

# COUNTY OF SANTA CLARA

CONTROLLER-TREASURER DEPARTMENT – INTERNAL AUDIT DIVISION

## INTERNAL AUDIT REPORT

*A Follow-up Audit to the Internal Audit Report: Access to Data in the Human Resource Payroll System (HaRP)*



Assignment 10108-A  
October 23, 2015

**Conclusion**

This is a follow-up audit to the *Internal Audit Report: Access to Data in the Human Resource and Payroll System (HaRP)*. It is anticipated that this report will be submitted to the Board of Supervisor's Finance and Government Operations Committee for its November 2015 meeting.

This report summarizes the status of the five audit recommendations. All five recommendations are implemented. Appendix A is a summary of the five audit recommendation's implementation status.

Priority Two<sup>1</sup> The 2009 audit identified two recommendations as intermediate priority level, Priority Two. The two recommendations are implemented.

Priority Three<sup>2</sup> The 2009 audit identified three recommendations as lower priority level, Priority Three. The three recommendations are implemented.

Priority	Implemented	Total
Two	2	2
Three	3	3
Total	5	5

**Objective**

The audit objective was to evaluate the implementation status of the recommendations made in the *Internal Audit Report Access to Data in the Human Resource and Payroll System (HaRP) issued January 29, 2009*.

**Scope**

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The scope included follow-up on all recommendations made in the initial audit. The audit was conducted from April through July 2015.

**Methodology**

A follow-up audit evaluates the progress made on recommendations. It included determining whether the implementation is properly substantiated. During a follow-up audit, IAD does not change the initial findings, recommendations, or priority levels assigned. This report was reviewed by management of the two departments involved and written responses are attached. The cooperation and participation of county staff led to the successful conclusion of this project. We appreciate it.

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<sup>1</sup> Priority Two recommendations would or should result in moderate (\$50,000 to \$250,000) increases in revenue or decreases in expenditures. It includes changes to County ordinances, policies, or procedures. Also included are revisions to departmental or program policies and procedures.

<sup>2</sup> Priority Three recommendations would address program related policies and procedures that would have a significant impact on revenues or expenditures, but would result in modest improvements to service delivery, operational efficiency, or program effectiveness.

**Background**

Internal Audit Division procedures, as approved by the Board of Supervisors, require follow-up on all Priority One and Two recommendations. Per the FY2016 Annual Work Plan, this audit is being performed to meet the requirement.

Signature on file

Rebecca Haggerty  
Internal Audit Manager  
October 23, 2015



Attachment: Appendix A, STATUS OF AUDIT RECOMMENDATIONS  
Managements' Responses

*Internal Audit Report: Access to Data in the Human Resource Payroll System (HaRP) issued January 29, 2009*

## APPENDIX A STATUS OF AUDIT RECOMMENDATIONS

This report summarizes the status of all audit recommendations. It identifies those recommendations that are implemented, partially implemented, not implemented, or no longer applicable.

Finding / Recommendation Number	Priority	Finding/Recommendation	Implementation Status	Comments
<b>1</b>		<b>ESA has not documented the assignment of access roles</b>		
1	2	ESA's Human Resource Division should detail steps in the determination and assignment of access roles procedures. The documentation should be kept current to reflect newly created roles, deleted roles and any changes that may result from a system upgrade.	Implemented	ESA developed a spreadsheet called "People Soft User Roles" that lists the "User Roles, defines the "Access Levels" (i.e. capabilities) for a "User Role" and identifies the "User" who should be assigned that "User Role". "Users" are listed by person, job function or functional area.
<b>2</b>		<b>ESA has not designated a back up person for the assignment of access roles</b>		
2	2	A qualified person within ESA should be officially designated and sufficiently trained as a back-up person for this critical function.	Implemented	ESA provided the names of the primary and backup staff for assigning roles. This was verified to the spreadsheet mentioned in recommendation 1.
<b>3</b>		<b>HaRP team has not consolidated policies and procedures into a central document</b>		
3	3	HaRP should consolidate all policies and procedures into one document called HaRP Policy Manual and another one called HaRP Operating Procedures Manual. Each manual should have different sections for different topics. This will greatly enhance retrieval, updates and contribute to operational efficiency. Every time there is a need to review the documentation of the system, such as a system upgrade, all documents will be reviewed, reducing the possibility of omitting any document.	Implemented	This recommendation was addressed in the policy "Maintaining HaRP User Security" dated 3/24/14. It was issued and placed on the HaRP Security share drive and the County's intranet site.

Finding / Recommendation Number	Priority	Finding/Recommendation	Implementation Status	Comments
4		<b>HaRP team has not streamlined the monitoring report</b>		
4	3	The HaRP should redesign the Z_PAY_651 report to list only accounts that require actions. Accounts already locked out should be excluded or suppressed from printing in this report. This will produce saving in time and cost for the HaRP team every pay period.	Implemented	HaRP redesigned the monitoring report to show only accounts requiring action and the action required. This significantly made the report easier to use.
5		<b>HaRP team should redesign the naming convention to include more information on access level</b>		
5	3	The HaRP team should review the naming convention, using the Description field to convey useful information on the level of access. Given the experience and insight gained from years of actually using the system in the County, the review will be an opportunity to achieve standardization as well.	Implemented	The HaRP team now uses the "Description" field to better describe the level of access, i.e. "Role Name".

# County of Santa Clara

Employee Services Agency  
Employee Benefits Department

County Government Center  
70 West Hedding Street, East Wing 2<sup>nd</sup> floor  
San Jose, California 95110-1705  
(408) 299-5206 FAX 287-7629



DATE: October 22, 2015

TO: Rebecca Haggerty, Internal Audit Manager

FROM: Rey Guillen, Employee Benefits Director

SUBJECT: Internal Audit Report: *A Follow-up Audit to the Internal Audit Report: Access to Data in the Human Resource Payroll System (HaRP) issued January 29, 2009*

Thank you for the opportunity to respond to the Internal Audit Report: *A Follow-up Audit to the Internal Audit Report: Access to Data in the Human Resource Payroll System (HaRP) issued January 29, 2009*. I have reviewed the report and agree with the status of the audit recommendations 1 and 2. Specifically, both recommendations have been implemented.

I appreciate the work of the Internal Audit Division on this project.

# County of Santa Clara

Finance Agency  
Controller-Treasurer



County Government Center  
70 West Hedding Street, East Wing 2<sup>nd</sup> floor  
San Jose, California 95110-1705  
(408) 299-5206 FAX 287-7629

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Date: October 19, 2015

To: Rebecca Haggerty, Internal Audit Manager

From: Alan Minato, Controller-Treasurer

Subject: Internal Audit Report: *A Follow-up Audit to the Internal Audit Report: Access to Data in the Human Resource Payroll System (HaRP) issued January 29, 2009*

Thank you for the opportunity to respond to the Internal Audit Report: *A Follow-up Audit to the Internal Audit Report: Access to Data in the Human Resource Payroll System (HaRP) issued January 29, 2009*. I have reviewed the report and agree with the status of the audit recommendations 3, 4 and 5. Specifically, all three recommendations have been implemented.

I appreciate the work of the Internal Audit Division on this project.



Bill Perrone, CIA  
Internal Audit Manager

January 29, 2009

Assignment 10108

To: Distribution List

Subject: Internal Audit Report – Access to data in the Human Resource  
Payroll System (HaRP)

We have completed an audit of data access in the HaRP system. HaRP is the County's system that processes human resources and payroll data. We conducted the audit from October to December 2008.

We thank the staff and management of the Controller-Treasurer's Fiscal Division and those in Employee Services Agency's Human Resources Division. Their assistance and cooperation contributed to the successful completion of this project.

Respectfully submitted,

Signature on file

Bill Perrone, CIA  
Internal Audit Manager

Distribution List:

Steve Conrad, Manager, Fiscal Services, Controller-Treasurer  
Gary A. Graves, Acting County Executive  
John V. Guthrie, Director, Finance Agency  
Luke Leung, Deputy County Executive  
Peter Ng, Employee Benefits Director, Employee Services Agency  
Renaë Owens, Manager II, ACE, Employee Services Agency  
Vinod Sharma, Controller-Treasurer, Finance Agency  
Board of Supervisors  
Grand Jury



## **INTERNAL AUDIT REPORT**

### **Access to Data in Human Resource and Payroll System (HaRP)**



Assignment 10108  
January 29, 2009

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## **Executive Summary**

**Conclusion** Based on the results of our testing, access to the data in the Human Resource Payroll System (HaRP) in the County was adequately controlled. There was an established process to set up access and manage changes including deactivation.

Policies and procedures were available and generally adequate. The Human Resources Division employee and the HaRP team member in the Fiscal Services Division demonstrated competency in the day-to-day operations of these procedures.

We noted several areas for improvements and made recommendations to strengthen internal controls and enhance operational efficiency. These were documenting the access role assignment, designating a contingency person, timely updating policies and procedures, streamlining the monitoring report, and redesigning role names. In some cases, remedial actions have begun.

During our fieldwork, the HaRP team added a missing procedure.

The HaRP team is in agreement with the findings and recommendations contained in this report. The Human Resources Division is in agreement with the findings and recommendations.

**Audit Objectives** The primary objective was to evaluate the controls of access to the data in the HaRP System.

**Audit Scope** The scope included:

- Policies and procedures of the process governing access to data
- Authorization, approval and processing of access requests
- Management of changes to access including deactivation
- Design and assignment of roles (access levels)
- Monitoring of violations and their resolutions

**Audit Background** We conducted the audit based on the results of our FY 07 Macro Risk Assessment. There has been no prior audit since the implementation of HaRP (PeopleSoft). We conducted our audit in accordance with the Professional Practices Framework established by the Institute of Internal Auditors.

Details about our findings and recommendations are provided below.

Signature on file

Bill Perrone, CIA  
Internal Audit Manager

## **Findings and Recommendations**

**Finding 1**                      **ESA has not documented the assignment of access roles.**

Request for access to HaRP is first reviewed and approved by the requestor's supervisor and the department HaRP security coordinator. The approved request is processed by a Manager II, ACE in Employee Services Agency (ESA). This person is the only person in the County who has the authority and knowledge to assign the proper and appropriate role (level of access to data in the HaRP system) to a request. The assigned role is put on the request form and sent to the HaRP team for execution.

During the on site visit with this manager, using actual requests, she was able to describe and demonstrate the thought process of determining what role (level of access) should be assigned. However, there was no documentation of these steps, except a high level write up she prepared that day. This was not documented because of a lack of resources. She said it needs to be completed.

Documenting these steps is critical. It is a record of how the assignment of roles is performed. The roles determine how much access to the data in the HaRP system are granted.

**Recommendation 1**      ESA's Human Resources Division should detail steps in the determination and assignment of access roles procedures. The documentation should be kept current to reflect newly created roles, deleted roles and any changes that may result from a system upgrade. [Priority 2]

**Finding 2**                      **ESA has not designated a back-up person for the assignment of access roles.**

There was no back-up person for this important and sensitive function. The previous back-up person retired in early 2008.

Without a trained back-up and the primary person is absent, it can result in processing delays, thus impairing the operations of requesting departments. From a risk and control perspective, it is prudent not to have a single point of failure. A back-up person is a contingency.

**Recommendation 2**      A qualified person within ESA should be officially designated and sufficiently trained as a back-up person for this critical function. [Priority 2]

**Finding 3**                      **HaRP team has not consolidated policies and procedures into a central document.**

Policies, procedures, process flow, request form, security agreement, designation of security coordinators, sample notices and training material were located in different places. This can hinder retrieval, updates and ease of referencing.

**Recommendation 3**      HaRP should consolidate all policies and procedures into one document called HaRP Policy Manual and another one called HaRP Operating Procedures Manual. Each manual should have different sections for different topics. This will greatly enhance retrieval, updates and contribute to operational efficiency. Every time there is a need to review the documentation of the system, such as a system upgrade, all documents will be reviewed, reducing the possibility of omitting any document. [Priority 3]

**Finding 4**                      **HaRP team has not streamlined the monitoring report.**

Z\_PAY\_651, the biweekly PeopleSoft report lists all personnel actions that occurred during the previous pay period. From this report, the HaRP team decides which HaRP accounts should be locked out i.e. the access to the HaRP system data stopped.

We found this report was adequate but it lists all personnel actions rather than only those that affect the access to data in HaRP, such as a job change, a transfer, or a leave of absence. Previously locked out accounts were repeated in subsequent reports. Consequently, the processor in the HaRP team had to go through every account listed in the report to filter out the valid ones, ignoring those already locked out. Only then could she proceed to deactivate the affected accounts. The HaRP team member stated that they are aware of the need for streamlining this report.

**Recommendation 4**      The HaRP team should redesign the Z\_PAY\_651 report to list only accounts that require action. Accounts already locked out should be excluded or suppressed from printing in this report. This will produce saving in time and cost for the HaRP team every pay period. [Priority 3]

**Finding 5**                      **HaRP team should redesign the naming convention to include more information on access level.**

The role names currently in use are named from the time the system was implemented and evolved over the years. They are not constructed in such a way as to convey the hierarchy of access or relationship among them. A naming convention that indicates some access levels can yield insight into the relationship among different roles. Properly constructed naming convention can provide levels of access, organization ownership and other parameters, yielding useful statistics for management. This will bring efficiency to the HaRP team in administrating the access levels. Given the limitation on the size of the role name, using the Description field to convey the information is a good alternative.

**Recommendation 5**        The HaRP team should review the naming convention, using the Description field to convey useful information on the level of access. Given the experience and insight gained from years of actually using the system in the County, the review will be an opportunity to achieve standardization as well. [Priority 3]

## **Response from the Fiscal Services Division**

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**From:** Conrad, Steve  
**Sent:** Monday, January 26, 2009 1:54 PM  
**To:** Chan, Fred  
**Cc:** Perrone, Bill; Nguyen, Annick; Owens, Renae; Ng, Peter  
**Subject:** RE: Draft report, Access of data in HaRP system  
**Sensitivity:** Confidential

Fred -

Thanks for the updated draft report.

The Fiscal Services Division is in agreement with the findings and recommendations contained in this report.

### Recommendation One

Directed to ESA.

### Recommendation Two

Directed to ESA.

### Recommendation Three

**HaRP should consolidate all policies and procedures into one document called HaRP Policy Manual and another one called HaRP Operating Procedures Manual.**

Agree. Status: completed in January 2009.

### Recommendation Four

**The HaRP team should redesign the Z\_PAY\_651 report to list only accounts that require action.**

Agree. Status: the request for modification of the custom report has been completed and submitted to the technical team. We expect that the report will be modified, tested and put in production no later than mid February 2009.

### Recommendation Five

**The HaRP team should review the naming convention, using the Description field to convey useful information on the level of access.**

Agree. Status: the HARP Team will use the Description field to describe access levels.

Thank you for your patience and understanding during the audit. It was completed in a very professional manner.

Steve

## **Response from the Human Resources Division**

**From:** Owens, Renae  
**Sent:** Tuesday, January 27, 2009 5:53 PM  
**To:** Chan, Fred  
**Cc:** Perrone, Bill; Conrad, Steve; Ng, Peter  
**Subject:** RE: Response to audit draft report, HaRP Access audit  
**Sensitivity:** Confidential

Fred, in response to your request regarding recommendations 1&2, ESA agrees with the findings. We will implement necessary changes within 90 - 180 days.

We will agree to:

1. assign a back up for HaRP security access requests, to allow for proper handling of those requests in the absence of the primary Countywide Security Coordinator.
2. finalize the documentation process of creating/granting access roles to the PeopleSoft system based on valid business reason.

Please let me know if you have questions or need additional information.

Renae Owens  
Employee Services Agency  
(408) 299-5867 Phone  
(408) 293-1516 Fax