and always updated as processes change.
- 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 purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.

**Internal Audit Report 2023-004: Riverside County Facilities Management Audit**

- Increase purchasing authority limitation for the individual buyers to ensure limitations are not exceeded.
- Develop policies and procedures to ensure expenditures are linked to existing county contracts.
- Ensure expenditures are linked to existing county contracts.
- Develop a process to document when user access rights are terminated within system applications.
- Develop a process to monitor account deactivation dates to ensure compliance with County of Riverside Information Security Standard v.10, Section 4.1, *Account and Access Management*.
- Ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, by disabling system access rights on the day of an employee's termination or transfer from the department.
- Develop policies and procedures to ensure the disabling of Active Directory accounts are requested and approved within 24 hours of an employee's termination or transfer from the department.

**Audit Conclusion**

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to GASB 87 lease reporting compliance, purchasing processes, and system access controls.



## GASB 87 Lease Reporting Compliance

### Background

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 – Leases. The objective of the statement is “to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.” (*Summary - Statement no. 87*).

“A lease is defined as a contract that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction.” (*Summary - Statement no. 87*).

The Statement became effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. The County of Riverside’s Auditor-Controller’s Office issued Standard Practice Manual 511, *Financed Purchases and Leases*, to help ensure accurate reporting of leases and to ensure county departments have guidelines in place for the accuracy and completeness of the newly implemented standard.

### Objective

To verify the existence and adequacy of internal controls over Facilities Management’s GASB 87 lease reporting.

### Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of departmental processes and procedures over GASB 87 lease reporting.
- Obtained an understanding of Governmental Accounting Standards Series Statement No. 87 of the Governmental Accounting Standard Board as it relates to leases.
- Interviewed key personnel to obtain an overview of the controls in place over GASB 87 lease reporting.
- Obtained a listing of all county-owned buildings from Facilities Management and Assessor-Recorder’s Office.

**Internal Audit Report 2023-004: Riverside County Facilities Management Audit**

- Obtained a listing of leases submitted by Facilities Management to the Auditor-Controller's Office for both lessees and lessors.
- Compared listings to determine completeness of the reported leases.
- Reviewed board agendas for the past five years to ensure approved leases were included on the submitted leases to the Auditor-Controller's Office.
- Selected a sample of submitted leases for both lessees and lessors and performed classification verifications to ensure reporting accuracy.
- Analyzed the results of the above testing to determine the accuracy and completeness of the reported GASB 87 leases.

**Finding 1: Policies and Procedures for GASB 87**

Written policies and procedures over the management of leases to ensure proper and accurate classification for GASB 87 reporting purposes had not been documented as of June 22, 2022. 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." Policies and procedures had not been developed as GASB 87 reporting requirements had recently come into effect. This can lead to a lapse in productivity and accuracy of a process in the event that the department experiences unplanned turnover.

As of October 31, 2022, Facilities Management provided a draft copy of the proposed policy that will be implemented over this area.

**Recommendation 1**

Ensure policies and procedures for the reporting guidelines include processes needed to ensure the proper classification of GASB 87 leases are documented and always updated as processes change.

**Management's Response**

"Concur. Facilities Management (FM) concurs with the recommendation. As noted, we have drafted procedures that are currently under review.



**Internal Audit Report 2023-004: Riverside County Facilities Management Audit**

In effort to ensure internal controls, FM will ensure procedures are drafted to document processes related to GASB 87. This will assist in employee development, accuracy, and the documentation of workload.”

**Actual/Estimated Date of Corrective Action:** December 31, 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,

## Internal Audit Report 2023-004: Riverside County Facilities Management Audit

"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."

### Objective

To verify the existence and adequacy of internal controls over Facilities Management's 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 Facilities Management.
- Obtained a listing of all Facilities Management personnel with delegated purchasing authority.
- Analyzed department expenditure data for the audit period to identify instances of split purchase orders at the \$5,000 and \$25,000 limitations.

### Finding 2: Purchase Orders

We identified 27 of 8,194 instances (<1%), totaling \$1,550,342 where purchase orders were split and non-compliant with 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." This process was not closely monitored for compliance. The splitting of purchase orders is non-compliant with requisitions and approving controls put in place to ensure county purchasing policies are followed, and mitigates the risks of unaligned practices with county purchasing process objectives. Splitting purchase orders increases the risk that formal bid



**Internal Audit Report 2023-004: Riverside County Facilities Management Audit**

requirements will not be properly performed which limits the department's ability to ensure the best use of taxpayer dollars.

**Recommendation 2.1**

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

**Management's Response**

"Concur. FM concurs with the recommendation. We will be addressing these issues with the FM Procurement Team. To ensure there is an understanding we will be drafting an internal procedure in alignment with the Purchasing Policy Manual.

FM understands the need to be in compliance with the County Purchasing Policy Manual to mitigate risks of formal bid requirements. Additionally, we are committed to ensuring the best use of taxpayer dollars."

**Actual/Estimated Date of Corrective Action: December 31, 2022**

**Recommendation 2.2**

Ensure personnel with purchasing responsibilities are trained on purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.

**Management's Response**

"Concur. FM concurs with the recommendation. The development of procedures will assist in the training of the FM Procurement Team. If additional training is needed, we will seek out training from the County Purchasing Department.

FM understands the need to be in compliance with the County Purchasing Policy Manual to mitigate risks of formal bid requirements. Additionally, we are committed to ensuring the best use of taxpayer dollars."

**Actual/Estimated Date of Corrective Action: December 31, 2022**

**Internal Audit Report 2023-004: Riverside County Facilities Management Audit**

**Recommendation 2.3**

Increase purchasing authority limitation for the individual buyers to ensure limitations are not exceeded.

**Management's Response**

"Concur. FM concurs with the recommendation. We will request limitation increases through the County Purchasing Department to ensure the purchasing needs of the department are met.

FM has experienced an on-going necessity to increase its buyer limits to meet its day-to-day operational purchasing needs. The increase in limit will assist in ensuring compliance with the County Purchasing Policy Manual."

**Actual/Estimated Date of Corrective Action: December 31, 2022**

**Finding 3: Contract Monitoring**

We identified 22 of 51 (43%) vouchers sampled that were not linked to a county contract as required. Expenditures were made from vendors with existing county contracts without linking the expenditures to the existing contracts. Standard Practice Manual 1001, *Internal Controls*, states, "safeguarding of assets" and "ensuring accuracy, reliability, and timeliness of financial records and reports" are internal controls used to, "provide reasonable assurance regarding the achievement of objectives." Contracts are established between Riverside County and vendors to procure goods/services and typically include pricing agreements, terms and conditions, and limits on expenditures. Expenditures were not closely monitored to assure they were linked to contracts respectively. Linking expenditures to contracts is a control designed to ensure contract limitations are monitored, reduce the risk of expenditures exceeding the contract limit, and ensure that departments are within the contract's terms and conditions. Additionally, by not linking expenditures to contracts, management is unable to closely monitor contract expenditures, impacting their ability to negotiate future contract pricing.

**Recommendation 3.1**

Develop policies and procedures to ensure expenditures are linked to existing county contracts.



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**Management's Response**

"Concur. FM concurs with the recommendation. The department will development procedures to outline the process of linking existing contracts to expenditures.

FM recognizes the need to ensure contract limitations are monitored to reduce the risk of expenditures exceeding contract limitations that may fall outside the terms and conditions of the contract."

**Actual/Estimated Date of Corrective Action: February 28, 2023**

**Recommendation 3.2**

Ensure expenditures are linked to existing county contracts.

**Management's Response**

"Concur. FM concurs with the recommendation. The development of procedures will ensure employees have an understanding of how to link existing contracts to expenditures. These procedures will be shared with the FM Procurement and Accounts Payable Teams.

FM recognizes the need to ensure contract limitations are monitored to reduce the risk of expenditures exceeding contract limitations that may fall outside the terms and conditions of the contract."

**Actual/Estimated Date of Corrective Action: February 28, 2023**

## 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 Facilities Management to manage permissions and access to network resources, and linked data applications utilized by the department. When a user ends employment with Facilities Management, it is the department's responsibility to create and approve a help desk ticket to request the removal of the terminated employee's access rights to their Active Directory account. Once the ticket is approved by Facilities Management personnel, Riverside County Information Technology is notified to disable Active Directory to remove permissions and network access.

System applications can be linked to Active Directory in such a way that terminating Active Directory accounts will also terminate access to the linked system applications. For system applications not linked to Active Directory, county departments must manually terminate accounts for employees no longer employed with the department.

### Objective

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

### Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of County of Riverside Information Security Standard v1.0.



**Internal Audit Report 2023-004: Riverside County Facilities Management Audit**

- Interviewed key personnel regarding the department's employee access termination processes.
- Obtained a listing of all critical systems used by Facilities Management and judgmentally selected a sample of systems not linked to Active Directory.
- Obtained listing of employees who had access to the selected system applications not linked to Active Directory during the audit review period.
- Obtained listing of employees whose access to the selected system applications not linked to Active Directory were terminated during the audit review period.
- Obtained report from Riverside County Information Technology that details Facilities Management ticket creation and approval dates for disabling employee access to Active Directory.
- Verified whether access rights to the selected system applications not linked to Active Directory were disabled within 24 hours of an employee's termination from Facilities Management.
- Verified whether requests to disable Active Directory were created and approved by Facilities Management personnel within 24 hours of an employee's termination or transfer from the department.

**Finding 4: Timely Termination and Monitoring of Access Rights**

A process to monitor whether access rights to system applications are terminated in a timely manner are not in place. We identified the following in our review of Active Directory and non-Active Directory accounts:

*Active Directory*

Of the 13 individuals tested, we were unable to determine whether access rights were terminated in a timely manner for 12 (91.3%) of the individuals as the department does not track when an employee's access is terminated. For one individual, we were able to determine that termination occurred 64 days after departure from department.



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### *Non-Active Directory*

For the two system applications chosen for testing that were not linked to active directory, we were unable to determine if access rights were terminated in a timely manner for three of the individuals tested, the department does not monitor when the employee's access is terminated. For one individual, we were able to determine that termination occurred 55 days after departure from department.

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 does not have written policies and procedures to monitor and ensure user accounts for terminated or transferred employees are disabled or removed on the day of termination or transfer. Monitoring account terminations helps ensure that account deactivations are carried out properly and in a timely manner and assists management in identifying areas where additional improvement and training is needed. Maintaining active directory access rights open after employment has ended exposes the department to risk where information maintained in department systems can be continuously accessed by individuals who no longer have a right or need to know. Depending on the sensitivity of the information maintained by department systems, it can create administrative issues and have a financial impact if held liable.

### **Recommendation 4.1**

Develop a process to document when user access rights are terminated within system applications.

### **Management's Response**

"**Concur.** FM concurs with the recommendation. We will develop a process to document when user access rights are terminated within the system applications.

FM understands the need to be in compliance with the County of Riverside Information Security Standard. FM is committed to ensuring department systems are safeguarded to avoid administrative issues that could arise from continuous access from termed employees."

**Actual/Estimated Date of Corrective Action:** December 31, 2022

**Internal Audit Report 2023-004: Riverside County Facilities Management Audit**

**Recommendation 4.2**

Develop a process to monitor account deactivation dates to ensure compliance with County of Riverside Information Security Standard v.10, Section 4.1, *Account and Access Management*.

**Management's Response**

"Concur. FM concurs with the recommendation. We will develop a process to monitor account deactivation dates when user access rights are terminated within the system applications.

FM understands the need to be in compliance with the County of Riverside Information Security Standard. FM is committed to ensuring department systems are safeguarded to avoid administrative issues that could arise from continuous access from termed employees."

**Actual/Estimated Date of Corrective Action:** December 31, 2022

**Recommendation 4.3**

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

**Management's Response**

"Partially Concur. FM partially concurs with the recommendation. Every attempt will be made to ensure the 24-hour requirement. However, this short turnaround time may not provide sufficient time for the department to react to meet this requirement.

FM understands the need to be in compliance with the County of Riverside Information Security Standard. FM is committed to ensuring department systems are safeguarded to avoid administrative issues that could arise from continuous access from termed employees."

**Actual/Estimated Date of Corrective Action:** December 31, 2022



**Internal Audit Report 2023-004: Riverside County Facilities Management Audit**

**Auditor's Comment**

Information security is an important aspect of any operation and county departments must take action to ensure information is handled and maintained in accordance with the requirements set by the Riverside County Information Security Office. We recommend the department take the necessary steps to ensure system access is terminated within 24 hours of an employee ending employment with the department.

**Recommendation 4.4**

Develop policies and procedures to ensure the disabling of Active Directory accounts are requested and approved within 24 hours of an employee's termination or transfer from the department.

**Management's Response**

"Partially Concur. FM partially concurs with the recommendation. Procedures will be drafted with a 24-48-hour turnaround time of an employee's termination or transfer from the department. Every attempt will be made to ensure the 24-hour requirement. However, this short turnaround time may not provide sufficient time for the department to react to meet this requirement.

FM understands the need to be in compliance with the County of Riverside Information Security Standard. FM is committed to ensuring department systems are safeguarded to avoid administrative issues that could arise from continuous access from termed employees."

**Actual/Estimated Date of Corrective Action:** December 31, 2022

**Auditor's Comment**

Information security is an important aspect of any operation and county departments must take action to ensure information is handled and maintained in accordance with the requirements set by the Riverside County Information Security Office. We recommend the department take the necessary steps to ensure system access is terminated within 24 hours of an employee ending employment with the department.





# ATTACHMENT B

Rose Salgado  
Director of Facilities Management

## MEMORANDUM

**To:** County of Riverside Auditor Controller  
**From:** Rose Salgado, Director Facilities Management *RS*  
**Date:** August 9, 2023  
**Subject:** Current status of the reported findings - Internal Audit Report 2023-004

### Finding 1: Policies and Procedures for GASB 87

Written policies and procedures over the management of leases to ensure proper and accurate classification for GASB 87 reporting purposes had not been documented as of June 22, 2022. 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." Policies and procedures had not been developed as GASB 87 reporting requirements had recently come into effect. This can lead to a lapse in productivity and accuracy of a process in the event that the department experiences unplanned turnover.

As of October 31, 2022, Facilities Management provided a draft copy of the proposed policy that will be implemented over this area.

#### Current Status

Reported Finding Corrected?  Yes  No

#### Recommendation 1

Ensure policies and procedures for the reporting guidelines include processes needed to ensure the proper classification of GASB 87 leases are documented and always updated as processes change.

#### Management's Response

"Concur. Facilities Management (FM) concurs with the recommendation. As noted, we have drafted procedures that are currently under review. In effort to ensure internal controls, FM will

**Facilities Management**  
3450 14<sup>th</sup> Street, Suite 200  
Riverside CA 92501  
Main Line: 951.955.3345 Fax: 951.955.4828  
Facilities Emergency 24-Hour Line: 951.955.4850

**Project Management Office**  
Maintenance & Custodial  
Real Estate & Parking  
Administration  
Energy

ensure procedures are drafted to document processes related to GASB 87. This will assist in employee development, accuracy, and the documentation of workload."

**Actual/Estimated Date of Corrective Action:** December 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 Facilities Management Department has finalized its draft procedures on GASB 87. The procedures were implemented December 2022.

**Finding 2: Purchase Orders**

We identified 27 of 8,194 instances (<1%), totaling \$1,550,342 where purchase orders were split and non-compliant with 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." This process was not closely monitored for compliance. The splitting of purchase orders is non-compliant with requisitions and approving controls put in place to ensure county purchasing policies are followed and mitigates the risks of unaligned practices with county purchasing process objectives. Splitting purchase orders increases the risk that formal bid requirements will not be properly performed which limits the department's ability to ensure the best use of taxpayer dollars.

**Current Status**

**Reported Finding Corrected?**  Yes  No

**Recommendation 2.1**

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

**Management's Response**

"Concur. FM concurs with the recommendation. We will be addressing these issues with the FM Procurement Team. To ensure there is an understanding we will be drafting an internal procedure in alignment with the Purchasing Policy Manual.

FM understands the need to be in compliance with the County Purchasing Policy Manual to mitigate risks of formal bid requirements. Additionally, we are committed to ensuring the best use of taxpayer dollars."

**Actual/Estimated Date of Corrective Action:** December 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).

Facilities Management – Procurement Team revised its internal procedure to include the review of all PR’s at the pricing stage to capture any possible violations of the County’s Purchasing Policy. The procedure was reviewed with the team and implemented in January 2023. The Facilities Purchasing Manager continues to monitor compliance by running the pricing report to checking for possible violations.

**Recommendation 2.2**

Ensure personnel with purchasing responsibilities are trained on purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.

**Management's Response**

"Concur. FM concurs with the recommendation. The development of procedures will assist in the training of the FM Procurement Team. If additional training is needed, we will seek out training from the County Purchasing Department.

FM understands the need to be in compliance with the County Purchasing Policy Manual to mitigate risks of formal bid requirements. Additionally, we are committed to ensuring the best use of taxpayer dollars."

**Actual/Estimated Date of Corrective Action:** December 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).

Facilities Management - Procurement Team has conducted training internally in collaboration with County Purchasing on Facilities Management and County Purchasing Guidelines which are in accordance with the Riverside County Purchasing Policy Manual. The training covered purchase authority levels for each Buyer classification, as well as the dangers of splitting work. This training took place in January 2023. Additionally, Facilities Management Buyers attend the monthly trainings held by Central Purchasing which cover a variety of different topics ranging from Public Works to the purchase of goods and services.

**Recommendation 2.3**

Increase purchasing authority limitation for the individual buyers to ensure limitations are not exceeded.

**Management's Response**

"Concur. FM concurs with the recommendation. We will request limitation increases through the County Purchasing Department to ensure the purchasing needs of the department are met.

FM has experienced an on-going necessity to increase its buyer limits to meet its day-to-day operational purchasing needs. The increase in limit will assist in ensuring compliance with the *County Purchasing Policy Manual*."

**Actual/Estimated Date of Corrective Action:** December 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).

Facilities Management - Procurement Team requested the increase in purchasing authority for its Buyers. However, Central Purchasing did not approve based on the buyer level. The Buyer I level are set at \$25k where Buyer II's are \$50k. In effort to mitigate this issue, the division has increased staffing to have 3 Buyers. This has assisted in managing the workload, so the buyer limits are not exceeded.

**Finding 3: Contract Monitoring**

We identified 22 of 51(43%) vouchers sampled that were not linked to a county contract as required. Expenditures were made from vendors with existing county contracts without linking the expenditures to the existing contracts. Standard Practice Manual 1001, *Internal Controls*, states, "safeguarding of assets" and "ensuring accuracy, reliability, and timeliness of financial records and reports" are internal controls used to, "provide reasonable assurance regarding the achievement of objectives." Contracts are established between Riverside County and vendors to procure goods/ services and typically include pricing agreements, terms and conditions, and limits on expenditures. Expenditures were not closely monitored to assure they were linked to contracts respectively. Linking expenditures to contracts is a control designed to ensure contract limitations are monitored, reduce the risk of expenditures exceeding the contract limit, and ensure that departments are within the contract's terms and conditions. Additionally, by not linking expenditures to contracts, management is unable to closely monitor contract expenditures, impacting their ability to negotiate future contract pricing.

**Current Status**

**Reported Finding Corrected?**  Yes  No

**Recommendation 3.1**

Develop policies and procedures to ensure expenditures are linked to existing county contracts.

**Management's Response**

**“Concur.** FM concurs with the recommendation. The department will development procedures to outline the process of linking existing contracts to expenditures.

FM recognizes the need to ensure contract limitations are monitored to reduce the risk of expenditures exceeding contract limitations that may fall outside the terms and conditions of the contract.”

**Actual/Estimated Date of Corrective Action:** February 28, 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).

Facilities Management - Procurement Team revised current procedures to include the review of all PR's at the "Submitted for PO" stage which ensures expenditures are linked to existing County contracts. The revised procedure was implemented in January 2023.

**Recommendation 3.2**

Ensure expenditures are linked to existing county contracts.

**Management's Response**

**“Concur.** FM concurs with the recommendation. The development of procedures will ensure employees have an understanding of how to link existing contracts to expenditures. These procedures will be shared with the FM Procurement and Accounts Payable Teams.

FM recognizes the need to ensure contract limitations are monitored to reduce the risk of expenditures exceeding contract limitations that may fall outside the terms and conditions of the contract.”

**Actual/Estimated Date of Corrective Action:** February 28, 2023

**Cnrrnt 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).

Facilities Management - Procurement Team revised our procedure to include the review of all PR's at the "Submitted for PO" stage which ensures expenditures are linked to existing county contracts. The procedure was implemented in January 2023.

#### **Finding 4: Timely Termination and Monitoring of Access Rights**

A process to monitor whether access rights to system applications are terminated in a timely manner are not in place. We identified the following in our review of Active Directory and non-Active Directory accounts:

##### *Active Directory*

Of the 13 individuals tested, we were unable to determine whether access rights were terminated in a timely manner for 12 (91.3%) of the individuals as the department does not track when an employee's access is terminated. For one individual, we were able to determine that termination occurred 64 days after departure from department.

##### *Non-Active Directory*

For the two system applications chosen for testing that were not linked to active directory, we were unable to determine if access rights were terminated in a timely manner for three of the individuals tested, the department does not monitor when the employee's access is terminated. For one individual, we were able to determine that termination occurred 55 days after departure from department.

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 does not have written policies and procedures to monitor and ensure user accounts for terminated or transferred employees are disabled or removed on the day of termination or transfer. Monitoring account terminations helps ensure that account deactivations are carried out properly and in a timely manner and assists management in identifying areas where additional improvement and training is needed. Maintaining active directory access rights open after employment has ended exposes the department to risk where information maintained in department systems can be continuously accessed by individuals who no longer have a right or need to know. Depending on the sensitivity of the information maintained by department systems, it can create administrative issues and have a financial impact if held liable.

#### **Current Status**

Reported Finding Corrected?  Yes  No

The Facilities Management Division has partially implemented a process to correct the concerns identified. We anticipate full compliance and implementation by September 2023.

#### **Recommendation 4.1**

Develop a process to document when user access rights are terminated within system applications.

#### **Management's Response**

"Concur. FM concurs with the recommendation. We will develop a process to document when user access rights are terminated within the system applications.

FM understands the need to be in compliance with the County of Riverside Information Security Standard. FM is committed to ensuring department systems are safeguarded to avoid administrative issues that could arise from continuous access from termed employees."

**Actual/Estimated Date of Corrective Action:** December 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 Facilities Management Division has partially implemented a process to document when user access rights are terminated within the system. We anticipate full implementation by September 2023.

**Recommendation 4.2**

Develop a process to monitor account deactivation dates to ensure compliance with County of Riverside Information Security Standard v.10, Section 4.1, *Account and Access Management*.

**Management's Response**

**“Concur.** FM concurs with the recommendation. We will develop a process to monitor account deactivation dates when user access rights are terminated within the system applications.

FM understands the need to be in compliance with the County of Riverside Information Security Standard. FM is committed to ensuring department systems are safeguarded to avoid administrative issues that could arise from continuous access from termed employees.”

**Actual/Estimated Date of Corrective Action:** December 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 Facilities Management Division has partially implemented a process to monitor account deactivations dates to ensure compliance with County of Riverside Information Security Standard v.10, Section 4.1. We recognized that there was a need to centralize the deactivation process within the division to ensure its timely compliance. We now have this role centralized within our Admin by division. This will ensure all application access rights are terminated in one request vs. the piece meal process the department had been doing. Additionally, we recognized the need to reconcile our requests with RCIT. We are in the development stage of reporting that will identify our requests as completed. This reporting will be specific to each application – Active Directory, Dynamics, PeopleSoft, and HCM.



**Recommendation 4.3**

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

**Management’s Response**

“Partially Concur. FM partially concurs with the recommendation. Every attempt will be made to ensure the 24-hour requirement. However, this short turnaround time may not provide sufficient time for the department to react to meet this requirement.

FM understands the need to be in compliance with the County of Riverside Information Security Standard. FM is committed to ensuring department systems are safeguarded to avoid administrative issues that could arise from continuous access from termed employees.”

**Actual/Estimated Date of Corrective Action:** December 31, 2022

**Auditor’s Comment**

Information security is an important aspect of any operation and county departments must take action to ensure information is handled and maintained in accordance with the requirements set by the Riverside County Information Security Office. We recommend the department take the necessary steps to ensure system access is terminated within 24 hours of an employee ending employment with the department.

**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 Facilities Management Division has partially implemented a process to ensure system access is terminated within 24 hours of an employee ending employment with the department. We recognized that there was a need to centralize the deactivation process within the division to ensure its timely compliance. We now have this role centralized within our Admin by division. This will ensure all application access rights are terminated in one request vs. the piece meal process the department was doing. Additionally, we recognized the need to reconcile our requests with RCIT. We are in the development stage of reporting that will identify our requests as completed. This reporting will be specific to each application – Active Directory, Dynamics, PeopleSoft, and HCM.

**Recommendation 4.4**

Develop policies and procedures to ensure the disabling of Active Directory accounts are requested and approved within 24 hours of an employee’s termination or transfer from the department.

### Management's Response

**“Partially Concur.** FM partially concurs with the recommendation. Procedures will be drafted with a 24–48-hour turnaround time of an employee’s termination or transfer from the department. Every attempt will be made to ensure the 24-hour requirement. However, this short turnaround time may not provide sufficient time for the department to react to meet this requirement.

FM understands the need to be in compliance with the County of Riverside Information Security Standard. FM is committed to ensuring department systems are safeguarded to avoid administrative issues that could arise from continuous access from termed employees.”

**Actual/Estimated Date of Corrective Action:** December 31, 2022

### Auditor's Comment

Information security is an important aspect of any operation and county departments must take action to ensure information is handled and maintained in accordance with the requirements set by the Riverside County Information Security Office. We recommend the department take the necessary steps to ensure system access is terminated within 24 hours of an employee ending employment with the department.

### 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 Facilities Management Division is in the process of developing policies and procedures to ensure the disabling of Active Directory accounts are requested and approved within 24 hours of an employee's termination or transfer from the department. We have partially implemented a process to minimize/ eliminate this concern. This includes recognizing the need to centralize the deactivation process within the division to ensure its timely compliance. We now have this role centralized within our Admin by division. This will ensure all application access rights are terminated in one request vs. the piece meal process the department was doing. Additionally, we recognized the need to reconcile our requests with RCIT. We are in the development stage of reporting that will identify our requests as completed. This reporting will be specific to each application – Active Directory, Dynamics, PeopleSoft, and HCM.