

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



ITEM: 2.7
(ID # 23954)

MEETING DATE:
Tuesday, January 23, 2024

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2024-319: Riverside County Housing and Workforce Solutions, Follow-up Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2024-319: Riverside County Housing and Workforce Solutions, Follow-up Audit

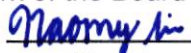
ACTION: Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 1/16/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: January 23, 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**

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: [CEO use]

BACKGROUND:

Summary

We completed a follow-up audit of Riverside County Housing and Workforce Solutions. Our audit was limited to reviewing actions taken as of August 18, 2023, to correct findings noted in our original audit report 2023-006 dated February 28, 2023. The original audit report contained six recommendations, all of which required implementation to help correct the reported findings.

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

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

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2023-006 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 2024-319: Riverside County Housing and Workforce Solutions, Follow-up Audit.



Office of Ben J. Benoit
Riverside County Auditor-Controller

Internal Audit Report

2024-319

Follow-up

6 Recommendations

- ✓ 5 Implemented
- ▶ 0 Partially Implemented
- ✗ 1 Not Implemented



Riverside County Housing and Workforce Solutions, Follow-up Audit

January 23, 2024



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

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

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P.O. Box 1326
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951-955-3800



January 23, 2024

Heidi Marshall
Director of Housing and Workforce Solutions
Riverside County Housing and Workforce Solutions
3403 Tenth Street, Suite 300
Riverside, CA 92401

**Subject: Internal Audit Report 2024-319: Riverside County Housing and Workforce Solutions,
Follow-up Audit**

Dear Ms. Marshall:

We completed the follow-up audit of Riverside County Housing and Workforce Solutions. Our audit was limited to reviewing actions taken as of August 18, 2023, to help correct the findings noted in our original audit report 2023-006 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 six recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the six recommendations:

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



Internal Audit Report 2024-319: Riverside County Housing and Workforce Solutions, Follow-up Audit

Summary of the conditions from the original audit and the results of our review on the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2023-006 included as "Attachment A" of this audit report along with your department status letter as "Attachment B." You can also find the original audit report at <https://auditorcontroller.org/divisions/internal-audit/reports>.

We thank you and your staff for the help and cooperation. The assistance provided contributed significantly to the successful completion of this audit.

Ben J. Benoit
Riverside County Auditor-Controller

By: René Casillas, CPA, CRMA
Deputy Auditor-Controller

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



Internal Audit Report 2024-319: Riverside County Housing and Workforce Solutions,
Follow-up Audit

Table of Contents

	Page
Results:	
Rental Assistance Program	4
System Access Controls	5
 Attachments:	
A. Internal Audit Report 2023-006	
B. Status of Findings as Reported by Riverside County Housing and Workforce Solutions on August 18, 2023.	



Internal Audit Report 2024-319: Riverside County Housing and Workforce Solutions,
Follow-up Audit

Rental Assistance Program

Finding 1: Internal Controls over Rental Assistance Program

“Rental assistance provider application approvals were not consistently reviewed and documented. We identified 23 out of 60 (38%) sampled applications that were not evidence with an approval signature and date by provider management. Standard Practice Manual 1001, *Internal Controls*, states, ‘County departments and agencies shall establish, document and maintain an effective system of internal control and control principles of authorization and approval that transactions are authorized by a person assigned approval authority.’ Policies and procedures requiring the provider to include documentation of approval are not documented. Documentation of approvals assists county departments in monitoring the providers’ responsibilities and provides accountability for transactions and events. Proper approval of applications and related transactions ensures that activities meet established guidelines and objectives.”

Recommendation 1.1

“Establish policies and procedures that require service providers to document approvals and approval dates over rental assistance applications.”

Current Status 1.1: Implemented

Recommendation 1.2

“Ensure service providers with approval responsibilities are documenting rental assistance application approvals in accordance with Standard Practice Manual 1001, *Internal Controls*.”

Current Status 1.2: Implemented



Internal Audit Report 2024-319: Riverside County Housing and Workforce Solutions, Follow-up Audit

System Access Controls

Finding 2: Monitoring of Access Rights Termination

“For system applications not linked to Active Directory, Housing and Workforce Solutions does not track the date in which user access was requested to be terminated from a third-party managed system or when account terminations were performed by department personnel. During our review of the Homeless Management Information System (HMIS) managed by a third party, we were unable to determine when a request was submitted to have access rights terminated. In addition, we were unable to determine whether access rights were terminated in a timely manner for Housing Authority’s HUD Security System managed by the 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.’ Housing and Workforce Solutions does not have a process to document when requests are submitted to the third-party to terminate access to Homeless Management Information System. Furthermore, HUD Security System lacks the capability to timestamp or track when account access rights were terminated. Monitoring account termination requests and account terminations helps ensure that account deactivations are carried out properly and in a timely manner and assists management in preventing unauthorized access to application systems that might contain sensitive and critical data. Additionally, monitoring account terminations assists management in identifying areas where additional improvement or training is needed as it relates to access right terminations.”

Recommendation 2.1

“Develop a process to monitor and document account deactivation request dates from non-department managed systems to ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*.”

Current Status 2.1: Implemented

Recommendation 2.2

“Develop a process to monitor and document account deactivation dates from department managed systems to ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*.”

Current Status 2.2: Implemented



Internal Audit Report 2024-319: Riverside County Housing and Workforce Solutions, Follow-up Audit

Finding 3: Timely Termination of Active Directory Accounts

“Active Directory access rights were not terminated in a timely manner (within 24 hours) upon employees’ termination or transfer from the department. During the review of system access rights, the following discrepancies were noted:

- Seven out of a total of 15 (47%) sampled employees did not have their Active Directory account termination requests created and approved in a timely manner (within 24 hours). The average days lapsed was 120 days, with the longest taking 267 days and the shortest taking 6 days.
- Three employees out of 47 (6%) employees no longer with the department continue to have active user accounts 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.’ Requests and approvals to disable Active Directory accounts are not created and approved in a timely manner after employees are terminated or transferred from the department. Housing and Workforce Solutions does not have formal, written policies and procedures that ensure user accounts for terminated or transferred employees are to be disabled or removed on the day of termination or transfer. When an account is not closed immediately after employment has ended, there is a security risk to the information maintained in the systems used by the department. Maintaining active directory access rights open after employment has ended exposes the department to risks where information maintained in department systems can be continuously accessed by individuals who no longer have right or need to know. Depending on the sensitivity of the information maintained by department systems, it can create administrative issues and financially impact the county if held liable.”

Recommendation 3.1

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



Internal Audit Report 2024-319: Riverside County Housing and Workforce Solutions, Follow-up Audit

Current Status 3.1: Not Implemented

Fifteen out of thirty-four former employees (44%) did not have their Active Directory accounts terminated in a timely manner (within 24 hours). The average days lapsed was 14 days, with the longest taking 114 days to terminate and the shortest taking 2 days.

Management's Response:

"HWS administration has determined that the existing practice and procedure of assigning the responsibility for terminating Active Directory accounts to the manager of the departing employee has not been effective, as evidenced by the results of this follow-up audit. Going forward, the procedure will be changed and the HWS HR team will initiate all Active Directory termination requests to ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1."

Recommendation 3.2

"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 3.2: Implemented