



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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Dr. Robert Oldham, Director/Chief Psychiatrist
Placer County Department of Health and Human Services
3091 County Center Dr, Ste 290
Auburn, CA 95603

Re: Confidential Documents Review

Dear Dr. Oldham:

The Internal Audit Division of the Auditor-Controller's Office (ACO) performed a Countywide Confidential Documents Review. Specifically, we reviewed the confidential documents maintained by the Department of Health and Human Services (Department) during the period from July 1, 2018 through June 30, 2019.

Confidential documents are those that contain "personal information" as deemed by the California Civil Code Section 1798. Pursuant to Section 1798.3, the term "personal information" means "any information that is maintained by an agency that identifies or describes an individual, including, but not limited to, his or her name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. It includes statements made by, or attributed to, the individual."

The objectives of our review were to determine whether adequate internal controls exist to provide reasonable assurance that confidential document is used appropriately, confidential payments are properly authorized, documentation is adequately retained and supports the payment and sensitive information is not being submitted as an attachment to a transaction in Workday, in accordance with County policy.

Based on our review, we identified several areas of internal controls that are not operating as designed within the Department, as documented below.

Observation #1– Department did not ensure that user access to the OnBase system was properly removed

The access to the Department's confidential records in the OnBase system (online storage for confidential documents) is provided using specific active directory security groups. During our review, we noted that the Department did not ensure that the user access to OnBase from the

applicable active directory security groups was properly removed after submitting the request to remove access upon employee's terminations/transfers, which was done via the network access request (NAR-Delete) or Workday. We also found an instance in which the OnBase access's expired date is 69 days after the employee's termination.

During the course of our review, the Department performed a review of the user access in the AUD HHS security group and requested the ACO to remove the access of 48 users from the active directory for the OnBase_AUD_HHS security group in August 2020. However, per the OnBase's security report provided by the County's Department of Information Technology (County IT) on 10/8/2020, we found that all 48 users are still listed in the security group. It appears that at one point in time, the OnBase system may not be properly removing users from the security groups when they were being removed from the Active Directory. As a result, users are still being listed in the OnBase's security report when they should not.

Recommendation:

We recommend the Department ensure that user access to OnBase is removed immediately upon the employee's termination/transfer. After the user access is removed from Active Directory, the Department should work with County IT to confirm the process is complete by verifying the changes against the OnBase's security report. Also, we recommend the Department work with County IT to resolve the issues regarding the service that links active directory and the OnBase system to ensure that the process is working as designed.

Department's Response:

Since approximately 1997, the ACO utilizes OnBase software, formerly known as SIRE, as the County's repository for long-term financial records storage, including those that are confidential. In July 2018, the County implemented a new, enterprise resource planning system, known as Workday, which enhanced the County's ability to attach supporting documentation to individual system transactions. However, due to system constraints, Workday does not currently have the functionality to appropriately limit access to confidential information. As a result, the Department has largely transitioned to OnBase to store confidential documents. Some confidential documents are also still maintained outside of either system (i.e. Workday or OnBase). As a health and human services agency, the Department has a unique responsibility to protect information that is legally deemed confidential and to maintain compliance with security and privacy requirements. In addition to California Civil Code Section 1798, cited by the ACO above, the Department also has legal and regulatory obligations related to following:

- *General Medical Privacy (e.g. HIPAA Privacy Rule, 42 U.S.C. § 1320d-6, 45 CFR Section 160.103(2)(iv); California Civil Code Section 56.10)*
- *Health Officer Confidentiality (e.g. Cal. Code Regs. tit. 17, §§ 2502, 2505)*
- *Mental Health Records (e.g. Cal. Wel. & Inst. Code Sections 5328, 5330)*
- *Substance Use Records (e.g. 42 CFR Part 2)*
- *Adult Protective Services Confidentiality (e.g. Wel. & Inst. Code Section 15633)*
- *Public Assistance Records (e.g. Wel. & Inst. Code Section 10850)*
- *Child Welfare Records (e.g. Wel. & Inst. Code Section 827)*

Overall, the Department agrees with ACO's premise that access to confidential information should be safeguarded. Starting in the fall of 2018, the Department began implementing a new process for managing confidential documents. It is the Department's long-term goal to transition all confidential documents to electronic storage to enhance security and reduce the need for physical storage space. Due to the volume of documents, as well as delays due to the COVID-19 pandemic, the Department is still working through the transition process and some confidential documents are physically secured on-site.

The Department is committed to continuous evaluation of processes and procedures to achieve efficiency and effectiveness. As a result of a review performed by Department staff in July 2020, the Department found users' permissions in OnBase were not properly removed even though the Department followed County procedures to modify user access in a timely fashion (i.e. on or near the employee's anticipated termination/transfer date or on their last day of work, whichever is applicable). As the ACO noted, this impacted 48 users, some of which worked for departments outside of HHS. As a result, the Department concurs with the following observation reached by the ACO:

It appears that at one point in time, the OnBase system may not be properly removing users from the security groups when they were being removed from the Active Directory. As a result, users are still being listed in the OnBase's security report when they should not.

The Department agrees with the ACO's recommendation to ensure timely removal of user access upon an employee's termination/transfer. To address the system issue noted above, the Department worked with County IT to develop new OnBase reporting capabilities, and to implement a new access request process using the Service Now System. The Department is continuing this partnership with County IT to improve the ticketing process by adding an individual OnBase catalog item for access modification requests. This will automate routing and approval workflows in the system.

Moving forward, the Department will require other divisions and departments, with a legitimate business need to access HHS confidential documents in OnBase, to submit a Service Now ticket if access modification is necessary. Timely submission of requests via a ticketing system will support both the Department and County IT in initiating, approving, and processing accurate access requests. To support this change, the Department will also be implementing regular termination report reviews and quarterly user access audits to evaluate access and ensure other divisions and departments are submitting timely requests to modify access. The Department believes implementation of these enhancements will lead to a more transparent and trackable process that better supports internal controls, best practices, and risk mitigation. The Department will continue to monitor progress and work with County IT to avoid processing delays related to access modification requests.

Observation #2– Confidential supplier invoice was incorrectly coded

During our review, we found an instance in which the Supplier Invoice was incorrectly coded to a Spend Category that did not match the service that was provided.

Example–SI100-0015211: The payment was made to a dental provider who performed dental work on a client. However, the Department incorrectly coded the payment rent (SC4630 Support and Care Rent). Upon auditor’s inquiry, the Department explained that the incorrect coding was entered due to a keying error.

Recommendation:

We recommend that the Department's review process include a detailed review of the documents coding and all supporting documentation before submission in Workday.

Department’s Response:

The Department agrees with the ACO’s observation and recommendation. The correct coding (SC4660) for this supplier invoice was provided on the transaction’s supporting documentation. However, due to a keying error the incorrect coding (SC4630) was entered. This keying error likely occurred because this invoice was entered along with other Adult Permanent Supportive Housing requests, most of which were correctly coded to SC4630. This error was not identified during the subsequent review and approval process. The Department will remind staff of the importance of review and approval procedures when processing payment transactions. The current MSO practice of attaching confidential supporting documentation in OnBase will help mitigate this type of error moving forward.

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: Vicki Grenier, Deputy Director of Health & Human Services
Genna Martin, Administrative & Fiscal Operations Manager
Placer County Audit Committee