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# FIRST FOLLOW-UP **INFORMATION TECHNOLOGY AUDIT:**

# SOCIAL SERVICES AGENCY **COMPUTER GENERAL CONTROLS**

As of August 19, 2013

Our First Follow-Up Audit found Social Services Agency fully implemented four (4) recommendations, recommendation is closed, and one (1) recommendation is in process from our original audit report dated February 19, 2013.

SSA administers a budget of \$747 million, a staff of 3,800, and has fiduciary responsibility for approximately \$2.3 billion in expenditures paid directly by the State to clients and service providers.

> **AUDIT NO: 1142-F1** (ORIGINAL AUDIT No. 1142)

REPORT DATE: OCTOBER 15, 2013

Director: Dr. Peter Hughes, MBA, CPA, CITP Senior Audit Manager: Michael Goodwin, CPA, CIA IT Audit Manager: Wilson Crider, CPA, CISA

### **RISK BASED AUDITING**

GAO & IIA Peer Review Compliant - 2001, 2004, 2007, 2010

AICPA American Institute of Certified Public Accountants Award to Dr. Peter Hughes as 2010 Outstanding CPA of the Year for Local Government

GRC (Government, Risk & Compliance) Group 2010 Award to IAD as MVP in Risk Management









GAO & IIA Peer Review Compliant - 2001, 2004, 2007, 2010

**Providing Facts and Perspectives Countywide** 

### **RISK BASED AUDITING**

Dr. Peter Hughes Ph.D., MBA, CPA, CCEP, CITP, CIA, CFE, CFF, CGMA

**Director** Certified Compliance & Ethics Professional (CCEP)

Certified Information Technology Professional (CITP)

Certified Internal Auditor (CIA)

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OC Fraud Hotline (714) 834-3608

# Letter from Dr. Peter Hughes, CPA



# **Transmittal Letter**



Audit No. 1142-F1 October 15, 2013

**TO:** Dr. Michael Riley, Director Social Services Agency

**FROM:** Dr. Peter Hughes, CPA, Director Internal Audit Department

**SUBJECT:** First Follow-Up Information Technology Audit:

Social Services Agency Computer General Controls, Original Audit No. 1142, Issued

February 19, 2013

We have completed a First Follow-Up Audit of Social Services Agency Computer General Controls. Our audit was limited to reviewing, as of August 19, 2013, actions taken to implement the **six (6) recommendations** from our original audit report dated February 19, 2013. We conducted this First Follow-Up Audit in accordance with the *FY 13-14 Audit Plan and Risk Assessment* approved by the Audit Oversight Committee and Board of Supervisors (BOS).

The results of our First Follow-Up Audit are discussed in the OC Internal Auditor's Report following this transmittal letter. Our First Follow-Up Audit found Social Services Agency fully implemented four (4) recommendations, one (1) recommendation is closed, and one (1) recommendation is in process from our original audit report. A Second Follow-Up Audit will be conducted approximately six months from the date of this report on the one remaining recommendation.

Each month I submit an **Audit Status Report** to the BOS where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

Other recipients of this report are listed on the OC Internal Auditor's Report on page 3.

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# **OC Internal Auditor's Report**



Audit No. 1142-F1 October 15, 2013

TO: Dr. Michael Riley, Director

Social Services Agency

FROM: Dr. Peter Hughes, CPA, Director/

Internal Audit Department

SUBJECT: First Follow-Up Information Technology Audit: Social Services Agency

Computer General Controls, Original Audit No. 1142, Issued February 19, 2013

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### Scope of Review

We have completed a First Follow-Up Audit of Social Services Agency Computer General Controls. Our audit was limited to reviewing actions taken, as of August 19, 2013, to implement the **six (6) recommendations** from our original audit report.

# Background

Our audit of Social Services Agency's (SSA) Computer General Controls evaluated the following: 1) adequacy of SSA's security-related personnel policies; 2) adequacy of user access and physical access controls to provide reasonable assurance that computer resources are protected from unauthorized personnel and environmental hazards; 3) adequacy of SSA's systems development and change control policies to help ensure only authorized programs and authorized modifications are implemented, and errors are not introduced into programs when they are developed or subsequently modified; 4) whether an adequate segregation of duties exists within the IT organization; and 5) adequacy of policies/procedures for disaster recovery and business continuity to mitigate service interruptions.

The original audit identified **six (6) Control Findings** to enhance processes and controls by conducting annual security reviews; removing user access timely; maintaining user access forms; installing a surveillance system in the computer room; improving access controls to the computer room; and enabling the password complexity setting.

### Results

Our First Follow-Up Audit found SSA fully **implemented four (4) recommendations, one (1) recommendation is closed,** and **one (1) recommendation is in process** of implementation. Based on our First Follow-Up Audit, the following is the implementation status of the six (6) original recommendations:

# 1. Annual Security Reviews Not Performed (Control Finding)

We recommend that SSA ensure system security reviews are performed at least annually.

<u>Current Status</u>: **In Process.** SSA is coordinating with CEO IT to confirm if they will offer Countywide security reviews for agencies. SSA is simultaneously investigating direct procurement of third party security auditing services. Because SSA is obtaining services for annual security reviews, we consider this recommendation in process.

# SSA Planned Action:

Social Services Agency will coordinate with CEO/IT to obtain security assessment services while continuing to research procuring third-party security review services on their own.

# **OC Internal Auditor's Report**



# 2. <u>User Access Removal Not Within Policy Timeframes</u> (Control Finding)

We recommend that SSA implement procedures and/or additional communications to ensure supervisors are notifying SSA Information Technology of separated users within 24 hours of their separation.

<u>Current Status</u>: **Implemented.** SSA revised its employee separation policy and procedures to ensure employee access is removed in a timely manner. We verified the procedures were implemented by obtaining related email correspondence and confirming in monthly separation reports that SSA Information Technology is notified of separated users within 24 hours. Because SSA revised its employee separation policy and procedure, we consider this recommendation implemented.

# 3. <u>User Access Request Forms Prior to 2006 Were Not Retained</u> (Control Finding)

We recommend that SSA revise their procedures and ensure that user access request form documentation is on file and retained for all active users.

<u>Current Status</u>: **Implemented.** SSA revised access procedures to ensure all access request forms are retained. We selected a sample of ten (10) recently hired employees to verify an access request form was on file, and no exceptions were noted. Because SSA revised its access request policy and procedures to retain all access request forms, and no exceptions were found in our test sample, we consider this recommendation implemented.

# 4. Computer Room Not Alarmed (Control Finding)

We recommend that SSA consider installing a camera surveillance system for the room housing SSA's computing resources at 888 Main Street building.

<u>Current Status</u>: **Closed.** SSA evaluated options including motion sensors and video cameras for the computer room and concluded that the additional benefit does not justify the cost given the existing layers of physical security that include Sheriff presence during business hours and key card access to the elevator and the outer door to the server room. SSA recently installed a key card reader for the server room door. Internal Audit agrees with SSA's analysis; therefore, we consider this recommendation closed.

# 5. Combination Door Lock Not Changed Periodically (Control Finding)

We recommend that SSA replace the computer room door/combination lock with a new door and County card reader as planned.

<u>Current Status</u>: **Implemented.** SSA replaced the computer room door with a card reader. Because corrective action was taken, we consider this recommendation implemented.

# 6. Password Complexity Setting is Disabled (Control Finding)

We recommend that SSA change the network password complexity setting to "enabled."

<u>Current Status</u>: **Implemented.** We verified that SSA enabled password complexity in their network security settings. Because SSA enabled password complexity, we consider this recommendation implemented.

# **OC Internal Auditor's Report**



We appreciate the assistance extended to us by Social Services Agency personnel during our Follow-Up Audit. If you have any questions, please contact me directly at 834-5475 or Michael Goodwin, Senior Audit Manager at 834-6066.

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

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