

COUNTY OF SOLANO, CALIFORNIA

MANAGEMENT LETTER

JUNE 30, 2018



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

To the Board of Supervisors
and Management
County of Solano, California

In planning and performing our audit of the financial statements of the County of Solano, California (County), as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

We previously communicated to you about the County's internal control in our separate report dated December 28, 2018. This letter does not affect our report dated December 28, 2018, on the financial statements of the County.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

**REMOVING ACTIVE DIRECTORY ACCOUNTS FOR TERMINATED EMPLOYEES
(REPEAT FINDING)**

OBSERVATION:

We noted when employees are terminated, the County's policy is to remove the employees from the Active Directory and remove access to the County's Information Systems remotely through the Virtual Private Network (VPN) once notified by the department through the Department of Information Technology (DoIT) Access Separation Checklist, thus preventing the possibility of unauthorized access to the County's Information Systems. Additionally, the County's policy states that all inactive accounts will be removed from County systems after a sixty (60) day period. As a result of our audit procedures and of the sample selected, we noted four (4) employees had access to the County's Information Systems remotely through the Virtual Private Network (VPN), but were removed from the County's Active Directory on the date of termination.

RECOMMENDATION:

We recommend that the County strengthen its existing policies and procedures to ensure terminated employees are removed from the Active Directory and VPN access in a timely manner.

MANAGEMENT'S RESPONSE:

The Department of Information Technology agrees with the findings. We note that primary responsibility for compliance with the procedures in the Access Separation Checklist must lie with hiring managers in each Department. We have implemented a manual process to fill the gap created when Departments fail to notify DoIT of separations. This process is designed to identify and disable terminated accounts on a weekly basis. We are engaged in a process of continual improvement to review and refine the process until it can be fully automated.

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Due to unforeseen delays in the Service Desk project, the platform needed to create a fully automated procedure is not yet available. We anticipate the platform will be available in the first half of 2019, with implementation of process automation to take place by 2020.

SEGREGATION OF DUTIES – CASH RECEIPTS

OBSERVATION:

As a result of our procedures, it was observed that the County does not have adequate segregation of duties in the Fairfield Health Clinic cash receipts process; as one individual has access to cash, access to the Nextgen system, prepares reconciliation between daily cash receipts and Nextgen ledger (there is no evidence of review by second party) and has the ability to void cash receipt transactions without approval.

RECOMMENDATION:

We recommend that the County strengthen its existing policies and procedures to ensure proper segregation of duties.

MANAGEMENT'S RESPONSE:

Health & Social Services (HSS) agrees with the finding. HSS has started taking corrective action to address not only the issue of segregation of duties but the entire cash handling process for the clinics. In December 2018, HSS changed the reporting structure for the clinics' front office accounting clerks to ensure adequate fiscal or technical support in performing their day-to-day responsibilities. The front office accounting clerks now report directly to a Policy and Financial Analyst (PFA)/Revenue Cycle Manager providing onsite supervision. Supervisory review is now required for all deposits. HSS is currently reviewing all clinic fiscal policies and procedures (P&Ps). It is anticipated that updated P&Ps will be fully implemented by March 31, 2019.

AUTHORIZING EMPLOYEE STATUS CHANGES/ACTION

OBSERVATION:

As a result of our procedures, it was observed that an employee Personnel Action Request (PAR) were not properly approved by the Department Head. The County's Policy requires all personnel status changes/action to be properly approved by the Department Head. As a result of our audit procedures and of the sample selected, we noted one (1) employee PAR was not properly signed/authorized by the Department Head.

RECOMMENDATION:

We recommend that the County strengthen its existing policies and procedures to ensure proper authorization of Personnel Action Requests.

MANAGEMENT'S RESPONSE:

The Sheriff's Department reported an issue with the County's automated ePAR. The issue involved the Animal Care Division specifically in which an initiated ePAR skipped the Department approver, and routed directly to HR. For the ePAR's for which the Sheriff's Department reported the issue, the HR department denied the ePAR

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and asked that paper Personnel Action Forms be submitted with the department approval. The routing issue was not noticed when this particular ePAR was initiated and was not properly approved from the Department Head electronically or via paper PAR. Once the issue was identified, it was reported to DoIT and the ePAR vendor for correction. A “fix” was entered in the system to correct the issue for subsequent ePAR’s.

AUTHORIZING TIMESHEETS

OBSERVATION:

As a result of our procedures, we noted the County’s policies require that employee timesheets are to be properly approved by the individual employee. The County’s Payroll Policies and Procedures states “all employees (except Elected Officials) are required to complete, sign and date a timesheet to report hours worked and leave taken.” As a result of our audit procedures and of the sample selected, we noted four (4) employee timesheets were not properly signed/authorized by the individual employee.

RECOMMENDATION:

We recommend that the County strengthen its existing policies and procedures to ensure proper authorization of employee timesheets.

MANAGEMENT’S RESPONSE:

The Auditor-Controller agrees with the finding. In each case, the supervisor submitted the timecard on the employee’s behalf. However, County procedures require that employee’s supervisor require the employee to “Acknowledge” timecards submitted on the employee’s behalf (the “get-acknowledge” process). In these four instances, the supervisor didn’t follow established procedures. The Auditor-Controller has sent a reminder to Employees and Supervisors to perform this procedure if an employee is unavailable to submit his/her timecard.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the County gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the Board of Supervisors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
December 28, 2018