COUNTY AUDIT DEPARTMENT

REPORT # 384

QUARTERLY BOCC FOLLOW- UP REPORT

JULY 17, 2020

July 17, 2020

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.

Due to the COVID emergency and managements understandability diverted focus, the second quarter status report was not issued. Attached to this memo is the third quarter report which takes into account all management corrective actions taken during both the second and third quarter of FY20. Addressing open recommendations will enhance the overall operations of the County and mitigate risks to the organization. Twelve (12) recommendations have been monitored during this reporting period. One recommendation was implemented and tracking has been closed. Three recommendations were closed by the Audit Team because follow-up tracking has expired. The remaining eight will carry forward for monitoring in the fourth quarter of fiscal year 2020. *See Attachment 1*

The recommendations included in this follow-up report 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 copies of the Management Memorandums issued to the County Administrator and staff during the second and third quarters of fiscal year 2020. *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: Bonnie Wise, County Administrator
   Greg Horwedel, Deputy County Administrator
   Tom Fesler, Interim Chief Financial Administrator
   Lucia Garsys, Deputy County Administrator, Development & Infrastructure
   George Cassady, Assistant County Administrator, Public Utilities
   Adam Gormly, Director, Development Services
   Kimberly Byer, Director, Public Utilities
   Debbie Benavidez, Director, Enterprise Solutions & Quality Assurance
   Pat Frank, Clerk of Court & Comptroller
   Dan Klein, Chief of Staff, Clerk of Court & Comptroller
   Rick Van Arsdall, Chief Deputy, Clerk to the Board

STATUS OF AUDIT RECOMMENDATIONS as of June 30, 2020

Report # | Project Name	Recommendation Title	Recommendation State	Entity	Estimated Implementation Date	Actual Implementation Date	Recommendation Close Date
360 | 9-1-1 Agency - Address Data	To ensure that the address data utilized by the various systems and agencies throughout Hillsborough County remains consistent and reliable, management should 1) Investigate the inconsistencies identified by the Audit Team and determine if any corrections to the data are needed in either the 9-1-1 database or GIS; 2) Determine the root cause of such inconsistencies and implement mitigating controls to address any underlying issues; and 3) Implement holistic validation or monitoring controls to routinely compare data between the 9-1-1 database and the County GIS system.	Closed by Audit Team (Follow-up tracking period has expired)	911 Agency	3/1/2019		**6/22/2020**
365 | Covanta Agreement - Energy Recovery Services	To improve controls related to invoice processing, management should consider including complete and accurate supporting documentation with invoice files when recalculating and verifying invoice payments to Covanta; including evidence of all reviews and approvals on all Covanta invoices, prior to being paid; and ensuring credits for the sale of ferrous and non-ferrous metals are provided to the County from Covanta within 30 days of receipt by Covanta, as agreed upon in the Covanta contract.	Closed by Audit Team (Follow-up tracking period has expired)	Public Utilities	6/30/2020		7/16/2020
365 | Covanta Agreement - Energy Recovery Services	To improve monitoring of the performance guarantees, management should consider compiling the various updates, amendments and revisions for the Agreement into a single, consolidated document that details the existing contract terms and conditions to ensure there is clarity for the existing contract relationship; and researching the requirement for the Process Residue Quality guarantee and determining whether or not to modify the contract to remove the guarantee or require the contractor to include and track it on the annual Covanta performance guarantee summary report.	Closed by Audit Team (Follow-up tracking period has expired)	Public Utilities	6/30/2020		7/16/2020
372 | Warranty Bond Release Process	Coordinate the release of all outstanding expired warranty bonds back to the corresponding developer by partnering with Board Records and County Finance.	Pending	Development Services	10/15/2020		
372 | Warranty Bond Release Process	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.	Past Due - Started	Development Services	5/1/2020		
372 | Warranty Bond Release Process	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	Past Due - Started	Development Services	5/1/2020		
374 | Economic Development Local Incentive Agreement Monitoring	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.	Pending	Economic Development	7/31/2020		
378 | REFS - Miscellaneous Facilities Construction Contract	Ensure that proposals, work orders and invoices have been completed in full, with all required signatures, or an indication that no professional's signature was required. Have professionals print their names to ensure readability and accountability.	Closed	Capital Programs Department	1/15/2020	**1/17/2020**	**4/16/2020**
380 | Dependents Benefits Eligibility	Review the remaining employee files for completeness and obtain supporting documentation for any dependents with missing documentation, including those enrolled prior to April of 1999.	Pending	Human Resources	4/30/2021		

Report # | Project Name	Recommendation Title	Recommendation State	Entity	Estimated Implementation Date	Actual Implementation Date	Recommendation Close Date
380 | Dependents Benefits Eligibility	Remove any dependents from the healthcare plan whose eligibility cannot be verified and supported.	Pending	Human Resources	4/30/2021		
380 | Dependents Benefits Eligibility	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.	Pending	Human Resources	12/31/2020		
380 | Dependents Benefits Eligibility	Consider performing periodic re-certifications of dependents eligibility. This process could be on a sample or rotational basis.	Pending	Human Resources	8/31/2022		

DATE: February 28, 2020

TO: Scott Stromer, Director, Procurement Services

CC: Mike Merrill, County Administrator
Executive Team, County Administration
Tim Simon, Deputy Comptroller, Clerk of Court & Comptroller

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

SUBJECT: Management Memorandum #MM73 – PCard Continuous Auditing – FY19 Fourth Quarter

Attachment: Detail of Transaction Testing & Analysis

OBJECTIVE

The objective of the Purchasing Card (PCard) Continuous Auditing is to evaluate the appropriateness of PCard purchases made during each quarter of the fiscal year (FY) via analysis and sample testing. The program is designed to continuously evolve and adapt the types of testing and analysis performed, with input from management, to ensure that the program delivers timely and useful results and assurances. Fourth quarter testing included the basic analysis and review of transactions and account usages as well as an analysis related to the use of PCards for weekend purchases. All concerns and exceptions were referred to the PCard administrator for follow-up and corrective action.

SCOPE

PCard transaction testing included purchases made from July 1, 2019 through September 30, 2019, excluding transactions made on Library Services term accounts and any purchases made by independent agencies. The annual PCard spending analysis included all of fiscal year 2019 transactions, excluding independent agencies. The Audit Team identified anomalies in the card deactivation data from Bank of America. Therefore, testing could not be performed for timelines of terminated employee card deactivations.

SUMMARY OF RESULTS

Total PCard spending was $5,611,529.38 for the fourth quarter of FY 2019; however, Library Services is exempt from normal competitive procurement requirements for books and materials, so these transactions were excluded from testing along with all Independent Agency transactions. PCard spending for all other departments was $4,312,530.06. Total annual spending excluding the independent agencies was $20,195,355.19. Analytical review of the purchases and trends identified:

- Eight transactions for food purchases that did not have appropriate approval.
- Five transactions that did not have protected information redacted.
- Seven transactions over $5,000 that either lacked or had improper competitive quotes.
- Three transactions that did not include Information and Innovation Office (IIO) approval.
- Two transactions used a payment service in an individual's name that did not match the invoice.
- One transaction was identified that could result in a PCard being saved on a vendor's network along with not having an appropriate justification entered in Oracle.

- One contract payment to a vendor not on the list of contracts authorized for PCard payments.
- One split transaction was identified.
- One transaction that was lowered below $5,000 to avoid the three required quote process.
- Four transactions that did not include adequate invoice support for the purchases.
- One transaction for the purchase of an iPad which is not allowable under Administrative Directive 32.
- No instances of inappropriate weekend or big box retail purchases.

Please see the attachment for further testing details and analysis. Feel free to contact me at (813) 307-7000 with any questions, comments or suggestions.

DETAIL OF TRANSACTION TESTING & ANALYSIS

MERCHANT CATEGORY CODE (MCC) ANALYSIS

Purchases made during the fourth quarter of fiscal year 2019 were analyzed based on the Merchant Category Code (MCC) and Procurement Procedures Manual restrictions. The table below identifies the top 5 MCCs based on the total spent for the fourth quarter of fiscal year 2019.

MCC Number	MCC Description	Amount Spent	Number of Transactions
7399	BUSINESS SERVICES NOT ELSEWHERE CLASSIFI (Examples include uniforms, medical equipment & conference registrations)	$322,910.93	230
5942	BOOK STORES (Items purchased from Amazon)	$230,589.42	1127
5085	INDUSTRIAL SUPPLIES NOT ELSEWHERE CLASSI (Examples include repair parts, tools & maintenance)	$223,679.48	247
5047	LAB/MEDICAL/DENTAL/OPHTHALMIC HOSPITAL (Examples include medical supplies)	$190,003.93	196
5046	COMMERCIAL EQUIPMENT, NOT ELSEWHERE CLAS (Examples include equipment repair & replacement parts)	$149,487.66	155

The Audit Team judgmentally selected a sample of 39 transactions based on unexpected or unusual MCC descriptions that appeared to be restricted, such as fast food restaurants, hotels, catering and grocery stores. The transactions were evaluated for appropriate support and justification and several exceptions were identified.

- Six (6) transactions were identified for the purchase of food, one of which did not have children's names redacted, another that was illegible, and 2 others that were not itemized. The food purchases did not have pre-approval documentation included with the backup documents in OnBase. Most of these purchases were made by departments which frequently make food purchases and are deemed acceptable; however, the current Procurement Procedures Manual does not include a provision for this exception.
- Two (2) additional instances were identified of purchases that did not have children's names redacted.
- One (1) transaction that did not include authorization by the IIO.
- One (1) transaction for an iPad which is listed in Administrative Directive 32 as being unauthorized.
- One (1) transaction was processed using the Uber platform. Uber generally requires payment card information to be stored on an account which violates the Card Account Security restrictions in the Procurement Procedures Manual. The transaction also did not have proper justification included in Oracle.
- An additional 28 transactions that appeared to be unexpected or unusual based on MCC Codes were reviewed and no further exceptions were identified.

The Procurement Procedures Manual should be updated to address when food purchases are authorized on PCards without preapproval and when or if the use of vendor applications which store cards "on file" is allowable.

TESTING OF QUOTE REQUIREMENTS

The Audit Team tested a sample of transactions above $4,900.00 to ensure that competitive quotes are being obtained as required by PCard policy. Supporting documentation was reviewed for these transactions and the following exceptions were identified:

- Three (3) transactions did not receive the required three quotes prior to making the purchase.
- Two (2) transactions that did not have the three quotes provided until after payment was processed and requested by the County Finance Department.
- One (1) invoice of $5,000.00 was changed to $4,999.99 in what appears to be an attempt to avoid the 3 quote requirement.
- One (1) transaction that did not have the contact information for the 3 quotes entered in the justification field in Oracle.
- One contract payment to a vendor not on the list of contracts authorized for PCard payments.
- One (1) transaction that did not include IIO approval.

SPLIT PURCHASES

The Audit Team analyzed fourth quarter transactions to identify instances where multiple transactions for a single vendor on a single day were combined to potentially circumvent transaction limits or competitive quote requirements. The Audit Team reviewed 179 transactions for this testing and identified one (1) purchase for $9,998.99 which appears to have been split in order to circumvent the quote requirement. One (1) transaction was also identified during this review that did not include the necessary IIO approval prior to the purchase being made.

CARD DEACTIVATIONS

The Audit Team obtained data from the Board's Human Resources Department for terminated employees, along with files from Bank of America Works for active cards and a listing of when cards were deactivated for the fourth quarter of fiscal year 2019. During the process of analyzing the data, the Audit Team identified an anomaly affecting the deactivation dates within the Works data. Inquiries were made with the PCard Administrator and with Bank of America. The root cause had not been identified and as a result, the Audit Team could not complete this test step. Further follow up will be performed during quarter 1 of fiscal year 2020.

PAYMENT SERVICES IN AN INDIVIDUAL'S NAME

The Audit Team analyzed transactions which were paid through a payment service provider (such as PayPal or Square) and included the name of an individual as the vendor to ensure that the vendor name matched the name listed on the invoice. During testing the following exceptions were identified:

- Two (2) transactions used a payment service in an individual's name that did not match the invoice.
- Two (2) transactions that did not have children's names redacted.
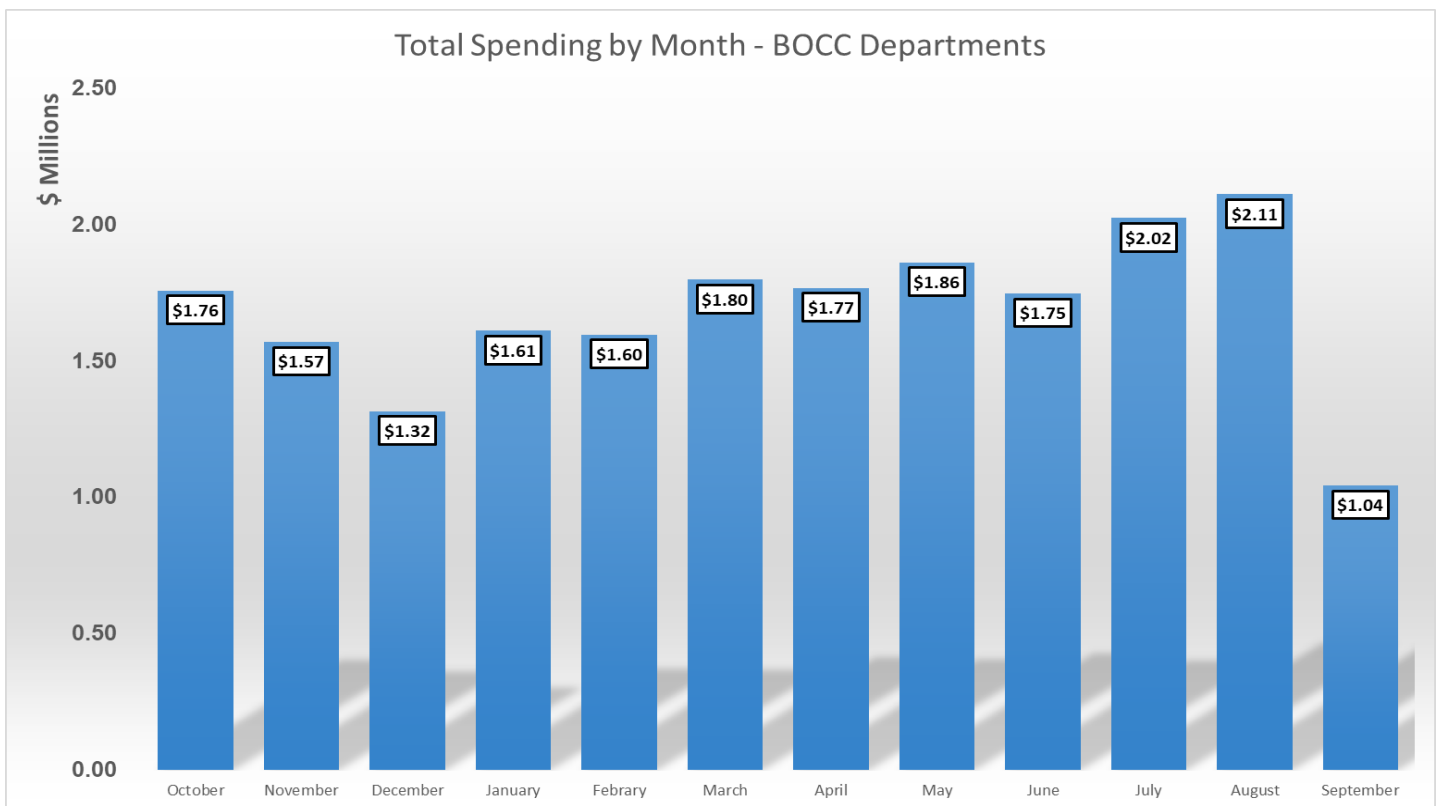- One (1) transaction that did not include itemized invoice details.

WEEKEND TRANSACTIONS

The Audit Team performed an analysis of transactions made during the weekend (Saturday or Sunday) by departments with regular business hours that do not include weekends. The Audit Team also analyzed weekend purchases that were made from restaurants or big box retail stores (Walmart, Lowe's, Office Depot, etc.). The supporting documentation for a sample of these purchases was reviewed for appropriateness. The review did not identify any inappropriate transactions to big box stores or that appeared suspicious, however, there were two (2) transactions for food purchases that did not include appropriate approval.

ANNUAL TREND ANALYSIS

The Audit Team also reviewed FY19 annual purchasing data and identified several trends that the Procurement Department may find helpful in determining the type of spending taking place throughout the County.

The graph below depicts purchasing card spending by month during fiscal year 2019. Spending appears to be relatively consistent with peaks during the first month of the fiscal year (October) and again towards the end of the fiscal year (August) and a drop off in the last month of the fiscal year when department spending is cut off for year end.

Total Spending by Month - BOCC Departments

Month	$ Millions
October	$1.76
November	$1.57
December	$1.32
January	$1.61
Febrary	$1.60
March	$1.80
April	$1.77
May	$1.86
June	$1.75
July	$2.02
August	$2.11
September	$1.04

MM#73   Attachment

The graph below identifies FY19 spending by BOCC Department. In FY19, four (4) departments made up 56% of all PCard spending. (Note: Purchases made by departments/agencies not under County Administration were excluded.)

ANNUAL SPENDING DISTRIBUTION
BY COUNTY ADMINISTRATOR DEPARTMENT
TOTAL SPEND $20.2 MILLION
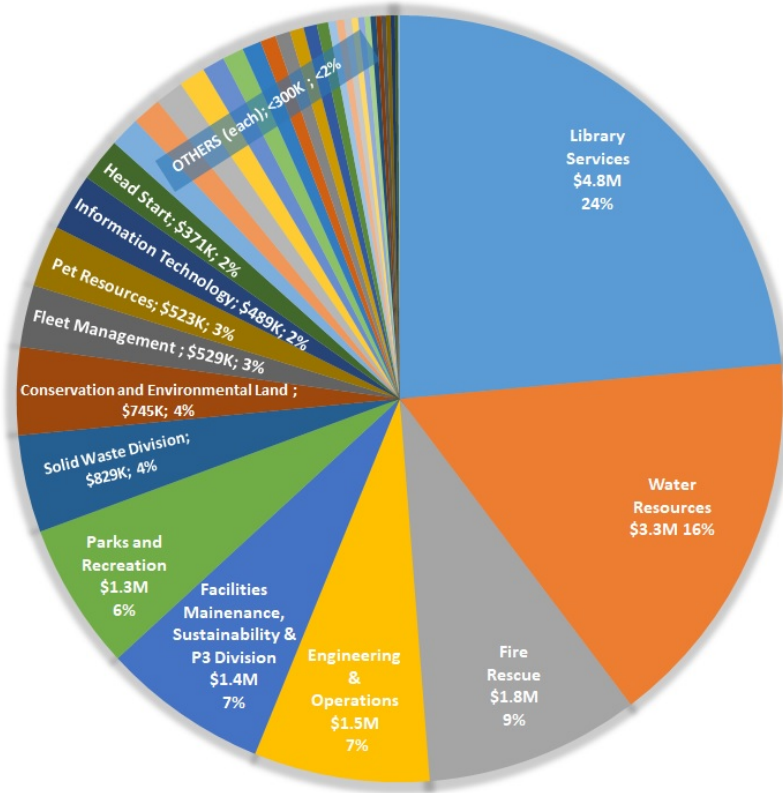
The Audit Team also compiled purchases by vendor for vendors with a total amount spent of $50,000 or greater. Vendors who had combined purchases in excess of $50,000 that aren't currently under contract and that are not other government entities may need to be considered for more formal procurements. A full listing of the transactions and vendors was provided to the Procurement Department for their consideration and review.

The graph below includes those vendors who had more than $50,000 in PCard transactions for FY19; indicates whether or not they have existing contracts with the County; and whether or not those contracts are approved for use with purchasing card payments.

ANNUAL VENDOR SPENDING > $50,000

Vendor	Amount
Overdrive	$1,830,808.96
Baker & Taylor	$1,232,465.50
Amazon	$818,177.76
Midwest Tape	$802,224.39
Design Lab	$694,341.53
The Home Depot	$395,650.20
Office Depot	$309,425.02
Sunpass	$226,437.77
Fisher Scientific	$186,327.17
Port Tampa Bay	$150,000.00
Tampa Bay Times	$135,089.14
Ferguson	$129,016.63
LED Direct Lighting	$120,947.26
Graybar	$104,729.21
Bound Tree Medical	$99,689.74
Raybro	$97,422.93
Choinque	$96,575.00
Phillips Feed Service	$90,905.45
Lowes	$89,694.95
Gemenia Graphics Museum	$89,681.25
CDW Government	$88,504.95
Amazon Hose & Rubber Co.	$88,496.65
Excel	$85,602.68
Johnston Supply	$83,111.19
Bay Area Graphics	$80,787.74
Wal-Mart	$77,017.23
J Newton Enterprises	$76,616.99
Tampa Bay Trane	$74,495.12
USA Blue Book	$68,784.22
Herc Rentals	$64,107.47
Polk State	$63,315.00
Helena Chemical Company	$60,977.72
Signs Now	$60,586.48
Core and Main	$60,551.33
Mac Papers	$59,465.05
Grainger	$57,862.62
Witt Fence Company	$57,072.00
Choo Choo Lawn Care	$57,038.60
Seffner Rock & Gravel	$55,580.00
Infogroup	$55,000.00
BCI Integrated Solutions	$52,402.99
FDEP Payment System	$50,845.00

Legend:
- NO CONTRACT IDENTIFIED
- HAS EXISTING CONTRACT / APPROVED FOR PCARD
- HAS EXISTING CONTRACT / NOT PCARD APPROVED

MM#73   Attachment

The Audit Team also compiled purchases by cardholder to analyze the card utilization for BOCC purchasing cards. This data excludes known term accounts. While the average FY19 PCard transaction was $472.55 and 79% of transactions were under $500.00, the average and routine transaction limit for PCards is $10,000.00.

Procurement should consider aligning the cardholder transaction limits with established needs.

FY19 CARD UTILIZATION BY TRANSACTION

- 0.43%
- 0.14%
- 20.15%
- 79.27%

Legend:
- Under $500
- $500 to $5,000
- $5,000 to $10,000
- Over $10,000
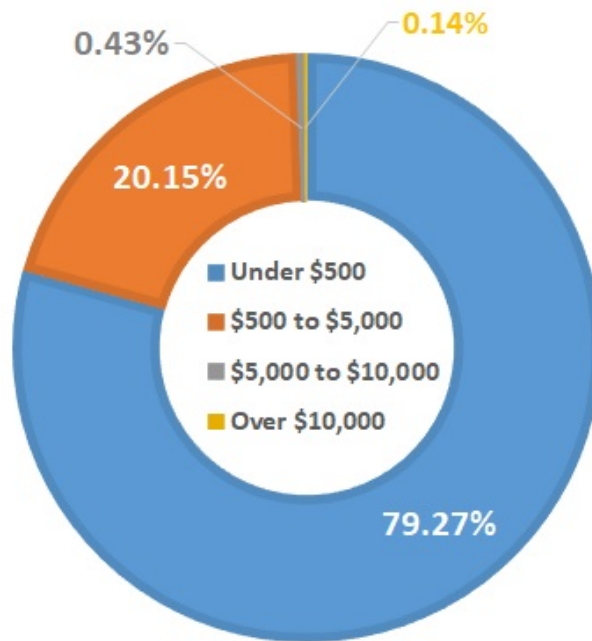
DATE: March 3, 2020

TO: Greg Horwedel, Deputy County Administrator

CC: Dr. Kelly G. Devers, MD, Director, Medical Examiner Department
Harrison Cowan, Manager of Operations, Medical Examiner Department

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

SUBJECT: Management Memorandum #MM74 – Suspending Audit Testing

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Background Information

An audit of the Medical Examiner's management of outsourced services was initiated as part of County Audit's routine annual audit plan. An entrance meeting was held on January 7, 2020.

Objective

The objective of this audit is to determine whether or not controls are in place over outsourced functions.

Scope

The scope focused on the contracts and transactions related to outsourced services utilized by the Medical Examiner's office. The audit scope will include a review of existing controls, along with contracts and transactions that have taken place after July 1, 2019.

Work Performed

The Audit Team reviewed provider agreements and interviewed staff in order to get a basic understanding of the processes in place for selecting, using, managing and tracking the various outsourced providers. Staff provided examples of invoices received from these providers for the Audit Team to review. In addition, the Audit Team looked at two logs, the *BPA Log* and the *Outsource Services Invoice Log* used by staff to manage each service provider contract.

Currently, the Medical Examiner utilizes seven outsourced providers. Of these seven providers, four (4) are for key functions to the Medical Examiner's operations:

- transportation services of deceased bodies, approximately $1.3 million
- disposition services of unclaimed bodies, approximately $1 million
- laboratory testing for post mortem, approximately $70,000
- histology slide preparation service, approximately $190,000

Two (2) of these service providers are new contracts. The agreement for one provider was approved by the BOCC in November 2019 and the other provider agreement is expected to be approved in the coming weeks.

MM#74

Conclusion

The preliminary phase of the audit has been completed. To allow for these service providers to incur a history of provided services prior to audit testing, the Audit Team has decided to suspend the audit until August of 2020. At that time, the Audit Team will follow up with the Department and resume audit testing.

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

MM#74

DATE: June 12, 2020

TO: Scott Stromer, Director, Procurement Services

CC: Mike Merrill, County Administrator
                    Executive Team, County Administration
                    Tim Simon, Deputy Comptroller, Clerk of Court & Comptroller

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

SUBJECT: Management Memorandum #MM75 – PCard Continuous Auditing – FY20 First Quarter

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Attachment: *Detail of Transaction Testing & Analysis*

OBJECTIVE

The objective of the Purchasing Card (PCard) Continuous Auditing is to evaluate the appropriateness of PCard purchases made during each quarter of the fiscal year (FY) via analysis and sample testing. The program is designed to continuously evolve and adapt the types of testing and analysis performed, with input from management, to ensure that the program delivers timely and useful results and assurances. First quarter testing included the basic analysis and review of transactions and account usages as well as an analysis related to the use of PCards for weekend purchases. All concerns and exceptions were referred to the PCard administrator for follow-up and corrective action. A summary of exceptions will also be provided to department directors as applicable.

SCOPE

PCard transaction testing included purchases made from October 1, 2019 through December 31, 2019, excluding transactions made on Library Services term accounts and any purchases made by independent agencies.

SUMMARY OF RESULTS

Total PCard spending was $5,326,771.44 for the first quarter of FY 2020; however, Library Services is exempt from normal competitive procurement requirements for books and materials, so these transactions were excluded from testing along with all Independent Agency transactions. PCard spending for all other departments was $3,987,945.46. Analytical review of the purchases and trends identified:

- Seven transactions for food purchases that did not have appropriate approval.
- Two transactions that did not have protected information redacted.
- Two transactions over $5,000 that either lacked or had improper competitive quotes.
- Two transactions that did not include Information and Innovation Office (IIO) approval.
- One transaction used a payment service in an individual's name that did not match the invoice.
- Three transactions did not have appropriate justification entered in Oracle, one of which was also being saved on a vendor's network.
- Two split transactions were identified.
- Four transactions that did not include adequate invoice support for the purchases.
- Three invoices were paid more than 3 months after the invoice date.

- Three transactions included Florida sales tax on the purchase.
- One transaction was identified of a purchase that was for sympathy flowers at a funeral.
- No instances of inappropriate weekend or big box retail purchases.

Please see the attachment for further testing details and analysis. Feel free to contact me at (813) 307-7000 with any questions, comments or suggestions.

DETAIL OF TRANSACTION TESTING & ANALYSIS

MERCHANT CATEGORY CODE (MCC) ANALYSIS

Purchases made during the first quarter of FY 2020 were analyzed based on the Merchant Category Code (MCC) and Procurement Procedures Manual restrictions. The table below identifies the top 5 MCCs based on the total spent for the first quarter of FY 2020.

MCC Number	MCC Description	Amount Spent	Number of Transactions
5942	BOOK STORES (Items purchased from Amazon)	$251,782.18	1316
7399	BUSINESS SERVICES NOT ELSEWHERE CLASSIFI (Many different types of purchases)	$245,149.54	264
5085	INDUSTRIAL SUPPLIES NOT ELSEWHERE CLASSI (Examples include repair parts, tools & maintenance)	$206,064.82	243
7523	AUTOMOBILE PARKING LOTS AND GARAGES (City of Tampa Parking & Port Tampa Bay)	$162,482.41	27
1520	GENERAL CONTRACTORS-RESIDENTIAL (Example include repairs, maintenance and equipment)	$152,367.55	136

The Audit Team judgmentally selected a sample of 44 transactions based on unexpected or unusual MCC descriptions that appeared to be restricted, such as fast food restaurants, hotels, catering, and grocery stores. The transactions were evaluated for appropriate support and justification and several exceptions were identified.

- Five (5) transactions were identified for the purchase of food. The pre-approval of these food purchases was not attached as part of the supporting documentation in OnBase. Most of these purchases were made by departments which frequently make food purchases and are deemed acceptable; however, the current Procurement Procedures Manual does not include a provision for this exception.
- Two (2) transactions for IT equipment did not have approval from the Information and Innovation Office (IIO) attached to the support in OnBase.
- Two (2) transactions did not include adequate justification in Oracle. One of these transactions was also being saved on a vendor's network.
- Two (2) transactions were identified of purchases that did not have sensitive information redacted.
- Three (3) transactions did not include adequate invoice support in the form of an itemized invoice.
- One (1) transaction was identified of a purchase that did not have a legible invoice.
- One (1) transaction was identified of a purchase that was for sympathy flowers at a funeral.
- One (1) transaction was identified of a purchase where sales tax was charged.
- An additional 27 transactions that appeared to be unexpected or unusual based on MCC Codes were reviewed and no further exceptions were identified.

The Procurement Procedures Manual should be updated to address when food purchases are authorized on PCards without preapproval and when or if the use of vendor applications which store cards "on file" is allowable.

TESTING OF QUOTE REQUIREMENTS

The Audit Team tested a sample of transactions above $4,900.00 to ensure that competitive quotes are being obtained as required by PCard policy. One (1) transaction did not have backup supporting documents (3 quotes) in OnBase.

SPLIT PURCHASES

The Audit Team analyzed first quarter transactions to identify instances where multiple transactions for a single vendor on a single day were combined to potentially circumvent transaction limits or competitive quote requirements. The Audit Team reviewed 147 transactions for this testing and identified the following exceptions:

- Two (2) instances were identified as possible split transactions. Three quotes were also not obtained for one (1) of these instances.
- Three (3) invoices were paid more than 3 months after the invoice date.
- One (1) transaction did not include adequate justification in Oracle.

TERMINATED CARDHOLDERS

The Audit Team analyzed whether or not PCards were used after an employee's termination date as identified by BOCC Human Resources (HR). Eight (8) former employees with purchasing cards were identified as having P-Card transactions during Q1. No purchases were made on these card accounts subsequent to the employee's termination date.

PAYMENT SERVICES IN AN INDIVIDUAL'S NAME

The Audit Team analyzed transactions which were paid through a payment service provider (such as PayPal or Square) and included the name of an individual as the vendor to ensure that the vendor name matched the name listed on the invoice. There were no exceptions identified.

WEEKEND TRANSACTIONS

The Audit Team performed an analysis of transactions made during the weekend (Saturday or Sunday) by departments with regular business hours that do not include weekends. The Audit Team also analyzed weekend purchases that were made from restaurants or big box retail stores (Walmart, Lowe's, Office Depot, etc.). The supporting documentation for a sample of these purchases was reviewed for appropriateness. The review did not identify any inappropriate transactions to big box stores or that appeared suspicious, however, the following exceptions were identified:

- Two (2) transactions were identified of a purchase where sales tax was charged.
- Two (2) transactions were identified for the purchase of food. The pre-approval of these food purchases were not attached as part of the supporting documentation on OnBase.
- One (1) transaction was identified where the name on the invoice didn't match the payee name.

DATE: June 12, 2020

TO: Laura Singer, Division Director, Facilities Operations & Maintenance

CC: Greg Horwedel, Deputy County Administrator
                  Thomas Fass, Assistant County Administrator
                  John Muller, Director, Facilities Management
                  Alex Clauberg, Division Director IT Business Management Services
                  Ashley Vaughn, Manager, Facilities Services- Operations & Maintenance

FROM: Heidi Pinner, Senior Director, County Audit

SUBJECT: Management Memo #76 – IT System Access Review - OnGuard Application

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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 OnGuard system was selected for review.

The OnGuard system is an access control application that provides a series of access security features, including a monitoring module, built-in support for card access technologies as well as biometrics control devices. The County utilizes this system to provide employees badge access to specific areas and departments in County buildings and to limit physical access to secured areas.

Personnel from the Real Estate and Facilities Management Services Department are the main administrators responsible for the OnGuard system and for managing its logical access controls. They also provide specific administrative privilege roles to key employees from departments such as Human Resources, Fire Rescue and Public Works among others to facilitate a decentralized process of granting access to employees of each of these County departments.

OBJECTIVE

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

SCOPE

The scope included the logical access controls surrounding the OnGuard system as of December 2019.

POTENTIAL RISKS

- Unauthorized access to the 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 the system policies for user provisioning and password security settings and performed interviews and inquiries with key process owners to get a better understanding of the current system access controls.

2. Reviewed OnGuard password configurations and tested authentication controls to ensure they are working as intended and that they are in compliance with County policy.

3. Obtained a list of all OnGuard user accounts as of December 9, 2019 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.

   - Looked for any generic, vendor, duplicate or administrative accounts to ensure that they were properly approved and/or deactivated in a timely manner.

   - Reviewed user accounts to determine whether or not access were in alignment with their position and respective job duties to ensure appropriateness based on the "principle of least privilege."

   - Identified and reviewed administrative accounts to determine whether or not there was a limited number of administrative accounts based on the total amount of users.

   - Selected a judgmental sample of 4 user accounts (10%) out of a population of 38 and requested respective user access approval forms to ensure proper approval was obtained and that appropriate permissions were granted based on the user's title and job duties.

4. Inquired about the process in place to periodically review user access accounts.

SUMMARY OF RESULTS

1. Written procedures for the OnGuard system include processes for the provisioning of users, assignment of permission levels, user account deactivations and monitoring reports.

2. The Audit Team confirmed that the OnGuard system leverages password and authentication controls from Active Directory, which is a centralized network management feature of the Windows server (network) operating system.

3. Account testing determined that:

   - User account IDs were unique and in compliance with existing naming conventions.

   - Review of the 38 OnGuard user accounts determined that:
       - Six (16%) had been deactivated.
       - Three (7%) admin accounts appeared appropriate.
       - Six (16%) generic accounts were identified. The Audit Team reviewed the generic accounts utilized and identified the mitigating controls in place. The use of these accounts appears reasonable.
       - The remaining 23 basic user accounts (61%) matched a name in the active employees list and were in alignment with user position and respective job duties.

   - Approval forms were not available for the 4 users accounts tested. These users were granted access during the initial system implementation and per management no user access form was required at the time.

4. Process owners stated that they perform periodic reviews of user access, however, no evidence of such a review was available and no policy is in place to require such reviews.

CONTROL OPPORTUNITIES

Developing a policy that requires documented user access reviews on an established interval would enhance the existing access management controls for the OnGuard system.

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

DATE: June 12, 2020

TO: Jacquelyn Jenkins, Director, Head Start Department

CC: Carl Harness, Chief Human Services Administrator
            Alex Clauberg, Division Director IT Business Management Services
            Christian Clendinen, Business System Manager, Head Start Department

FROM: Heidi Pinner, Senior Director, County Audit

SUBJECT: Management Memo #77 – IT System Access Review – Child Plus Application

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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 Child Plus system was selected for review.

The Child Plus system is an all-in-one data management software used by Head Start, Early Head Start and other early childhood programs. The software captures and assists in analyzing child and family data in regards to enrollment, eligibility, attendance, health, etc.

Personnel from the Head Start/Early Head Start and the Infrastructure & Technical Support Services departments are the main administrators responsible for the Child Plus system and for managing its logical access controls. Specific administrative privilege roles are granted to only County employees of Head Start/Early Head Start.

OBJECTIVE

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

SCOPE

The audit scope includes the logical access controls surrounding the Child Plus system as of January 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 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 Child Plus password configurations and tested authentication controls to ensure they are working as intended and that they are in compliance with County policy.

3. Obtained a list of all Child Plus user accounts as of January 9, 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.

   - Looked for any generic, vendor, duplicate or administrative accounts to ensure that they were properly approved and/or deactivated in a timely manner.

   - Reviewed user accounts to determine whether or not access was in alignment with user's position and respective job duties to ensure appropriateness based on the "principle of least privilege".

   - Identified administrative accounts and reviewed that there were a limited number of administrative accounts based on the total amount of users.

   - Selected a judgmental sample of 21 user accounts (10%) out of a population of 206 and requested respective user access approval forms to ensure proper approval was obtained and that appropriate permissions were granted based on user's title and job duties.

4. Inquired about the process in place to periodically review user access accounts.

SUMMARY OF RESULTS

1. Written procedures for the Child Plus system include processes for the provisioning of users, assignment of permission levels, user account deactivations and monitoring reports.

2. The Audit Team confirmed that password controls are in place for all users' account and in compliance with the department's password policies and industry best practices.

3. User account testing determined that:

   - User account IDs were unique and in compliance with existing naming conventions.

   - For the 206 user accounts:

     - All inactive accounts were disabled.

     - Four (2%) administrative accounts appear appropriate.

     - Three (1%) generic/custodian accounts appear appropriate.

     - Two user accounts were kiosks (not applicable).

     - The remaining 197 basic user accounts (96%) matched a name in the active employees list and were in alignment with user position and respective job duties.

   - User access forms were not available for the 21 user accounts selected for testing. These accounts were setup during the initial "new employee" account setup and per system administrators, user access forms were not required at that time.

4. The process owners stated that periodic user access reviews have been performed, however, no supporting documentation was available for review.

CONTROL OPPORTUNITIES

Developing a policy that requires documented user access reviews on an established interval would enhance the existing access management controls for the Child Plus system.

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