

COUNTY AUDIT DEPARTMENT

REPORT # 358

**Quarterly Status Report & Follow-Up
Of BOCC Audit Recommendations
Quarter Ending December 31, 2018**

January 31, 2019



Pat Frank INTEGRITY. TRANSPARENCY. ACCOUNTABILITY.

CLERK OF COURT & COMPTROLLER • HILLSBOROUGH COUNTY, FLORIDA



January 31, 2019

The Honorable Lesley “Les” Miller, Jr., Chairman
The Honorable Ken Hagan
The Honorable Pat Kemp
The Honorable Sandra L. Murman
The Honorable Kimberly Overman
The Honorable Mariella Smith
The Honorable Stacy R. White

Dear Chairman Miller 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 the quarterly report on the status of all management corrective action plans as of the end of the first quarter of fiscal year 2019. Addressing open recommendations will enhance the Board of County Commissioners’ overall operations and mitigate risks to the organization. For the quarter ended December 31, 2018, the County Audit Department monitored management action for eighteen (18) recommendations. Five of the eighteen have been implemented and tracking has been closed. The remaining thirteen will carry forward to the second quarter of fiscal year 2019. *See Attachment 1*

The audit recommendations included in this follow-up were issued via Audit Reports and presented to you for the routine audits conducted throughout the year. In addition to routine audits, the County Audit Department also performs risk assessments, management assistance projects and continuous monitoring. Unlike traditional audits, these projects do not result in formal audit recommendations and do not require a response from management. These projects are communicated via a Management Memorandum to the appropriate County Executive Team members.

As part of our quarterly reporting, we have also attached a copy of the Management Memorandum issued to the County Administrator and staff during the first quarter of fiscal year 2019. *See Attachment 2*

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, CIA, CISA, CFE, CRMA
Director of County Audit

CC: Mike Merrill, County Administrator
Greg Horwedel, Deputy County Administrator
Lucia Garsys, Chief Development & Infrastructure Services Administrator
Carl Harness, Chief Human Services Administrator
Ramin Kouzehkanani, Chief Information and Innovation Officer
Kelly Devers, Medical Examiner
Adam Gormly, Director of Development Services
JoAnn Rollins, Director, Children's Services
Axel Clauberg, Director, IT Business Management Services Division
Kevin Brickey, Economist, Management & Budget
Peggy Caskey, County Internal Auditor
Pat Frank, Clerk of Court & Comptroller
Dan Klein, Chief of Staff
Rick Van Arsdall, Chief Deputy, Clerk to the Board

ATTACHMENT 1

STATUS OF AUDIT RECOMMENDATIONS as of December 31, 2018

Report # Project Name	Recommendation Title	Recommendation State	Entity	Estimated Implementation Date	Revised Implementation Date	Actual Implementation Date	Recommendation Close Date
343 Software Licensing Management	Management should consider implementing a comprehensive and consolidated control structure for the acquisition, tracking and management of all County applications.	Pending	Information & Innovation	09/30/2019			
343 Software Licensing Management	The Information & Innovation Office should consider enhancing the controls over the enterprise-wide true-up process and administrative user accounts in the Liaison Group.	Pending	Information & Innovation	01/31/2019			
345 Medical Examiner - DAVID Audit	Opportunities exist to improve controls over DAVID system access in order to ensure compliance with MOU requirements: 1) Ensure that quarterly reviews and annual audits are completed in a timely manner; 2) Ensure the deactivation of DAVID access within the five day window after employee separation.	Past Due	Medical Examiner	07/01/2018			
350 Development Services Mobility Fees Control Environment	Management should consider separating the duties of the Impact Fee Coordinator	Closed	Development Services	11/15/2018		11/05/2018	12/28/2018
350 Development Services Mobility Fees Control Environment	Develop and implement a more proactive control or monitoring activity to prevent and/or detect future occurrences of duplicate payments.	Closed	Development Services	11/15/2018		11/05/2018	12/28/2018
350 Development Services Mobility Fees Control Environment	Since prior year revenues cannot be moved via journal entry, work with Management & Budget to confirm the process and viability to move the mobility fees incorrectly assessed and collected on the 14 permits identified to the correct impact fee revenue fund via the Reserves.	Closed	Development Services	09/30/2018		01/09/2019	01/11/2019
350 Development Services Mobility Fees Control Environment	Ensure that copies of written approval letters are maintained and on file for the grandfathered transportation impact fees.	Closed	Development Services	12/31/2018		12/21/2018	01/02/2019
350 Development Services Mobility Fees Control Environment	Since prior year revenues cannot be moved via journal entry, work with Management & Budget, for the permit identified during the audit, to confirm the process and viability to move the paid mobility fee assessed against the incorrect benefit district to the correct benefit district via the Reserves.	Closed	Development Services	09/30/2018		01/09/2019	01/11/2019
357 Child Care Licensing	Document late fee waivers, including the reason for the waiver and management's approval, in the provider file for future reference. The use of waivers should also be tracked in a manner that allows for multiyear comparison and other analysis.	Pending	Child Care Licensing	02/01/2019			
357 Child Care Licensing	Review the <i>Affidavit of Background Screening</i> on the license application for completeness upon receipt and return it to the provider if not complete. Missing information should be obtained prior to processing the license renewal, and whenever feasible, should not be completed by licensing staff.	Pending	Child Care Licensing	02/01/2019			
357 Child Care Licensing	Develop and implement written policies and/or procedures addressing the review and supervisory approval for completeness of background screening documents for both initial and renewal license applications.	Pending	Child Care Licensing	04/01/2019			

ATTACHMENT 1

Report # Project Name	Recommendation Title	Recommendation State	Entity	Estimated Implementation Date	Revised Implementation Date	Actual Implementation Date	Recommendation Close Date
357 Child Care Licensing	Update the County child care ordinances to reflect the current background screening process requirements for licensed child care facilities and licensed family child care homes.	Pending	Child Care Licensing	04/01/2019			
357 Child Care Licensing	Ensure that at least two individual (dual) signatures are obtained on the <i>License Application Worksheet</i> . A single individual should not sign for multiple levels of approval or approve his/her own work.	Pending	Child Care Licensing	02/01/2019			
357 Child Care Licensing	Train additional employees as a back-up for the deposit tasks, including preparation of the department collection report and rotate these duties between the employees on a regular basis.	Pending	Child Care Licensing	02/01/2019			
357 Child Care Licensing	Separate the tasks of opening the mail, logging checks received, and preparing the deposit and DR between two or more employees.	Pending	Child Care Licensing	02/01/2019			
357 Child Care Licensing	Develop and implement a more reliable method than white-out tape for any redacting of confidential information in the provider files.	Pending	Child Care Licensing	02/01/2019			
357 Child Care Licensing	Record the disposition of any overpayment in the provider's file to ensure that a record of each transaction is maintained	Pending	Child Care Licensing	04/01/2019			
357 Child Care Licensing	Update the <i>Standard Operating Procedure Manual</i> to include the "two inspections per year" criteria for Child Care Homes and to reflect the current standard practice regarding the timing of citations for qualifying for the two inspections per year.	Pending	Child Care Licensing	02/01/2019			



DATE: December 17, 2018

TO: Ramin Kouzehkanani, Chief Information & Innovation Officer

CC: Mike Merrill, County Administrator
Kevin Kerrigan, Director of Technology
Axel Clauberg, Division Director, IT Business Management Services
Kevin Brickey, Management and Budget
Pat Frank, Clerk of Court and Comptroller

FROM: Heidi Pinner, Director of County Audit

SUBJECT: Management Memorandum # 58 – IT Asset Inventory Management Audit

Background Information

Administrative Directive (AD) IT-01 defines the policies and procedures for “*the County’s acquisition, and use of automation and telecommunications equipment, the acquisition, development, and use of computer software, and the acquisition, use and management of automation related services.*” AD IT-01 also designates responsibility to the Information and Innovation Office (IIO), formerly known as the Information Technology Services (ITS) Department, to carry out this policy.

IT asset management, also called IT inventory management, is the set of business practices that join financial, contractual and inventory functions to support life cycle management and strategic decision making for the IT environment. Assets can include all elements of software and hardware that are found in the business environment.

Hardware asset management entails the management of the physical components of computers and computer networks, from acquisition through disposal. Common business practices include a request and approval process, procurement management, life cycle management, redeployment and disposal management.

Objective

The objective of this audit was to determine whether or not there are adequate controls for the management of technology-related assets.

Scope

The scope focused on the controls and processes over the hardware assets portion of IT asset management for the 8-month period of October 1, 2017 through May 31, 2018.

Potential Risks

- IT inventory could be lost/stolen/damaged/improperly disposed of.
- Inadequate or misaligned budget funding.
- Insufficient IT resources to meet organizational goals & objectives.
- Loss/destruction or improper disclosure of electronic data and/or records.

Work Performed

The Audit Team reviewed policies, performed walkthroughs and interviewed process owners in order to get a basic understanding of the following procedures:

- Requisition and purchase of new IT assets.
- Receiving, recording and tracking of IT assets.
- Asset movement, tracking and life cycle replacement process.
- Transfer of assets to the Surplus Warehouse and disposal process.

In addition, the Audit Team performed physical inventory counts for a sample of assets pulled from the Asset Manager database at the following locations:

- Main receiving facility located at the Roger P. Stewart Center (Sabal Park), 3629 Queen Palm Drive Tampa, FL 33619
- Surplus Warehouse located at 414 South 78th Street Tampa, FL 33619

The Audit Team attempted to identify a population of the County's IT assets in order to corroborate the assets recorded in the Asset Manager System and begin the testing of IT inventory assets controls. However, multiple challenges were encountered while trying to determine an accurate asset population including several known challenges with the Asset Manager System. These challenges are part of what has prompted the IIO to implement a new inventory management tool called Service Now.

Conclusion

The ongoing implementation of the Service Now system is anticipated to address several of the challenges encountered by the Audit Team and further mitigate the potential risks identified for this audit. Attempting to audit the asset inventory environment while in this state of change would result in untimely recommendations and ineffective use of both IIO and Audit resources. Therefore, the Audit Team has suspended work on this audit and deferred the project for future consideration as a post-implementation review.

Things to Consider During Implementation

- Performing a full County-wide IT inventory count so that the most current data is recorded in the new IT asset tracking tool. This will mitigate the risk of moving incomplete or inaccurate data into the new system which could replicate the challenges faced with the current tool.
- Implementing a comprehensive and consolidated control framework for the acquisition, tracking and management of all IT assets. A consolidated framework can improve controls related to the asset acquisition process, increase the efficiency of management decision making processes, and reduce costs by:
 - Providing more accurate records related to what IT assets are acquired, deployed and in use across all departments.
 - Streamlining the computer life-cycle replacement process.
 - Assigning specific ownership and responsibilities related to the acquisition, deployment and maintenance of IT assets.
 - Ensuring compliance with County policies and procedures.

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