



Follow-Up on Open Internal Audit Observations

Internal Audit

June 2017

Bernalillo County Internal Audit Follow-Up on Open Internal Audit Observations

Table of Contents

	<u>Page</u>
INTRODUCTION	1
PURPOSE AND OBJECTIVES	1
SCOPE AND PROCEDURES PERFORMED	1
SUMMARY OF UNRESOLVED PRIOR AUDIT OBSERVATIONS	3
APPENDIX A—SUMMARY OF RESOLVED INTERNAL AUDIT OBSERVATIONS	13

Bernalillo County Internal Audit Follow-Up on Open Internal Audit Observations Report

INTRODUCTION

We performed the internal audit services described below solely to assist Bernalillo County in evaluating whether open internal audit observations issued through February 2017 had been resolved. We also updated the master observation list “Matrix” that includes a plan of action, the person responsible for the plan of action, and the planned date of completion, if available. This master observation list will assist the County in tracking the status of each internal audit observation. Our services were conducted in accordance with the Consulting Standards issued by the American Institute of Certified Public Accountants, Generally Accepted Government Auditing Standards, and the terms of our contract agreement for internal audit services. Since our procedures were applied to samples of transactions and processes, it is possible that significant issues related to the areas tested may not have been identified.

PURPOSE AND OBJECTIVES

Our follow-up on open internal audit observations was performed in response to management and the Audit Committee’s interest in whether previous moderate to high risk internal audit observations had been resolved. We assessed the current status of each observation.

The follow-up internal audit was not intended to be a complete re-audit of the departments and functions; therefore, our procedures were limited in scope compared to the procedures that would be performed in a full internal audit of each department or function. Processes were analyzed to determine if adequate corrective actions were implemented to resolve the observation and small samples were selected to determine if certain new processes were properly implemented.

SCOPE AND PROCEDURES PERFORMED

In order to follow-up on the observations to determine if each had been resolved, we interviewed a number of County employees and performed the following procedures:

- Obtained the observation Matrix from County Accounting;
- Compared the Matrix to the prior year’s Matrix to ensure that all observations were included and also assessed observations from internal audits performed after the prior year’s Matrix was completed;

- Read relevant County policies and procedures;
- Performed walk-throughs of various systems;
- Tested various departmental reports;
- Classified each observation as resolved or unresolved; and,
- Provided County Accounting with the updated Matrix.

Summary by department of resolved and unresolved observations:

Audit Area	Number of observations resolved	Number of observations unresolved
Accounts Payable and Contract Monitoring	0	2
Animal Care Services	1	0
Community Custody Program	0	1
Fleet/Facilities Management	0	1
Grant Initiation and Approval Process	0	1
Human Resources	0	5
Information Technology	4	1
Metropolitan Detention Center	2	4
Memorandum of Understanding	0	3
Records and Management	1	1
Risk Management	0	4
Sheriff's Office	0	4
SAP Segregation of Duties	1	3
Total	9	30

Summary by fiscal year of resolved and unresolved observations:

Fiscal Year	Number of observations resolved	Number of observations unresolved
2013	3	2
2014	0	1
2015	4	9
2016	2	6
2017	0	12
Total	9	30

SUMMARY OF UNRESOLVED PRIOR AUDIT OBSERVATIONS

There were a total of 39 open high to moderate risk internal audit observations outstanding from 2012 through February 2017, nine of which were resolved during this audit (see Appendix A). We have included a summary of the remaining unresolved internal audit observations below, with a description of the follow-up testwork performed, and with updated management responses to the outstanding observation.

August 2012 Records Management and Public Information

Email record retention—“The County did not have an email record retention policy and email accounts of former key employees were permanently deleted after 180 days. Additionally, the State Records Center and Archives was not notified at least 60 days prior to deletion as required by statute. As a result, some email records that should be considered public record were not maintained in accordance state requirements.”

Risk Level—High

Status: Unresolved—Management stated resolution of this observation is in progress.

Updated Response from Management as of June 2017—IT is maintaining all disabled email accounts. IT is working on creating an email policy but does not have an expected completion date at this time.

April 2013 Metropolitan Detention Center

Initial background checks—“MDC Policy 3.11 governing background checks was not consistently followed. Additionally, MDC Policy 20.01 had conflicting language as it related to screening and selection of volunteers.”

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of June 2017—With the change in Jail Administrator, the background check procedure has been revised and is currently pending approval. The background check criteria will be updated in the new policy. There was no expected date of completion for this observation at this time.

September 2013 Community Custody Program

Forms and signatures—“There are various forms that are required to be completed and approved throughout the inmates’ time in the Community Custody Program (CCP). Many of the required forms were often missing from the inmates’ files. Additionally, there were many versions of forms in use, and newer versions of the same forms not in use. Different files from the same period of time used different versions of the same form.”

Risk Level—High

Status: Unresolved—All requested documentation was not provided to re-test this observation. This will be tested during the FY 2018 follow-up internal audit.

Updated Response from Management as of June 2017—Policy revisions have been suggested and resubmitted. The Policy, CCP23.00, is in the final stages of routing through the PowerDMX system for final approval.

September 2014 Metropolitan Detention Center—Timekeeping and Scheduling

Time coding and documentation—“MDC Personnel Policy Recording Time Worked states documentation and submission requirements including the employee’s responsibility for accuracy of time worked and approval from their supervisor.”

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of June 2017—Workforce Management is still in the process of working to have the Kronos system implemented. Management does not currently have an estimate for completion date.

Leave notification and coding requirements—“Employees were not consistently notifying MDC timely, or at all, for a leave of absence. Additionally, there were multiple leave with pay coding errors. Sufficient notice should be given for all leave of absences to ensure MDC can properly fill vacancies. MDC should consider monitoring these absences and implementing consequences for employees who repeatedly violate the policy.”

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of June 2017—Workforce Management is communicating with the MDC Timekeepers with a documented email and is keeping track with a monthly bereavement tracking spreadsheet. However, due to budget restraints WFM is not a 24-hour operation nor fully staffed. There is not a time form if/when this will occur.

Roster change timelines and accuracy—“Roster changes were not completed accurately or timely. MDC should implement a process to monitor roster changes and continue to perform periodic audits of roster changes to ensure that changes made are appropriate or consider centralizing the process to strengthen controls.”

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of June 2017—WFM has not configured the system to restrict access, and have not received confirmation that the employees were notified of their access being removed and the new processes to make changes. Management does not currently have an estimate for completion date.

December 2014 Information Technology

Data storage—“AI IT09 Desktop/Laptop Usage Guidelines requires that all sensitive or critical data is stored on network servers. From the results of our workstation testing it is apparent that some users store County data on their local desktops/laptops. Laptops are not encrypted. Loss of a laptops could result in sensitive data stored locally being lost or compromised. Users should receive training on the importance of storing County data on network drives. Laptop hard drives should be encrypted.”

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of March 2017—IT Security added information in the new employee orientation that emphasizes the importance of storing County data on the network. This will also be included in the required employee security training pushed out by the HR Learning Management System. The required training has not yet been pushed out in myBLC but it will be pushed by July 2017.

March 2015 Public Works Fleet Management

Monitoring of fuel consumption—“The Fleet department prepares quarterly reports and provides those to departments; however, there was no process to track or investigate unusual fuel activity or trends. Additionally, 14 of the 22 vehicles tested from the Fuel Usage report had mileage entry errors.”

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of March 2017—Quarterly fuel use reports are being sent to departments. Directors are providing feedback to quarterly fuel usage that change by 10% over the previous FY quarter period. The administrative instruction for fuel management and reporting will be completed by July 2017.

March 2015 Sheriff’s Office Inventory and Training

Inventory tracking—“The Sheriff’s Office does not have a process in place to track inventory in the warehouse in a way to prevent theft or loss. There was no inventory count performed in calendar year 2014. An inventory tracking system should be created and policies and procedures updated to ensure that all inventory is tracked.”

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of March 2017—The Sheriff’s Department hired a second Inventory Tech who has been trained on the new Inventory System, Quartermaster. They are in the process of completing the annual inventory, and are still in process of transferring all the data from the old system into Quartermaster. The expected date of completion of the

information transfer is October 2017. The Department is also working on scheduling training for the Radio Shops and Range personnel who will be using the Quarter Master system as well. Additionally, they will be moving their Inventory Section to 2400 Broadway SE. It is estimated that the transferring of data both current and historic, and the training of others should be completed by November 2017.

Firearm tracking—“There were discrepancies in the firearms maintained and the inventory listings. All firearms were subsequently located by the department. Additionally, the process to track and organize firearms does not appear to be adequate. A physical count at the armory should be performed to ensure all firearms are tracked on the listing including the serial number and/or tag number.”

Risk Level—High

Status: Unresolved—REDW requested the physical inventory counts performed for FY 2016 and FY 2017; however, documentation was not maintained or provided to resolve the observation.

Updated Response from Management as of June 2017—A written policy is in the works and should be completed by August 2017.

Firearm qualifications—“Instances were identified where deputies were carrying firearms they had not qualified with, or had qualified with firearms that were not tracked on inventory. The armory should implement a process to allow for accurate monitoring of firearms (personal or department issued) that deputies are carrying on duty.”

Risk Level—High

Status: Unresolved—REDW requested five deputy inventory sheets and the qualification cards. We found one instance where the weapons included on the deputy inventory sheets did not match the qualification cards. Therefore, we will consider this unresolved as it does not appear that there is a comparison done to ensure all weapons are qualified.

Updated Response from Management as of July 2017—The Sheriff’s department has created a policy to reconcile qualification cards to personal inventory during the 1st quarter of each year. This process will be implemented starting Q1 FY 2018.

Assignment of inventory—“Discrepancies were identified between the personnel inventory sheet when compared to the inventory system and the inventory in the possession of the deputies. BCSO should create a process that requires the transfer in/out forms to be utilized and the system updated on a regular basis in order to accurately track the inventory items.”

Risk Level—Moderate

Status: Unresolved—REDW requested the inventory counts performed for FY 2016 and FY 2017; however, documentation to clear this observation was not provided.

Updated Response from Management as of March 2017—This observation will be resolved with the implementation of the Quartermaster system. Estimated completion is October 2017.

April 2016 Finance Grant Initiation and Approval Process

Grant approval tracking process—“The Grant Administrator emails out grant opportunities to departments as they are identified; however, there is not tracking process in place to gather all these opportunities and determine which were relevant to the department, which were further pursued, or if funding was received. Without a tracking process it is unclear what action was taken based on the efforts of the Grant Administrator, and based on discussions this correspondence was not fully utilized.”

Risk Level—High/Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of March 2017—The Grant Administrator distributes the Weekly Grant Opportunity Report on a weekly basis to management. In addition, an Applied vs. Awarded Report is distributed on a quarterly basis. Additionally, the Grant Administrator serves as an eCivis end-user and has set-up two other individuals as end-users to perform grant opportunity search. eCivis end-users are currently using the list of grant search criteria from various departments to identify nonrecurring grants in both federal and private sectors. Finally, the Grant HUB Committee amended AI SG01 Grants. The flow charts are pending revision upon completion of the AI SG01 training (to ensure that all changes are captured).

Target completion date for AI SGOI Training is June 30, 2017.

April 2016 Accounts Payable and Contract Monitoring

Outdated vendor information—“Approved vendors are maintained in the SAP system and supporting documentation should be maintained to validate vendor information. It was identified that many of the vendors included in the Vendor Listing did not have the required Vendor Master Form on file as they were utilized prior to the SAP system being implemented. Additionally, the Vendor Master Form was not utilized at that time.”

Risk Level—Moderate

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of March 2017—ERP is currently working on the submitted ERP request forms to address the audit findings. The active/inactive vender customized report is nearing completion and should be in place well before the end of this fiscal year. Upon completion of the Active/Inactive Vender customized report, ERP will begin meeting with AP to determine the process of Vender Archival based on report information in conjunction with an approved process between ERP and AP. Once a process is established, ERP will then be able to determine development time required to fulfill the Vendor Archival process. The completion date is dependent upon ERP priorities and resource availability.

Payment amount does not agree to contract—“Departments are responsible for ensuring that vendors are accurately charging the County in accordance with the contract. However, during our test work there were several invoices with amounts charged that did not agree to the contracted rates for goods/services.”

Risk Level—High

*Status: Unresolved—*REDW requested documentation to validate the contract training session had occurred in FY 2017; however, the training had not yet been performed.

*Updated Response from Management as of June 2017—*Contract training will be held by Procurement and Business Services (PBS) in Fiscal Year 2018 with contract liaisons and users that create shopping carts and pay invoices (Goods and Services Recipients).

May 2016 SAP Segregation of Duties

Monitoring responsibilities not identified—“The department is not performing monitoring controls and there was confusion over where the responsibility was for the continued monitoring of the SOD risks.”

Risk Level—High

*Status: Unresolved—*Management stated resolution of this observation was in progress.

*Updated Response from Management as of March 2017—*The Department has completed 75% of User Access review and 75% of segregation of duties review. Additionally, the new role realignment that began in November 2016 is still in process. This focuses on removing all risks from user roles and creating firefighter roles with more concentrated focus. This effort is scheduled to finish by December 2017.

Inappropriate access for support roles—“There is no review process in place to ensure that the access granted to the Business Support Analysts is appropriate. All Business Support Analyst roles tested did not have appropriate access for the job responsibilities and back-up duties assigned.”

Risk Level—High

*Status: Unresolved—*Management stated resolution of this observation was in progress.

*Updated Response from Management as of March 2017—*A new role realignment began in November 2016, and is still in process. This focuses on removing all risks from user roles and creating firefighter roles with more concentrated focus. This effort is scheduled to finish by December 2017.

Risks identified did not follow action plan—“Critical and High risks within SAP were evaluated and mitigated by ERP. Based on this evaluation, an action plan was created to update the roles and assign manual mitigating controls to address the identified risks. While all roles selected for testing had been evaluated by the ERP team, our testing determined several roles had not completed the action plan defined by ERP. Our testing further determined that there was no comprehensive process in place to monitor the mitigation status of each role such as no defined timeline for completion of this process.”

Risk Level—High

Status: Unresolved—Management stated resolution of this observation was in progress.

Updated Response from Management as of March 2017—A new role realignment began in November 2016, and is still in process. This focuses on removing all risks from user roles and creating firefighter roles with more concentrated focus. This effort is scheduled to finish by December 2017.

August 2016 Human Resources

Overtime approval process is not being followed—“Rules and Regs require that when an employee is intending to work overtime, they must obtain written approval prior to performing the overtime duties.”

Risk Level—Moderate

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing we determined the status to be unresolved as it is too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

General IT policies and procedures over user access was not being followed—“The HR department has elected to keep an in-house IT staff to perform administrative duties for the HR system, Empath. These responsibilities include granting user’s access to Empath and monitoring changes to the Empath system. Based on our observations and inquires with the HR IT department, the general IT policies for the County are not being consistently followed.”

Risk Level—High

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

Lack of workforce management policies—“The Workforce Management (WFM) group was established to centralize public safety overtime requests. Since the group was established, the WFM group now consists of eight employees and has primarily focused on performing various monitoring procedures over MDC labor issues, as well as performing data analytics over labor statistics. There were no formal policies and procedures and no formal reporting requirements for the WFM group.”

Risk Level—High

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

Detail self-insurance invoices were not reviewed—“The contracts with the medical insurance providers indicate that the County is responsible for reviewing the detail of claims and ensuring the payment amounts are appropriate. Our testing determined that the County was not reviewing the invoice detail to ensure the invoice included only covered members.”

Risk Level—High

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing we determined the status to be unresolved as it is too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

Inaccurate tracking of leave without pay—“Employees are required to pay back the County for any missed deductions while the employee was on leave without pay. These amounts are manually tracked on a spreadsheet including the benefit payments due and received from employees. Our testing identified that there was not policy or consistent process for determining the amount of deduction from an employee’s payroll once they have returned to work.”

Risk Level—High

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

November 2016 Risk Management

Worker’s compensations payments were not supported by original claim support—“Worker’s compensation claims are submitted to Risk Management by the employee filing the claim. Claims Specialist at Risk Management are responsible for inputting the worker’s compensation information into Labor Soft and verifying the claim is supported. 15 of 120 worker’s compensation claims were not included in Labor Soft. Additionally, 1 of those 15 claims did not have any supporting detail to ensure the claim was truly a County worker’s compensation claim.”

Risk Level—Moderate

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

No evidence of back-ups for key roles or department cross-training employees—“A back-up employee should be designated and trained to ensure there is a continuity of these business processes in the event an employee is unable to perform their job responsibilities. Our testing determined that 4 of 4 employees interviewed did not have assigned back-ups who could perform

key responsibilities if needed. Additionally, there were no cross-training initiatives implemented to ensure business continuity throughout the department.”

Risk Level—Moderate

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

Invoice detail was not sufficient for tort claims—“Invoices approved for payment should provide adequate detail to allow the approver to determine if the amounts requested are reasonable for the services received on the claim. Our testing determined that 25 of 25 tort payments tested did not have appropriate documentation from NMAC prior to review and approval of the payment.”

Risk Level—High

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

Labor soft data was incomplete—“Risk Management utilizes Labor Soft to track worker’s compensation and 1st party auto and property claims for the County. The information in Labor Soft includes a combination of manual entries made by claims analysts at Risk Management during claim initiation, and updated payment information received from NMAC. Labor Soft should accurately reflect the claim information for worker’s compensation and 1st party auto and property.”

Risk Level—High

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

November 2016 Memorandum of Understanding

Lack of guidance for MOU/IGA initiation and monitoring—“Section 11-Contracts of the procurement document does not specifically address initiating or monitoring the County’s MOU/IGA agreements. Additionally, based on discussions with various County departments, there did not appear to be a consistent process for determining when a Mou versus an IGA should be used.”

Risk Level—Moderate

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

Compliance was not consistently monitored—“Each County department is responsible for monitoring the compliance of each agreement initiated or used by that department. Currently, there are not consistent processes followed by departments for initiating and monitoring these agreements..”

Risk Level—Moderate

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

MOU/IGA listing was incomplete—“According to Section 11-Contracts of the Purchasing and Contracting Guidelines, all contracts, including MOU/IGAs, must be routed through Procurement. Procurement is then responsible for maintaining these agreements within the Oracle database. We tested nine departments which had a total of 247 agreements on the active listing. Our testing identified 46% (113 agreements) were no longer active and should have been terminated in the system. Additionally, 9% (23 agreements) were unable to be identified by the department as active or terminated.”

Risk Level—Moderate

Status: Unresolved—Observation was identified during FY 2017 internal audit cycle. As of our follow-up testing, we determined the status to be unresolved as it was too soon for testing.

Updated Response from Management as of March 2017—Audit was approved in February 2017. It is too soon for updated response.

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This report is intended for the information and use of Bernalillo County management, the audit committee, members of the Board of Commissioners of Bernalillo County, and others within the organization. However, this report is a matter of public record, and once accepted its distribution is not limited.

REDW LLC

Albuquerque, New Mexico
July 10, 2017

APPENDIX A—SUMMARY OF RESOLVED INTERNAL AUDIT OBSERVATIONS

August 2012 Records Management and Public Information

Records Management Policies—“The County did not have formal records management policies and as a result records across the County were not always managed consistently and effectively.”

Risk Level—High

Status: Resolved—Follow-up test work was performed in May 2017. We obtained the Records Management policies and procedures and the AI RM-10 for the General Service Division Records Management, and determined that the policies appeared to address the issues identified in the observation. Additionally, Records Management implemented training and published a Records Manual on the Counties intranet site.

April 2013 Animal Care Complaint Process

Noncompliance with Policies and Procedures—“Policies and procedures were not followed consistently, and the ZACS database was not properly utilized to track and report complaints received.”

Risk Level—High

Status: Resolved—Follow-up test work was performed in May 2017. We obtained the Department of Animal Care Services Dispatch Manual, updated September 2016. Additionally, we obtained the “Activity Statistics and Response Times” for complaints logged between January 2017 and April 2017. The log showed the response time for each priority level, which were all in acceptable ranges. Additionally, Animal Care had continued training efforts to ensure appropriate coding and response times were maintained. As Animal Care was monitoring response times and providing training to ensure policies are followed we will consider this observation resolved.

April 2013 Information Technology—Strategic Plan

Some Initiatives Not Completed Timely—“Target completion dates are important in order to monitor the status of the initiatives in the Plan and the Plan as a whole. The IT Strategic Plan lists target completion dates for the various initiatives. Three of the 12 initiatives tested with target completion dates prior to the audit date were not yet completed. Two of the three had been started and one had not.”

Risk Level—Moderate

Status: Resolved—Follow-up testwork was performed in May 2017. We obtained the updated version of the IT Strategic Plan, which addressed critical target dates for projects.

September 2014 Metropolitan Detention Center—Timekeeping and Scheduling

Shift exchanges and payment for time worked—“The shift exchange process was not paying employees for their actual time worked. MDC should consider revising the policy to pay and provide benefits to each employee for actual time worked.”

Risk Level—High

Status: Resolved—Follow-up test work was performed in May 2017. We obtained the MDC Personnel Policy (PER3.23), which was modified to address the approval of shift exchanges. As the LRM group was monitoring shift exchanges, and a policy had been implemented, we will consider this observation resolved.

December 2014 Information Technology

IT disaster recovery plan—“The County does not have a formal, written IT disaster recovery plan or policy. There is no IT disaster recovery strategy other than recovery from backups. A business impact analysis (BIA) was performed several years ago to determine the criticality of data, applications and systems, and to determine recovery time objectives (RTO) and recovery point objectives (RPO) for systems and data. The BIA needs to be updated. Servers and data were being backed up nightly to removable media and the media was stored in a secure off-site facility for 90 days, which is what is required by County Legal. The County should develop and implement an IT DRP as soon as it is practically possible. A business impact analysis should be done as the first step of this process to identify critical applications, functions and processes and determine recovery time and point objectives.”

Risk Level—High

Status: Resolved—Follow-up test work was performed in May 2017. The IT Department developed and implemented a Disaster Recovery Plan policy and a Business Impact Analysis. The Plan includes testing and maintenance and a desktop exercise was completed in February 2017.

Removable media security—“Administrative Instruction IT12 addresses controls over removable media. Removable media includes flash memory devices such as USB thumb drives, cameras, MP3 players, removable hard drives (including hard drive-based MP3 players), optical disks such as CD/DVD disks, and floppy disks. Of particular concern are USB thumb drives and other USB storage devices. These are considered by security experts and the Federal Bureau of Investigation (FBI) to be one of the greatest risks to network and data security. AI IT12 states that users are only allowed to use removable media purchased by the County IT Department. From interviews with IT personnel, they tell users that USB drives are prohibited. The County should consider implementing automated preventive controls over the use of USB flash drives. These automated controls can be configured to block the use of USB flash drives or automatically encrypt them if they are not encrypted.”

Risk Level—High

Status: Resolved—Follow-up test work was performed in May 2017. The IT Department conducted a risk assessment over removable media. Additionally, AI IT-12 was being enforced through IT Security Training, automatic updates of Trend Office (malware scanner on removable media), and authorization of IT to approve certain types of removable media.

User access control policies and procedures—“There is not a formal documented user access control policy. IT implemented a new Technology Request Form (TRF) and procedure in July 2014. This procedure is documented and addresses how users receive access to the network and applications, how access is changed, and how access is removed when they are no longer employed by the County.

From interviews with IT personnel and the results of our test work it appears that the process for termination of user access does not always work as it is supposed to and IT is not always informed in a timely manner of users leaving employment. The County should develop a formal User Access Control Policy that addresses current practices and ensure that the user access termination procedures are communicated throughout the organization and enforced.”

Risk Level—Moderate

Status: Resolved—Follow-up test work was performed in May 2017. We obtained the formal New User Access Procedure, Disable Network Account Procedure, and Administrative Instruction IT06. Information Technology was able to develop these formal polices and they were being enforced.

November 2015 MDC Budget Preparation and Monitoring

Overall Budget Process—“The budget should be created with significant input from the members of management responsible for operational decisions that incur costs or encumber resources and those individuals should be properly trained, should have access to tools that allow them to monitor budget performance and should be held accountable for that performance. Based on inquiries of four Captains and one Assistant Chief (AC), there is not a consistent understanding of how the budget is created, approved or monitored nor is there adequate communication regarding the final approved budget or each cost center’s performance relative to the established budget.”

Risk Level—High

Status: Resolved—Follow-up test work was performed in May 2017. We obtained the Outlook invitations, showing the appropriate individuals were included, and accepted the meeting requests for the monthly and quarterly budget meeting. We corroborated the meeting requests through inquiries with MDC personnel to ensure the meetings were occurring as intended.

May 2016 SAP Segregation of Duties

User Access Review not performed—“There is currently no review process performed at the department level to determine users within their group have appropriate access.”

Risk Level—Moderate

Status: Resolved—Follow-up testwork was performed in May 2017. We obtained a User Access list of employees who have not logged on to the SAP system since 2008 and were not in use. We noted that all users that had not logged on in over 180 days were removed. Based on this report, it appeared that ERP was properly reviewing employee's access in SAP.