

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



ITEM: 2.14
(ID # 19519)

MEETING DATE:
Tuesday, July 12, 2022

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2022-022: Riverside County Human Resources Department Audit [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2022-022: Riverside County Human Resources Department Audit

ACTION:Consent

Tanya Harris

Tanya Harris, Assistant Auditor Controller 6/30/2022

MINUTES OF THE BOARD OF SUPERVISORS

**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
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	N/A

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

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

Please see report for audit results.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL

Additional Fiscal Information

Not applicable

ATTACHMENT:

A: Riverside County Auditor-Controller’s Office - Internal Audit Report 2022-022: Riverside County Human Resources Department Audit

Internal Audit Report 2022-022

**Riverside County Human Resources
Department Audit**

Report Date: July 12, 2022



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
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www.auditorcontroller.org



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

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**Paul Angulo, CPA, MA
Riverside County Auditor-Controller**

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

July 12, 2022

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

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

Dear Mr. Bowers:

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

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

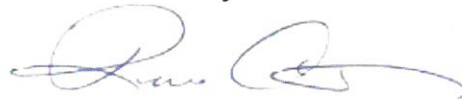
Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls.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

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

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

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

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Chief Internal Auditor

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

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

Executive Summary

Overview

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

Audit Objective

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

Audit Scope and Methodology

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

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

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

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

Audit Highlights

Summary of Existing Conditions

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

Summary of Improvement Opportunities

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

Audit Conclusion

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

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

System Access Controls

Background

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

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

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

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

Objective

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

Audit Methodology

To accomplish these objectives, we:

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

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

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

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

Recommendation 1.1

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

Management's Response

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

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

Recommendation 1.2

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

Management's Response

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

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