

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



ITEM: 2.6
(ID # 22449)

MEETING DATE:
Tuesday, July 11, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2023-012: Riverside County Children and Families Commission Audit, District: All. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2023-012: Riverside County Children and Families Commission Audit

ACTION: Consent

Ben J. Benoit

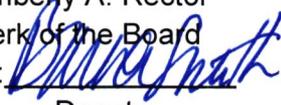
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 6/30/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

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

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

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

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Children and Families Commission to provide management and the Board of Supervisors with an independent assessment of internal controls over the safeguarding personally identifiable information and system access controls.

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

BACKGROUND:

Summary (continued)

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

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

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's Office - Internal Audit Report 2023-012: Riverside County Children and Families Commission Audit

Internal Audit Report 2023-012

**Riverside County
Children and Families
Commission
Audit**

Report Date: July 11, 2023



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

www.auditorcontroller.org



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

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



Ben J. Benoit
Riverside County Auditor-Controller

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

July 11, 2023

Tammi Graham
Executive Director
Riverside County Children and Families Commission
585 Technology Court
Riverside, CA 92507

Subject: Internal Audit Report 2023-012: Riverside County Children and Families Commission Audit

Dear Ms. Graham:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Children and Families Commission to provide management and the Board of Supervisors with an independent assessment of internal controls over the safeguarding personally identifiable information 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 2023-012: Riverside County Children and Families Commission
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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 audit findings and recommendations contained in the 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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Audit**

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Internal Audit Report 2023-012: Riverside County Children and Families Commission Audit

Executive Summary

Overview

Riverside County Children and Families Commission (First 5 Riverside) provides support to children from prenatal through age five. First 5 Riverside receives funding from the California Children and Families Act (Proposition 10), which placed a statewide tax on cigarettes and other tobacco products to support and promote early childhood development programs.

First 5 Riverside has a recommended budget of \$41.3 million for FY 2023-24 and 69 authorized positions to execute its responsibilities. County of Riverside, Fiscal Year 2023-24 Recommended Budget, Volume 1, 137.

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 grant reimbursement and expenditures, safeguarding personally identifiable information, 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 August 30, 2022, through February 9, 2023, for operations from July 1, 2020, through January 19, 2023. Following a risk-based approach, our scope initially included the following:

- Grant Reimbursement and Expenditures
- Safeguarding Personally Identifiable Information
- System Access Controls

Through inquiry, observations, and limited examination of relevant documentation, it was determined through a risk assessment of the business processes for grant reimbursement and expenditures, that the risk exposure to First 5 Riverside 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 the safeguarding personally identifiable information (PII) and system access controls.

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Audit Highlights

Summary of Existing Conditions

- First 5 Riverside staff members did not complete the annual training related to personally identifiable information as required by First 5 Riverside policy. Training enhances employee knowledge and skills and promotes compliance with essential policies and procedures.
- Employees access rights termination requests are not created and approved in a timely manner for systems that are linked and not linked to Active Directory. When an account is not closed immediately after employment has ended, there is a security risk to the information maintained in the systems used by the department.
- Access rights to a First 5 Riverside managed system was not disabled timely for third-party vendors' terminated employees. Allowing vendors and its related employees access to remain open after employment has ended exposes the department to risk where confidential information maintained in department systems remains accessible to individuals who no longer have the right or need to know.

Summary of Improvement Opportunities

- Ensure First 5 Riverside staff continue completing PII training annually as required by the department policy.
- 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 departure or transfer from the department.
- Revise existing policies and procedures to ensure the disabling of Active Directory accounts are requested and approved within 24 hours of an employee's departure or transfer from the department.
- Revise existing policies and procedures to ensure request for systems not linked to Active Directory are made within 24 hours of an employee's departure or transfer from the department.
- Develop line of communication with third-party vendors to ensure users access right are disabled timely for terminated vendors and their related employees.

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- Ensure First 5 Riverside periodically communicates with third-party vendors over updating system access rights to comply with County of Riverside Information Security Standard V1.0.

Audit Conclusion

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

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Safeguarding Personally Identifiable Information

Background

Personally identifiable information (PII) is any information that can be used to identify a specific individual. This information includes any data that can be linked to a particular person, such as their name, address, social security number, date of birth, email address, phone number, passport number, or driver's license number.

Key federal laws that protect PII include:

- Social Security Act – Governs various social services programs, and includes provisions that regulate the collection, use, and disclosure of PII.
- Health Insurance Portability and Accountability Act – Regulates the use and disclosure of protected health information.
- Children's Online Privacy Protection Act – Regulates how websites and online services collect, use, and disclose personal information for children under the age of 13.

RIVCO Talent is a program offered by Riverside County Human Resources which offers training and development resources to strengthen the counties workforce as well as educate county employees on various topics including compliance with regulatory requirements. RIVCO Talent offers *Personally Identifiable Information* training to advise staff who access, use, or disclose PII on the required safeguards required to protect information.

First 5 Riverside collects and maintains personally identifiable information to provide the services to its customers. As such, they have training policies to emphasize the need for this training and require its staff members go through the training offered through RIVCO Talent.

Objective

To ensure the existence and adequacy of controls over personally identifiable information.

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Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of Personally Identifiable Information policies.
- Requested a list of all employees who handle confidential personal information.
- Verified First 5 Riverside employees received the PII policy and signed acknowledgement of the policy.
- Verified First 5 Riverside employees completed annual training for PII.

Finding 1: Personally Identifiable Information Training

Fourteen out of 14 department employees (100%) selected for testing did not complete PII training as of the date of our review (December 1, 2022). Per First 5 Riverside policy, Privacy and Security of Personally Identifiable Information Training, states, "All staff members, including volunteers, interns, temporary employees, management, and others granted access are required to successfully complete, initially and on-going, privacy and security training as a prerequisite for using, authorizing, and/or maintaining access to computer systems and PII." A process to monitor compliance with their training policy on PII and ensure the completeness of this training for staff handling confidential information is not in place. However, as of January 2023, First 5 staff have completed PII training. Training enhances employee knowledge, skills, as well as promote compliance with essential policies and procedures. It also helps the department ensure the accomplishment of its objectives which are usually established through training policies and help minimize the risk associated with the handling of PII.

Recommendation 1

Ensure First 5 Riverside staff continue completing PII training annually as required.

Management's Response:

"Concur. All First 5 Riverside County staff members listed on the audit have attended a PII training. Staff with access to PII information has shifted. Historically, staff did not collect or have access to this type of information. However, with the various partnerships with both internal and external agencies and corresponding supportive programs that

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may potentially gather PII information, the department immediately mandated that all current staff complete the County's PII training (January 2023). Additionally, all new hires, including TAP staff that may have access to PII information, are required to complete the mandated training within the first week of hire. The department has also instituted mandatory annual re-training in January of each year.

Actual/Estimated Date of Corrective Action: **Completed - January 2 - 6, 2023."**

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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 RCIT and First 5 Riverside to manage permissions and access to network resources, and linked data applications utilized by the department. When a user ends employment with First 5 Riverside, 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 First 5 Riverside 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. Additionally, third party contracted vendors may be granted access to county systems to fulfill contractual obligations. It is the county department's responsibility to monitor and terminate system access to vendors who no longer require access.

Objective

To verify the existence and adequacy of internal controls over employee access termination to system applications used by First 5 Riverside.

Audit Methodology

To accomplish these objectives, we:

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- Obtained an understanding of County of Riverside Information Security Standard v1.0.
- Interviewed key personnel regarding the department's employee access termination processes.
- Obtained a listing of all critical systems used by First 5 Riverside 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 detailed First 5 Riverside 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 First 5 Riverside.
- Verified whether requests to disable Active Directory were created and approved by First 5 Riverside personnel within 24 hours of an employee's termination or transfer from the department.
- Obtained a listing of third-party vendors and employees who were granted access to First 5 Riverside system applications.
- Selected sample of vendors employees who were granted access to First 5 Riverside system applications.
- Verified whether access rights to the selected system applications were disabled in a timely manner for vendors and vendors employees.

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Finding 2: Timely Termination of System Access Rights

Employee access right termination requests are not created and approved in a timely manner for Active Directory and employee access rights are not removed timely for a system not linked to Active Directory (System A). See Table A for summary of findings:

Table A: Summary of findings - System Access Controls

System	Findings
Active Directory	Seven out of 21 separated employees (33%) did not have their Active Directory account termination requests created and approved in a timely manner. The average time elapsed between employee separation and ticket approval was 6 days, with the longest taking 13 days for approval and the shortest taking 2 days.
System A	Three out of 21 separated employees (14%) did not have their access removed in a timely manner. The average days elapsed was 37 days, with the longest taking 107 days to terminate and the shortest taking 2 days.

County of Riverside Information Security Standard V1.0, Section 4.1, *Account and Access Management*, states, "Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer." User account deactivation requests are not communicated timely to appropriate personnel within First 5 Riverside. Allowing Active Directory accounts and non-Active Directory accounts to remain 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 2.1

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.

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Management's Response:

"Concur. First 5 Riverside County staff implemented the County of Riverside's Information Security Standard v1.0 policy. Internal processes have been amended to ensure that accounts for terminated or transferred employees are disabled or removed on the day of termination or transfer.

Actual/Estimated Date of Corrective Action: **Completed -- January 1, 2023."**

Recommendation 2.2

Revise existing 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:

"Concur. First 5 Riverside County has amended procedures to ensure that accounts (Active Directory) for terminated or transferred employees shall be disabled or removed on the day of termination or transfer. Supervisors, systems administrators, and department security liaisons communicate the need for deactivation of various systems and escalate the request if termination of access is an immediate request by calling RCIT contact/liaison.

Actual/Estimated Date of Corrective Action: **Completed: January 2023."**

Recommendation 2.3

Revise existing policies and procedures to ensure request for systems not linked to Active Directory are made within 24 hours of an employee's separation or transfer from the department.

Management's Response:

"Concur. First 5 Riverside County has amended procedures to ensure that accounts (Non-Active Directory - administered by department) for terminated or transferred employees shall be disabled or removed on the day of termination or transfer. Supervisors, systems administrators, and department security liaisons communicate the need for deactivation of various systems and escalate the request if termination of access is an immediate request by contacting the designated system administrator.

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Actual/Estimated Date of Corrective Action: **Completed: January 2023.**"

Finding 3: Monitoring Third-Party Vendor Access Rights

Access rights to a First 5 Riverside managed system were not disabled timely for third-party vendors no longer needing access. Of the five vendors and 19 separated employees, we identified seven (37%) separated vendor's employees did not have their access removed in a timely manner. The average days elapsed was 121 days, with the longest taking 379 days to terminate and the shortest taking 9 days. County of Riverside Information Security Standard V1.0, Section 4.1, *Account and Access Management*, states, "Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer." There are no procedures in place to identify third-party vendors separated employees. As such, user account deactivation requests are not communicated timely to First 5 Riverside personnel responsible for terminating access. Allowing vendors and its respective employees access to remain open after employment has ended exposes the department to risk where information maintained in department systems can be continuously access by individuals who no longer have a right or need to know. It is important for the department to safeguard the information by terminating access immediately.

Recommendation 3.1

Develop a line of communication with third-party vendors to ensure users access right are disabled timely for terminated vendors and their related employees.

Management's Response:

"**Concur.** Designated systems administrators within First 5 Riverside County staff conduct a monthly review of users' access to identify inactive users. Identified inactive users are de-activated. Partner agencies (third-party vendors), who may have access to systems are contractually required to notify First 5 Riverside County of any changes in staffing (termination and resignation) within 72 hours. To ensure timely deactivation absent notification from partner agency, First 5 Riverside County staff will conduct scheduled platform and user activity audits through available reporting functions. Any account that has not been logged into during the month will be sent a notice that they must confirm their status with the organization. Upon receipt of notification of termination of staff/system user, profiles are deactivated on the same business day.

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Actual/Estimated Date of Corrective Action: **Completed - January 4, 2023."**

Recommendation 3.2

Ensure First 5 Riverside periodically communicates with third-party vendors over updating system access rights to comply with County of Riverside Information Security Standard V1.0.

Management's Response:

"Concur. Partner agencies (third-party vendors), who may have access to systems are contractually required to notify First 5 Riverside County of any changes in staffing (termination and resignation) within 72 hours. To ensure timely deactivation absent notification from a partner agency, First 5 Riverside County staff will conduct scheduled platform and user activity audits through available reporting functions. Any account that has not been logged into during the month will be sent a notice that they must confirm their status with the organization. Upon receipt of notification of termination of staff/system user, profiles are deactivated on the same business day.

Actual/Estimated Date of Corrective Action: **Completed -- January 4, 2023."**