



## COUNTY OF PLACER

## OFFICE OF AUDITOR-CONTROLLER

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September 19, 2017

Mr. Jeffrey Brown, Director  
Placer County Health and Human Services Department  
3091 County Center Drive, Suite 290  
Auburn, CA 95603

Re: "VW" Tax Intercept Payment Document Review

Dear Mr. Brown:

The Internal Audit Division of the Auditor-Controller's Office performed a review of confidential "VW" document types, specifically related to tax intercept payment documents, generated by the Health and Human Services Department (Department) during the period from January 1, 2016 through December 31, 2016. Confidential "VW" documents are those that contain "personal information" as deemed by the California Civil Code Section 1798. The term "personal information" means any information in any record about an individual that is maintained by an agency, including, but not limited to, his or her education, financial transactions, medical or employment history.

The purpose of this review was to determine whether adequate internal controls exist to provide reasonable assurance that document type "VW" is used appropriately, "VW" payments are properly authorized, documentation is adequately retained and supports the payment and sensitive information is not being submitted to our Office, in accordance with County policy.

Based on our review, internal controls over document type "VW", specific to tax intercept payment documents are not operating as designed within the Department, as documented below.

### Sensitive information was submitted to the Auditor-Controller's Office

During our review, we noted the Department submitted VW tax intercept documents, with sensitive back-up attached, to the Auditor-Controller's Office. Tax intercept documents are subject to the security requirements outlined in the Internal Revenue Service's (IRS) Publication 1075 – Tax Information Security Guidelines for Federal, State and Local Agencies. The Auditor-Controller's Office does not meet IRS Publication 1075 security requirements and should not have received sensitive tax intercept information.

We recommend the Department immediately cease submitting sensitive information, specific to VW tax intercept payment documents, to the Auditor-Controller's Office to ensure compliance with IRS Publication 1075. We also recommend the Auditor-Controller's Office dispose of all VW tax intercept documents in accordance with IRS Publication 1075.

*Department Response:*

*Our office concurs with the finding that some sensitive information was inadvertently not redacted from the backup documentation related to VW tax intercept documents submitted to the Auditor-Controller's Office. Upon notification of these findings, we immediately ceased sending sensitive backup documentation related to VW tax intercept documents to the Auditor-Controller's Office and assure that we will maintain such documentation in-house.*

SIRE Access

During our review, we noted seven former Health and Human Services employees have access to the SIRE confidential document folder. Of these seven former employees, six are current County employees and continue to have access to SIRE up to two and a half years after leaving the Department.

We recommend the Department implement a process to ensure access to Department specific systems and folders is removed when an employee leaves the Department.

*Department Response:*

*Our Administrative Technician processes NAR Forms with the IT Division upon an employee's termination or transfer. Our understanding of this process is that by completing the NAR Form for a departing employee from HHS, that it is sufficient to discontinue and/or terminate any and all computer access previously authorized by the department, therefore, not allowing such employee access to confidential HHS documents. HHS Administration will follow up with the IT Division at its Monthly IT Meeting next scheduled for September 27<sup>th</sup> to determine ways to confirm that employees are accurately prevented access to confidential documents in the SIRE folder if they no longer work for HHS.*

The Department's responses to our recommendations identified by our review are included above. We did not audit the Department's responses and, accordingly, we do not express an opinion on them.

We appreciate the Department staff's courtesy and cooperation throughout the course of this review.

Respectfully,



Nicole C. Howard, CPA  
Assistant-Auditor Controller

cc: Andrew Sisk, Auditor-Controller  
Darlene King, Client Services Program Director  
Vicki Grenier, Client Services Program Manager  
Michelle Beauchamp, Client Services Program Manager  
Placer County Audit Committee