

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



**ITEM: 2.17
(ID # 20818)**

MEETING DATE:
Tuesday, December 13, 2022

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2023-008: Riverside County Cooperative Extension Audit

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2023-008: Riverside County Cooperative Extension Audit

ACTION:Consent


Tanya Harris, Assistant Auditor Controller 12/7/2022

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	\$ 0.0	\$ 0.0
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: n/a	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

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

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

We will follow-up in one year to determine if actions were taken to correct the findings noted.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller's Office - Internal Audit Report 2023-008: Riverside County Cooperative Extension Audit



Stephanie Perez, Principal Management Analyst 12/8/2022

Internal Audit Report 2023-008

**Riverside County Cooperative Extension
Audit**

Report Date: December 13, 2022



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

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

December 13, 2022

Rita Clemons
Director
Riverside County Cooperative Extension
21150 Box Springs Rd., Ste. 202
Moreno Valley, CA 92557-8718

Subject: Internal Audit Report 2023-008: Riverside County Cooperative Extension Audit

Dear Ms. Clemons

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

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.

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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
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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Executive Summary

Overview

Riverside County Cooperative Extension (Cooperative Extension) is a partnership between the University of California and the County of Riverside. Its primary purpose is to enhance the quality of life and the environmental and economic well-being of the citizens of California through research and education. The Cooperative Extension is composed of five programs including Agriculture, Nutrition, Family and Consumer Sciences, 4H Youth Development, and Master Gardening. To provide these programs, Cooperative Extension's budget is \$687,896 with five authorized positions to execute its responsibilities, *County of Riverside, Fiscal Year 2022-23 Adopted Budget, 60-61, Volume 1*.

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 and expenditures. 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 27, 2022, through September 8, 2022, for operations from July 1, 2020, through September 1, 2022. Our scope included the following:

- Expenditures
- System Access Controls

Audit Highlights

Summary of Existing Conditions

- Terminated employees' access rights to active directory were not disabled timely. Additionally, an active directory account was not disabled after an employee ended employment with the department. When an account is not closed immediately after

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employment has ended, there is a security risk to the information maintained in the systems used by the department.

Summary of Improvement Opportunities

- Communicate with Riverside County Information Technology to determine the appropriate type of request needed to ensure that terminated employee's active directory accounts are appropriately disabled.
- Develop policies and procedures to ensure the disabling of accounts linked to active directory are requested and approved within 24 hours of an employee's termination or transfer from the department.
- Ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, Account and Access Management, by disabling accounts linked to active directory on the day 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 system access controls.

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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 Cooperative Extension to manage permissions and access to network resources, and linked data applications utilized by the department. When a user ends employment with a county department, 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 appropriate department personnel, Riverside County Information Technology (Information Technology) is notified 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 Information Technology personnel.

Objective

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

Audit Methodology

To accomplish these objectives, we:

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

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- Interviewed key personnel regarding the department's employee access termination processes.
- Obtained a listing of Cooperative Extension staff and selected a sample of individuals who were terminated during the audit review period.
- Verified whether requests to disable Active Directory were created and approved by Cooperative Extension personnel within 24 hours of an employee's termination or transfer from the department.

Finding 2: Timely Termination of Access Rights

One (33%) out of three terminated employees did not have their access rights terminated or disabled within 24 hours of ending employment with the Cooperative Extension. The time lapsed to disable the active directory account was 42 days. Additionally, one (33%) out of three terminated employees reviewed, the active directory account had not been disabled as of the date of our review. 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." Cooperative Extension does not have written policies and procedures that detail the process and requirements for deactivating user active directory accounts when employees end employment with the department. Furthermore, Cooperative Extension was not utilizing the correct task request provided by Information Technology to initiate the active directory termination. 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 1.1

Communicate with Information Technology to determine the appropriate type of request needed to ensure that terminated employee's active directory accounts are appropriately disabled.

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Management's Response

"Partially Concur. CE experienced a complicated hiring situation with the AA-I position."

Actual/estimated Date of Corrective Action: July 21, 2022

Recommendation 1.2

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

Management's Response

"Concur. A termination checklist will be created to ensure all procedures are conducted in a timely manner."

Actual/estimated Date of Corrective Action: November 18, 2022

Recommendation 1.3

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

Management's Response

"Concur. Aside from the complication situation with the AA-I position, CE has complied with County of Riverside Information Security Standard v1.0, Section 4.1, Account and Access Management, by disabling accounts linked to active directory on the day of an employee's termination or transfer from the department with two out of the three terminated employees reviewed in this audit. In addition to continuing to comply with this standard, procedure of termination checklist will be implemented to ensure timely response is submitted."

Actual/estimated Date of Corrective Action: November 4, 2022

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Expenditures

Background

Cooperative Extension was established through the passing of the Smith-Lever Act of 1914. The passing of the law extended outreach programs through land-grant universities to educate Americans in agricultural practices and technology. University of California Cooperative Extension is funded in two primary ways, one is through the University of California, and the second way is through the Riverside County's general fund. The Riverside County Board of Supervisors has discretion as to the amount of funding the county provides for Cooperative Extension operations. The county funding is approximately \$687,896 for fiscal year 2022-23 and is primarily used for salaries of administrative staff and supply expenses. However, the Memorandum of Understanding allows the department to use the funds for program-related expenditures.

Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment of internal controls over expenditures.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of board policies, and applicable standards.
- Obtained an understanding of the Smith-Lever Act of 1914, which established the outreach programs for Cooperative Extension.
- Obtained an understanding about the Memorandum of Understanding agreement with Cooperative Extension.
- Reviewed the Riverside County's Purchasing Policy.
- Selected a sample of expenditures to verify their appropriateness and whether supervisory review and approval was obtained.

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Finding 1: None Noted

Based upon the results of our audit, we determined Cooperative Extension's internal controls over expenditures provide reasonable assurance that its objectives relating to these areas will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including costs, mistakes, and intentional efforts to bypass internal controls.