

CINDY STUART



Clerk of Court & Comptroller  
13th Judicial Circuit

**BOCC STATUS  
REPORT**

COUNTY AUDIT DEPARTMENT

REPORT # 397

JUNE 24, 2021

The Honorable Pat Kemp, Chairman  
The Honorable Harry Cohen  
The Honorable Ken Hagan  
The Honorable Gwen Myers  
The Honorable Kimberly Overman  
The Honorable Mariella Smith  
The Honorable Stacy R. White



JUNE 24, 2021

Dear Chairman Kemp and Commissioners:

The County Audit Department operates in compliance with the standards set forth in the International Professional Practices Framework as well as Government Auditing Standards. These standards require that County Audit communicate the results of audit engagements to the appropriate parties and monitor the action taken by management in response to any audit recommendation.

Attached is a report on the status of all management corrective action plans as of the end of the second quarter of fiscal year 2021. A status report was not issued for the first quarter of the year so those updates are also included in this report.

During the first and second quarter, County Audit monitored management action for twenty-two (22) recommendations originally included in audit reports.

- Fourteen (14) recommendations were implemented and tracking has been closed.
- The remaining eight (8) carried forward to the third quarter of fiscal year 2021.

In addition to routine audits, the County Audit Department also performs advisory services, management assistance projects and continuous monitoring. The results for these projects are not issued as an audit report but are instead communicated in memos to the appropriate County Executive Team members. Results memos issued during the first and second quarter have been attached for your review. Several additional memos were also issued for the CARES Act monitoring during this period and will be communicated in a separate report.

I appreciate this opportunity to be of service to the Board of County Commissioners. I am happy to address any questions that you may have or furnish additional information if desired.

Sincerely,

*Heidi Pinner*

**Together, we will get to YES!**

Heidi Pinner, CIA CISA CFE CRMA  
Chief Audit Executive  
Clerk of Court & Comptroller

CC: Bonnie Wise, County Administrator  
Greg Horwedel, Deputy County Administrator  
Ron Barton, Assistant County Administrator, Economic Prosperity  
Tom Fesler, County Financial Administrator  
Ramin Kouzehkanani, Chief Information and Innovation Officer  
George Cassady, Assistant County Administrator, Public Utilities  
Adam Gormly, Director, Development Services  
Lindsey Kimball, Director, Economic Development  
Ivey Martin, Director, Human Resources  
Kevin Brickey, Director, Management & Budget  
Scott Stromer, Director, Procurement  
Kimberly Byer, Director, Solid Waste Division  
Debbie Benavidez, Director, Enterprise Solutions & Quality Assurance

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*Follow-up activities and management communications are presented for each executive team member.*

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*There were no open recommendations or audit activities for this area.*

<b>DEPUTY COUNTY ADMINISTRATOR</b>	<b>1</b>
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<b>CHIEF FINANCIAL ADMINISTRATOR</b>	<b>2</b>
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<b>GOVERNMENT RELATIONS &amp; STRATEGIC SERVICES</b>	<b>NA</b>
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*There were no open recommendations or audit activities for this area.*

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## DEPUTY COUNTY ADMINISTRATOR

### RECOMMENDATIONS CLOSED 3

<b>DEVELOPMENT SERVICES</b>	<i>WARRANTY BOND RELEASE PROCESS</i>	<b>REPORT #372</b>
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 Coordinate the release of all outstanding expired warranty bonds back to the corresponding developer by partnering with Board Records and County Finance.

Implemented February 2021

 Create a formal policy for the complete process of warranty bonds, including all roles and responsibilities as well as the steps to be followed by each of the departments involved in the process.

Implemented October 2020

 Establish a centralized system or repository of warranty bond information that is accessible to all those involved in the warranty inspection process prior to warranty bond expiration.

Implemented November 2020

### UPCOMING AUDIT ACTIVITIES

<b>DEVELOPMENT SERVICES</b>	<i>Contractor Licensing Controls</i>	In Process
<b>MEDICAL EXAMINER</b>	<i>Management of Outsourced Services</i>	Postponed
<b>PUBLIC WORKS</b>	<i>Management of Outsourced Services</i>	Planned – Q4

### RESULTS MEMOS ISSUED

<b>PARKS &amp; RECREATION</b>	<i>Periodic IT System Access Review (RecTrac)</i>	<b>See Appendix</b>
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**CHIEF FINANCIAL ADMINISTRATOR**

**OPEN RECOMMENDATIONS 8**

**HUMAN RESOURCES      DEPENDENT BENEFITS ELIGIBILITY      REPORT #380**

- ✚ Ensure that the verification, review and maintenance of dependent eligibility is performed consistently for all agencies within the County Healthcare Benefits Plan. This could be accomplished by formalizing a plan-wide process and procedure or through periodic monitoring of other agency records.

Original Implementation Estimate: 12/31/2020

**MANAGEMENT UPDATE:** *Per client, because of emergency operations related to COVID-19 since March 2020, it was necessary to push the target timeframe for presentation of an updated Amendment to the Interlocal Agreements to April/May 2021. The Countywide Interlocal Agreements with participating agencies, whose own HR Department administers the County’s Health Plan for its employees/retirees will consist of drafting, negotiating (if necessary) with the agencies, signing and presenting to the BOCC for approval. The Amendment will include updated language regarding monitoring agency records of covered dependent supporting documentation.*

**MANAGEMENT & BUDGET      DEPARTMENTAL USER FEES      REPORT #394**

- ✚ Review the specific fee discrepancies found by the Audit Team and make any necessary corrections and updates to the Departmental User Fees List or other fee listings as applicable.  
Original Implementation Estimate: 04/30/2021
- ✚ Re-assess the need to continue preparing the Departmental User Fees List each year if it is not being used or providing any significant benefit to the County or to the public.  
Original Implementation Estimate: 10/15/2021
- ✚ Work with the departments to require full participation in the annual updating of the Departmental User Fees List.  
Original Implementation Estimate: 03/12/2021
- ✚ Ensure the requirements in Board Policy 03.02.02.09, User Fees and Cost Recovery, are being met; or initiate a Board meeting agenda item to update the Board policy to match current operational practices; also consider reviewing older fee rates to determine whether or not adjustments are needed for inflation and/or cost recovery goals.  
Original Implementation Estimate: 10/15/2021

**MANAGEMENT UPDATE:** *No updates yet; report was issued March 16, 2021*

<b>PROCUREMENT SERVICES</b>	<b>CONTRACT ESTIMATES &amp; MODIFICATIONS</b>	<b>REPORT #386</b>
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✚ To ensure that contracts and their associated modifications are monitored more closely:

1. Implement a process to periodically monitor and evaluate all contract modifications in the County for appropriateness.
2. Perform a periodic trend analysis to identify patterns or outliers in contract modifications.
3. Provide feedback to department Directors periodically on contracts that appear to be improperly estimated or frequently modified.
4. Ensure that the history of contract modifications is maintained and available for management decision making.
5. Provide training to department managers on contract management best practices.

Original Implementation Estimate: 06/30/2021

**MANAGEMENT UPDATE:** *Procurement is relying on the new Oracle SaaS implementation to address control weaknesses identified in the report. Reportedly, included in the new functionality is the ability to better manage and monitor contracts. The identified deficiencies and subsequent action plans have been shared for the purpose of communicating the gaps and opportunities for improvement. Hopefully the new platform will provide a solution that will avoid much of the required manual compilation of data, which is required in the current platform—absent new programming in the legacy system.*

✚ The Procurement Services Department should meet with department Directors and formalize a contract estimation and monitoring process to ensure accurate estimates and avoid over-spending.

Original Implementation Estimate: 10/01/2020

**MANAGEMENT UPDATE:** *The Procurement Department had planned on creating a contract management team but approximately 10-20% of Procurement work force was reassigned to Emergency Management due to County's COVID response. As result, contract management team has not been established.*

<b>SOLID WASTE</b>	<b>SCALEHOUSE OPERATIONS</b>	<b>REPORT #391</b>
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✚ Work with the Information and Innovation Office (IIO) to implement credit card payment capabilities that are in compliance with Payment Card Industry (PCI) security standards.

Original Implementation Estimate: 10/01/2021

**MANAGEMENT UPDATE:** *Solid Waste is working with Water Resources to use their current contract on an interim basis until a more permanent solution can be obtained.*

**RECOMMENDATIONS CLOSED 11**

**HUMAN RESOURCES      DEPENDENT BENEFITS ELIGIBILITY      REPORT #380**

- ✚ Consider performing periodic re-certifications of dependents eligibility. This process could be on a sample or rotational basis. *Per client, dependent eligibility verification audits will continue to be performed every 3 to 5 years. The last one was performed in 2019.*
- ✚ Review remaining employee files for completeness and obtain supporting documentation for any dependents with missing documentation, including those enrolled prior to April of 1999.
- ✚ Remove any dependents from the healthcare plan whose eligibility cannot be verified and supported.

Implemented and Confirmed: February 2021

**HUMAN RESOURCES      USE OF TEMPORARY STAFFING      REPORT #388**

- ✚ Formalize the contract administration process by developing and implementing monitoring controls to assist in overseeing the agreements and to determine whether or not staffing providers are in compliance with the terms and conditions of agreements.
- ✚ Seek legal remedy for providers who remain non-responsive or non-compliant with contract deliverables.
- ✚ To ensure that temporary staffing is utilized in a cost effective and prudent manner, management should ensure that a cost benefit analysis is performed on temporary staffed positions. This analysis should include both quantitative and qualitative criteria as applicable.

Implemented and Confirmed: March 2021

**SOLID WASTE      SCALEHOUSE OPERATIONS      REPORT #391**

- ✚ Enforce the Solid Waste Management policies for customers on account; or determine if existing requirements are still compatible with operations and update the policies.

Implemented and Confirmed: October 2020

- ✚ Gain more technical understanding and assurances that the transponder system is able to detect when a transponder is swapped from one truck onto another.

CLOSED – Management Accepts Risk

- ✚ Establish and implement a procedure to review all rates that have been updated in CompuWeigh prior to authorizing them for use within the scale houses; implement controls to ensure that all terminated employee accounts are set to view-only mode in a timely manner; and periodically review all user accounts including third-party vendor accounts to ensure they're still current.

- ✚ Review each account to determine whether or not the CompuWeigh (deposit) accounts and supporting documents are complete and accurate; periodically send confirmations to all customers on account informing them of the amount currently on deposit. Work with the customer to resolve any discrepancies, and; develop a formal process and procedure for creating and maintaining customer accounts which includes change controls.

Implemented and Confirmed: January 2021

**ECONOMIC DEVELOPMENT LOCAL INCENTIVE AGREEMENT MONITORING REPORT #374**

- ✚ To enhance the controls over compliance monitoring in future agreements, management should:
  1. Ensure that sufficient evidence is obtained and reviewed to confirm any contract employees used to meet compliance requirements and that contracts are valid for the compliance period being reviewed.
  2. Ensure they are reviewing and validating the accuracy of the formulas used for full time equivalent (FTE) calculations prior to concluding on the compliance review results for the year.
  3. Clarify the definition of FTE for programs or agreements of this nature to specifically indicate what is allowed. This includes defining whether partial FTE amounts are permitted and whether third party contractors are permitted to be included in the FTE calculation.
  4. Ensure that all compliance criteria are included in the annual Compliance Analysis Memo and document what evidence was relied upon to reach the compliance conclusion.
  5. Modify the HR Report to allow for FTE calculations to be done more effectively, once the definition for FTE and average annual employment is clarified. Future compliance periods should use pay periods versus monthly periods, and future governing documents such as ordinances should avoid the use of months versus pay periods.

Implemented and Confirmed: January 2021

**UPCOMING AUDIT ACTIVITIES**

<b>PROCUREMENT DEPARTMENT</b>	Quarterly Procurement Card Monitoring	Ongoing
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**RESULTS MEMOS ISSUED**

<b>PUBLIC UTILITIES</b>	<i>Misc Expense – Garney/Wharton Smith</i>	<b>See Appendix</b>
<b>ECONOMIC DEVELOPMENT</b>	<i>6 CARES Memos</i>	<b>Communicated Separately</b>
<b>AFFORDABLE HOUSING</b>	<i>CARES Day Care Facilities Testing</i>	<b>Communicated Separately</b>

## CHIEF HUMAN SERVICES ADMINISTRATOR

### UPCOMING AUDIT ACTIVITIES

CHILDREN’S SERVICES	<i>Eckerd Youth Svcs- Contract Compliance</i>	Proposed – Q4
HEALTH CARE SERVICES	<i>Indigent Health Care Surtax</i>	In Process

### RESULTS MEMOS ISSUED

6 CARES Memos	Communicated Separately
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## OFFICE OF THE CHIEF INFORMATION & INNOVATION OFFICER

### UPCOMING AUDIT ACTIVITIES

PCI/DSS Compliance currently in process	Issued – 3 <sup>rd</sup> Quarter
Cybersecurity – Topic to be determined	Postponed to 2022

### RESULTS MEMOS ISSUED

ESQA	<i>Delegation of Financial Authority</i>	See Appendix
ESQA	<i>Oracle Receiving Function</i>	See Appendix

# **APPENDIX**

**Management Memos Issued  
October 1, 2020 - March 31, 2021**



**DATE:** November 5, 2020

**TO:** George Cassady, Assistant County Administrator, Public Utilities

**CC:** Lucia Garsys, Deputy County Administrator

**FROM:** Heidi Pinner, Senior Director County Audit

**SUBJECT:** Management Memo # 90 — Miscellaneous Expenditure Reviews – Garney/Wharton-Smith Construction Contract Expenditures

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As part of each annual audit plan, the County Audit Department conducts continuous monitoring for various expenditures throughout the County. The objective of this continuous monitoring is to periodically evaluate whether or not key financial controls are in place and functioning adequately.

As part of this effort, the Audit Team completed a review of expenditures pertaining to the Garney/Wharton-Smith construction contract. This contract relates to the design-build of the Northwest Regional Water Reclamation Facility Expansion. The total amount of this contract, after modifications and change orders, was \$193,175,506. The review included expenditures paid since the Notice-to-Proceed date of April 1, 2016.

### **POTENTIAL RISKS ASSOCIATED WITH THESE EXPENDITURES**

- Improper payments to contractor
- Inaccurate payments
- Lack of management approvals

### **WORK PERFORMED**

The Audit Team identified 54 payments to the contractor and selected a sample of 10 for testing. The value of the expenditures tested was \$36,519,998. This testing included:

1. Identifying specific requirements and/or deliverables stipulated in the agreement.
2. Reviewed supporting documentation from OnBase for each expenditure in the selected sample of expenditures.
3. Tested supporting documentation for the following attributes:
  - The Application for Payment was submitted with a payment request as per Section 8.5.1 of the agreement and/or first modification.
  - Application for Payment was completed accurately and signed by the Design-Builder (Garney/Wharton-Smith).
  - Application for Payment was reviewed and approved by designated County employee, as evidenced by signature on the Application for Payment.



- Proper retainage amount was withheld as per Section 8.7.1 of the agreement and/or Section 8.5.1 of the first modification.
- Subcontractor's Statement of Satisfaction was submitted with payment request as per Section 8.2.1 of the agreement and/or Section 8.5.5 of the first modification.
- Requested payment amount was calculated correctly.
- Requested payment amount was supported by the Schedule of Values attached to the Application for Payment.
- Payment was made within twenty (20) days of receipt by Hillsborough County as per Section 8.8.2.2 of the agreement and/or first modification.

### **SUMMARY OF RESULTS**

Out of the 10 contract payments tested, the following results were identified:

- An appropriate and complete *Application of Payment* form was attached to the payment request for all ten expenditures tested (100%). One *Application for Payment* was incorrectly dated prior to the work period. The payment application date must be after the work period for which payment is sought. This was determined to be an isolated error resulting from the reuse of a prior month's application template and did not affect payment accuracy.
- The proper retainage amount was withheld for all expenditures tested (100%).
- The *Subcontractor's Statement of Satisfaction* form was attached to the payment request for all ten expenditures tested (100%).
- The requested payment amounts were calculated correctly for all ten expenditures tested (100%).
  - For one of the ten expenditures tested (10%), the amount requested on the memorandum and application for payment did not match the attached schedule of values. The unmatched schedule of values was traced back to an error on a prior application for payment that was not included in the testing sample. This error was neither identified nor corrected on the subsequent payment request. As part of contract monitoring, this discrepancy in the schedule of values should have been identified by the client prior to payment authorization. This error did not result in a payment discrepancy and was communicated to management for follow-up.
- All ten expenditures tested (100%) were paid within twenty (20) days of receipt by Hillsborough County, with the average time from receipt to payment being 11 days.

***For any questions, comments or suggestions, feel free to contact Heidi Pinner at (813) 307-7000.***



**DATE:** December 29, 2020

**TO:** Richard Valdez, Director, Recreation Athletics Neighborhood

**CC:** Denise Armstrong, Fiscal Manager – Parks and Recreation  
Sheldon Gunter, Program Coordinator – Parks and Recreation  
Kevin Church, Conservation Services Manager – Regional Parks  
Axel Clauberg, Division Director of IT Business Management Services

**FROM:** Heidi Pinner, Senior Director, County Audit

**SUBJECT:** Management Memo #94 – IT System Access Review – RecTrac System

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### **BACKGROUND INFORMATION**

As part of the annual audit plan, the County Audit Department performs periodic monitoring of user authentication and password access controls for the Board of County Commissioners and Clerk of Court & Comptroller information systems. As part of this ongoing assessment, the RecTrac system was selected for review.

The RecTrac system is a recreation management system that is used by Parks and Recreation as well as the Conservation and Environmental Land Management (CELM) departments. The system is primarily used by these two departments for invoicing, payment matching, and activity management. The system includes features to accept payment; however, that capability is not currently used by the County.

Personnel from the Parks and Recreation Department and CELM are the main administrators responsible for RecTrac and for managing its logical access controls. Specific administrative privilege roles are only to be granted to specific County employees with Parks and Recreation or CELM.

### **OBJECTIVE**

The objective of the review was to evaluate whether key access controls are in place for the RecTrac system.

### **SCOPE**

The project scope includes the logical access controls surrounding the RecTrac system as of June 2020.



## **POTENTIAL RISKS**

- Unauthorized access to system and sensitive information.
- Non-compliance with County's user provisioning and password configuration policies.
- Lack of oversight over the user provisioning and authentication processes.

## **WORK PERFORMED**

The Audit Team:

1. Reviewed any applicable system policies for user provisioning and password security settings and performed interviews and inquiries with key process owners to get a better understanding of current system access controls.
2. Reviewed RecTrac password configurations to ensure that they are in compliance with County policy.
3. Obtained a list of all RecTrac user accounts as of June 30, 2020 and performed the following:
  - Reviewed the list to make sure that user account IDs were unique and in compliance with existing naming conventions.
  - Compared the list of user accounts to the list of active employees to ensure that only active employees have access.
  - Compared the list of user accounts with a list of terminated employees in order to identify and confirm whether or not there were any active accounts for terminated employees.
  - Looked for any generic, vendor, duplicate or administrative accounts to ensure that they were properly approved and/or deactivated in a timely manner.
  - Identified and reviewed administrative accounts to determine whether or not there were a limited number of administrative accounts based on the total amount of users.
  - For administrative accounts identified, verified that the accounts were for current Parks and Recreation or CELM employees.
4. Inquired about the process in place to periodically review user account access.



## **SUMMARY OF RESULTS**

1. Written Standard Operating Procedures (SOP) for the RecTrac system have not yet been established. Currently, provisioning of user rights and system access reviews are done on an ad hoc basis. Timely monitoring of system access and user rights is not currently being performed.
2. The Audit Team determined that password controls at the time of the review were inadequate. Password conventions are not at a level of industry best practices. Current password limitations include:
  - a. No requirement for user passwords to be changed periodically.
  - b. No control to time out inactive user sessions.
  - c. No requirement for strong passwords (minimum password length, alpha and numeric characters, etc.)
3. User account testing determined that:
  - User account IDs were unique and in compliance with existing naming conventions.
  - For the 276 user accounts:
    - There were 244 active accounts in the system. Of the active accounts, the Audit Team identified at least 27 accounts (11%) that were still active for employees that were no longer with the County.
    - Of the remaining 217 active user accounts, 10 accounts (5%) were for employees that were no longer with Parks and Recreation or CELM.
    - Two (1%) of the identified administrative accounts were appropriate; however, one administrative account was for an employee no longer working in Parks and Recreation or for CELM.
    - Two (1%) generic/custodian accounts appear appropriate.
4. The process owners stated that periodic user access reviews have not been performed recently due to turnover within the department. Additionally, the timely deactivation of employees upon termination has not been consistently performed.

## **CONTROL OPPORTUNITIES**

The following best practices, if implemented, would enhance the existing user access management controls for the RecTrac system.

- Standard Operating Procedures (SOP) should exist for the maintenance and monitoring of RecTrac user accounts, including a requirement for documented user access reviews on a periodic basis.



- Terminated or transferred employees should be deactivated immediately.
- Administrator account privileges should be limited, monitored and deactivated if erroneous or unnecessary.
- User access forms should be utilized and maintained when granting system user access.
- Password security requirements should be aligned with industry best practices and enforced to ensure system and data integrity.

*For any questions, comments or suggestion, feel free to contact Heidi Pinner at (813) 307-7000.*



**DATE:** March 12, 2021

**TO:** Debbie Benavidez, Director,  
Enterprise Solutions & Quality Assurance (ESQA)

**CC:** Tom Fesler, Chief Financial Administrator  
Ramin Kouzehkanani, Chief Information & Innovation Officer

**FROM:** Heidi Pinner, Senior Director, County Audit, Clerk of Court & Comptroller

**SUBJECT:** Management Memorandum #MM103 – Delegation of Financial Authority Audit

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*This audit was initiated in March, 2020 and was a routine audit scheduled on the County Audit Annual Audit Plan. The audit was almost immediately disrupted as a result of the emerging risks and operational needs posed by the COVID-19 pandemic which caused significant delays in the audit timeline.*

#### BACKGROUND

There are several forms of delegation for financial authority within the County. For instance, the Board has delegated authority to the County Administrator to execute agreements and make purchases up to \$250,000. The County Administrator has also delegated and/or allowed for the delegation of authority throughout the organization. Administrative Directive (AD-06) was implemented to allow for County employees to delegate their authority to direct reports in positions no more than one level below the delegator's administrative role. Allowing for the delegation of financial authority to alternate or subordinate personnel allows for transactions, up to a specified limit, to continue to be approved in the absence of the delegator, which in turn can assist with the continuity of services throughout the County.

When executed in Oracle, this delegation provides employees with the authority to act on functions of a more senior position, once that senior delegator has allowed the access to certain transactions or tasks. This is often utilized while someone is out on vacation or leave.

#### OBJECTIVE

The objective of the audit was to ensure that the delegation of authority was being carried out in accordance with County Policy, that the authority granted appeared reasonable, and that appropriate controls and monitoring were in place.

**SCOPE**

The Audit Scope included all delegations of financial authority granted to departments and staff under the Board of County Commissioners (BOCC), including authorities granted using Vacation Rules in Oracle. Discussions were held with management to gain an understanding of the processes to delegate financial authority, how rights are administered, and the processes in place for verifying that system approval rights were appropriate.

**OVERALL CONCLUSION**

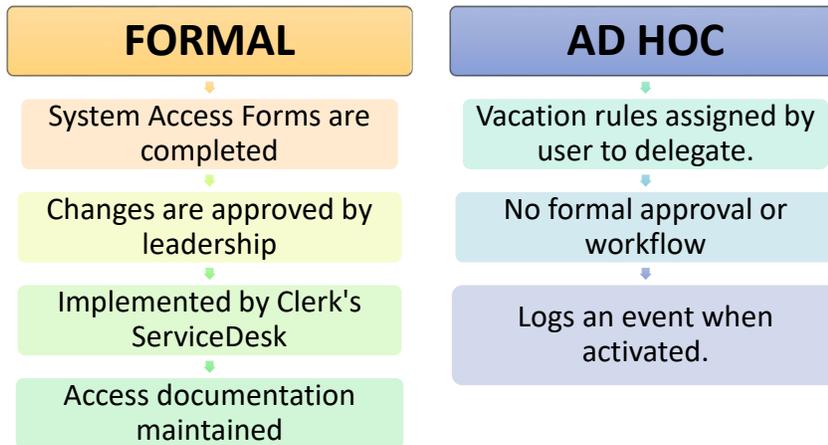
Sufficient data could not be obtained to adequately test the delegation of rights within Oracle due to system, process and resource limitations. Based on the preliminary observations made, and in light of the ongoing implementation of Oracle SaaS, the Audit Team has determined that:

- ✚ Any further attempts to validate the existing delegation controls would not be an effective and efficient use of Audit or BOCC resources.
- ✚ Communicating results now will produce a more timely result and give management the opportunity to consider the observations in the design and implementation of Oracle SaaS.
- ✚ While not validated by formal testing, the preliminary observations of the Audit Team warrant consideration by management.

Details of the observations and opportunities identified by the Audit Team are included on the following pages. Since these are preliminary observations, they do not require a management response nor will they be tracked for follow-up purposes by the Audit Team.

## PRELIMINARY OBSERVATIONS

Employees are granted access to various functions within Oracle upon initial hire and when changing positions or job duties. This access dictates the user’s authorities to process transactions and approve tasks within the system. In addition to a user’s routine access, there are times when it becomes necessary for an employee to be granted non-routine access or authorities. This could include being temporarily assigned to assist with day to day operations or if a peer or supervisor is out on leave. In general, there are two ways that this authority can be granted in Oracle:



**FORMAL:** When a formal access change is needed for a BOCC user, system access approval forms are filled out and processed through a workflow which includes submission to Enterprise Solutions and Quality Assurance (ESQA) and ultimately the Clerk’s Service Desk once a change has been approved by all parties. After approvals are verified, the Clerk’s Service Desk will make the necessary changes in Oracle.

**AD – HOC:** There is also an Oracle feature known as Vacation Rules which allows an Oracle user to delegate some of their authority within the system to another Oracle user. This process records a delegation event upon activation but does not require a formal workflow to be activated and does not capture complete history of the delegated actions.

### ORACLE USER ACCESS REVIEWS

System access and approval rights are granted to each user within Oracle as needed based on their current job duties. As is the case in any organization, a user’s need/authority can change over time as a result of position changes, organizational/process changes or terminations. Performing periodic reviews of user access privileges is a generally recognized best practice in order to ensure that all employee access remains relevant and appropriate.

Historically, the Clerk's Service Desk has requested each County director to certify staff's existing access on an annual basis. This certification is intended to confirm that the access granted to individual user's remains appropriate, unauthorized users are not present, and all terminated employees have had access appropriately revoked. Due to the naming conventions and design of Oracle user responsibilities, this review can be confusing and time consuming for department directors. As a result of this confusion and several identified instances of non-compliance (with AD-06), the annual access review for BOCC departments was replaced by an ESQA initiative to review all BOCC user access in Oracle and bring all employees into compliance with the directive. Per ESQA, this review was completed in November of 2020 and concluded that all user accounts had been brought into compliance.

ESQA also created several monitoring dashboards for department directors to utilize and review information in real time including journal entries and transaction approvals. The dashboards are designed to help responsible managers identify and mitigate the risk of unauthorized and/or improper transactions and entries taking place and monitor the utilized access within the system. These dashboards are useful monitoring tools but are also a passive control because they have no formal monitoring requirements or a means to track whether or not they are used by management.

The Audit Team observed what appears to be an absence of clarity, collaboration and agreement between the Board and Clerk about how user access risks are being addressed within the Oracle EBS system and related processes. The dashboards serve as a monitoring control for utilized access while the intent of the annual access certification is to monitor/control the access granted within Oracle EBS.



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***The processes and controls associated with Oracle user access need to be re-evaluated in a collaborative manner and functionality within Oracle SaaS should be leveraged to make access reviews more automated, complete, timely and trackable. Utilizing a form of Role-Based user access could also make monitoring more intuitive and transparent for department managers.***

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## DATA AVAILABLE FOR DELEGATED SYSTEM ACCESS

The Audit Team inquired with management about the process in place for approving user system access and approval rights relative to the delegation of authority in Oracle. User access and approval rights are assigned by specific cost centers or to approve transactions within a range of different cost centers that the employee has authority over. Once an employee has been granted access, the approved and completed authorization forms are scanned and maintained within OnBase.

The Audit Team attempted to identify a means to holistically capture and test the appropriateness of transaction approvals and authorizations relative to delegated authority throughout the County. However, as a result of system, process and resource limitations, the Audit Team was unable to obtain sufficient data to perform meaningful testing. Specifically, the Audit Team could not:

- Obtain a complete drill down of access for individual user's approval rights or historically assigned approval thresholds granted in the system.
- Obtain information or evidence of the predefined thresholds set up in the system to automatically grant manager and director approval limits.
- Quantify or individually identify instances of delegated authority due to the varying processes in place to grant such authority.
- ❖ For example, the delegation of access using Vacation Rules does not have a formal approval process. This can be accomplished by either submitting a request via email to the Clerk's ServiceDesk; or self-activated directly by the delegator in Oracle.



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***The transition to Oracle SaaS gives management the opportunity to reconsider the current process for granting delegations of authority, determine how best to capture this delegation historically, and what level of control and monitoring is needed so that access to that information is built into the process.***

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## VACATION RULES

As stated above, Oracle EBS has a mechanism in place called "Vacation Rules" that allows any user to delegate their worklist tasks to another individual. All users have this default feature and are able delegate actions to any individual that they have determined to be reasonable to handle their responsibilities. Vacation Rules are intended to provide continuity of operations and improve efficiency and functionality within departments through delegation. While delegation is an effective and necessary management tool, the use of the "Vacation Rules" mechanism in Oracle EBS has several controls concerns.

 <p>DELEGATION DOES NOT HAVE TO BE TASK SPECIFIC</p>	 <p>NO CONTROLS FOR HOW OR WHEN USERS DELEGATE THEIR RIGHTS</p>	 <p>DELEGATED RIGHTS DO NOT ALWAYS EXPIRE</p>	 <p>THE HISTORICAL RECORD OF DELEGATION IS LIMITED</p>	 <p>USERS ARE NOT ALERTED OR REMINDED OF ACTIVE DELEGATIONS</p>	 <p>EXISTING MONITORING IS A PASSIVE CONTROL</p>
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Oracle allows users to delegate their worklist tasks by either granting individual task authorities or granting all worklist driven authorities. If the delegator does not choose a single authority to delegate, then all worklist driven tasks are delegated. The “ALL” option is the pre-selected option when utilizing Vacation Rules.

No approval requirement or control is in place to ensure the utilization of vacation rules is done in accordance with AD-06. The use of Vacation Rules could result in rights being delegated to an employee that is not sufficiently knowledgeable about the process, has a conflict of interest, or has a segregation of duties issue.

Vacation Rules can be entered with or without an end date. If an end date is not specified in the system, the grantee’s rights will continue until they have been revoked. There is a possibility that an employee could maintain authorities that are not necessary and those rights could go unmonitored.

Oracle maintains a limited record of who was granted approval rights using Vacation Rules once the rights have been revoked or deleted. Since the current process also allows for employees to make their own changes using Vacation Rules, traditional access forms are also not submitted or maintained.

Once delegated, there is not an automated control or alert to the grantor or grantee that rights remain assigned.

The County’s utilization of Oracle Dashboards to monitor transactions and approvals in the system can assist with detecting improper transactions or delegations; however, this review is passive and relies on management’s participation. There is not a requirement or automated interval for such review and no confirmation of whether or not reviews have being performed.



**Management should implement additional controls and policies governing the use of vacation rules and/or explore whether or not Oracle SaaS offers any alternatives to the use of Vacation Rules for delegation of authority.**

**Management should also review and update AD-06 to more accurately reflect delegation of authority situations and provide a more complete governing structure for the use of delegation including monitoring requirements.**

**DATE:** March 18, 2021  
**TO:** Debbie Benavidez, Director, ESQA  
**CC:** Linda Benoit, Division Manager, ESQA  
**FROM:** Heidi Pinner, Senior Director, County Audit  
**SUBJECT:** Management Memo #105 – BOCC Receiving Audit Close-Out

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As part of the Fiscal Year 2020 Annual Audit Plan, the Audit Department conducted an audit of receiving processes for County departments. While this audit was initiated in FY2020, the audit testing was delayed and limited as a result of the COVID-19 pandemic and in response to evolving business needs.

### **OBJECTIVE**

The objective of the audit was to determine whether or not there are adequate controls over the receiving functions and departmental receiving processes for goods and services.

### **SCOPE**

The Audit Team reviewed the Enterprise Solutions and Quality Assurance (ESQA) department processes and also selected three larger departments and performed limited testing on their receiving processes and transactions. The three departments selected for review were: Public Utilities, Public Works, and Facilities Management Services. The Audit Team also compared processes across all those departments to evaluate the consistency.

### **RESULTS**

All departments reviewed had adequate controls, processes, and written procedures in place over the receiving of goods and services into Oracle. The Audit Team did not identify any material concerns during the limited testing performed. Immaterial observations and opportunities were communicated verbally to management for consideration.

The Audit Team appreciates the assistance and cooperation provided by ESQA, Public Utilities, Public Works and Facilities Management during the audit.

*Feel free to contact me at (813) 307-7000 with any questions, comments, or suggestions.*