



## Douglas County Internal Audit

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July 13, 2016

Douglas County Board of Commissioners  
1819 Farnam Street, Suite LC2  
Omaha, NE 68183

Attention: Mary Ann Borgeson, Mike Boyle, Jim Cavanaugh, Clare Duda, Marc Kraft, PJ Morgan, and Chris Rodgers

Daniel A. Esch, Douglas County Clerk/Comptroller  
Karen Buche, HR Director/Clerk to Civil Service Commission  
1819 Harney St.  
Omaha, NE 68183

Dear Commissioners, Mr. Esch, and Ms. Buche:

I have completed an audit of Douglas County Oracle user access. The purpose of the audit was to assess the adequacy and effectiveness of the control processes used to ensure that access to Oracle user applications are properly granted and continually assessed. The audit revealed that, overall, controls were adequately designed and worked effectively. However, there were exceptions related to a lack of timeliness in removing the access of terminated users. This is a repeat finding from the prior year.

### **Background**

As part of the fiscal year audit plan, Douglas County Internal Audit performs internal control testing for the Douglas County external audit firm, Hayes and Associates, LLC. The external auditor uses the test data provided by Internal Audit to formulate a professional opinion about the County's year-end financial statements. Oracle is the computer system used to generate financial information for the County. Below are the details related to tests of the controls for Oracle user access.

### **Objectives**

The objectives of the audit were to determine that:

- Oracle user access is authorized and approved by appropriate personnel.
- There are appropriate controls in place to ensure that Oracle users' access rights are restricted to the functions that are essential to their job description and that the access does not create a segregation of duty conflict.
- Oracle user access is periodically assessed to determine that current access is appropriate.

## **Scope and Methodology**

The audit included a judgmentally chosen examination of twenty additions and thirty-five terminations from July 1, 2015 through February 16, 2016. The sample was chosen using the current and prior active Oracle user listings. The additions were tested to verify that the access requested was approved by the appropriate managers and that the access granted was the access authorized. The generation of appropriate termination notices and removal of access was also tested.

The periodic assessment of user access was reviewed to determine how user access was evaluated. Additionally, the duties of all persons with the ability to update data within Oracle were analyzed to determine if there were any segregation of duty conflicts. Mitigating controls where possible segregation of duty conflicts existed were identified and confirmed to be in place and operating as described. Lastly, all active users' employment status was reviewed to determine that users were currently employed by Douglas County or a related entity based upon Human Resources data or confirmation with management.

## **Findings**

### **Terminations**

**Criteria:** IT user access that is no longer needed should be removed in a timely manner. Access not removed within 24 hours of termination was considered an exception.

**Condition:** An Email termination alert generated by the Oracle System provides notice to DOT.Comm to remove the terminated employee's access to the Oracle system. The alert is generated after the termination information is updated within Oracle by the Human Resources Department (HR). The information needed to update Oracle is entered after HR receives the information from the various elected offices and department heads within the County. Thirty-five employee terminations were tested to see how long it took to remove their Oracle user access. There were thirteen terminations (37%) where the email notification occurred after the termination date. For these thirteen exceptions, excluding one event anomaly, the email notifications occurred nine days after the termination date. Per discussion with Tim McNally, Deputy HR Director, at the present time HR does not track the dates termination information is received into HR for termination entry into Oracle. HR cannot determine with certainty, without much manual effort, whether late notifications occurred as a result of HR receiving late notifications from department heads or if HR was generating the notifications in an untimely fashion. It was noted that user access was being removed in a timely manner once notification was received at DOT.Comm.

**Effect:** The users noted above had access that provided them abilities to enter or change limited types of data in Oracle. It is unlikely their access and current status could be used to convert assets to personal use or access sensitive data. However, this may not always be the case if unneeded access is not prevented or detected in a timely manner.

Cause: The process currently in place is not adequately designed to provide assurance that the access for terminated employees and non-employee users or users transferring to different job functions would be changed in a timely fashion.

Recommendation: Notify and educate the elected official and department heads on the importance of providing prompt notification of termination to the HR Department. Track the termination notifications and the email alerts dates so that problem areas can be isolated and the problems areas identified addressed accordingly. Determine if there is a way to use an automated workflow in which a notification of termination could generate the email alerts as well.

Management's Response: As the Civil Service Commission/Human Resources (HR) Department is not typically aware of termination and new hire actions taken by elected officials/department heads, we are totally dependent upon the elected officials/department heads to provide us documentation in a timely fashion.

In reviewing random terminations, we found no indication that HR staff is delaying the processing of terminations. However, in some instances there are delays in completing entry into the Oracle system due to "blackout" periods that occurs in association with payroll. There are several days each pay period when HR is restricted from accessing Oracle to enter information.

The Civil Service Commission/Human Resources (HR) Department agrees with the Internal Auditor's recommendation of educating the elected officials and department heads on the importance of prompt submission of documents to HR. We have requested timely submission of these documents on multiple occasions. We recommend this communication be provided by the Internal Auditor, as HR's efforts have failed to yield the desired results.

In order to better identify those departments that are slow in submitting documentation, HR will log and analyze the receipt of employee status change documents. If a trend is identified, HR will contact the elected official/department head to determine why the cause of the delay. If the trend continues, we will bring it to the attention of the appropriate authority.

HR will continue to evaluate other options which may streamline the process and increase the timeliness of information. Currently, HR has two initiatives pending in DOT.Comm's queue: Oracle's Manager SSHR (self-service) may allow elected offices and department heads to provide quicker notification to HR regarding employee status changes; Oracle's Onboarding module which may streamline the new hire process as well. Unfortunately, HR cannot identify the timeframe in which these two initiatives will occur, as there is a backlog of Oracle projects and insufficient Oracle resources.

Internal Audit Note: Prior to publication of this report, County Administration has notified department heads and elected official offices of the importance of forwarding termination documentation to the HR office.

### **Audit Standards**

Internal Audit conducted this audit in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal

Auditing. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

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Internal Audit has reviewed this information with the Chief Deputy Douglas County Clerk and the HR Director/Clerk to Civil Service Commission. Internal Audit appreciates the excellent cooperation provided by the Clerk/Comptroller's office, the Human Resources Department and DOT.Comm's management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Mike Dwornicki at (402) 444-4327.

Sincerely,

Mike Dwornicki  
Internal Audit Director

- cc: Mark Rhine  
Jude Lui  
Richard File  
Patrick Bloomingdale  
Joe Lorenz  
Diane Carlson  
Sheri Larsen  
Tim McNally  
Vijay Badal  
Frank Hayes  
Tumi Oluyole  
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