

County of San Bernardino

**Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section**

Veterans Affairs Department: Information Security Follow-up Audit



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Mission Statement

The San Bernardino County Auditor-Controller's Office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

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December 20, 2016

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SUBJECT: Information Security Follow-up Audit

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 05-20 entitled Internal Operational Auditing, we have completed a follow-up audit of Veterans Affairs for the period of January 1, 2016 through July 20, 2016. The objective of the audit was to determine if the recommendations for the findings reported in the October 13, 2015 audit on Information Security have been implemented. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We have provided a status of the audit findings identified in the original audit report issued on October 13, 2015. Of the two recommendations from the original audit report, one has been implemented and one has been partially implemented.

We sent a draft report to the Department on October 25, 2016. The Department's response to the current status of our recommendations is included in this report.

We would like to express our appreciation to the personnel at the Veterans Affairs Department who assisted and cooperated with us during this engagement.

Respectfully submitted,

Oscar Valdez

Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By:



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Veterans Affairs Department: Information Security Follow-up Audit

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Scope and Objective

Our audit examined the Department's Information Security for the period of January 1, 2016 through July 20, 2016.

The objective of this follow-up audit was to determine whether the Department implemented the recommendations contained in the prior audit report, *Veteran Affairs Department: Information Security Audit*, issued on October 13, 2015.

Methodology

In achieving the audit objective, the following audit procedures were performed including but not limited to:

- Interview of Veterans Affairs personnel.
- Walk-through of activity.
- Review of personally identifiable information (PII) logs and interoffice transportation logs.



Prior Finding 1: Controls over paper files containing personally identifiable information (PII) need improvement.

The Human Services (HS) Policy and Standard Practice Manual, Policy 15-1 "Privacy and Security of Personally Identifiable Information (PII)" under the *Confidentiality* section states that "HS staff must be diligent in their efforts to protect PII...and those granted access to HS resources must adhere to the following... Dispose of PII in locked shred containers only". The Standard Practice also establishes reasonable safeguards for printed documents containing PII including "locking file cabinets, offices or other doors or areas where printed information may be stored" and that "printed information must always be disposed in a confidential shred bin". Furthermore, the County of San Bernardino Human Services Privacy and Security Training Manual under the *Accessing Information* section states that "PII must remain protected and secured from all threats of loss or unauthorized disclosure."

The following conditions were noted:

- An employee's shred box containing PII documents was not emptied at the end of the business day.
- A filing cabinet was left unlocked overnight.

The Department does not have a process to verify all cabinets are locked and all documents containing PII are properly disposed at the end of the business day. This can lead to a greater risk of inappropriate use or disclosure of veterans' personally identifiable information.

Recommendation:

We recommend that the Department follow the guidelines outlined in the HS Policy and Standard Practice Manual and the Privacy and Security Training Manual regarding the security of PII. We also recommend that the Department designate the responsibility of ensuring cabinets are locked and personal shred boxes are emptied daily to a single employee. We also recommend that this verification process be documented.

Current Status: Partially Implemented

During our visit to the San Bernardino and Hesperia Veterans Affairs offices, it was noted that all shred boxes were emptied and cabinets were locked overnight. However, no documentation was maintained at the sites to verify the process was completed daily.



Management's Response:

Effective 11/1/2016 the documentation PII form was revised to include weekly reviews by management who will then initial and date.

Auditor's Response:

The Department's actions will correct the deficiencies noted in the finding.

Prior Finding 2: Controls over the transporting of files need improvement.

According to the Generally Accepted Privacy Principles issued by the American Institute of Certified Public Accountants (AICPA), under the *Security for Privacy Criteria* for Transmitted Personal Information, personal information should be protected when transmitted by mail or other physical means.

When paper files containing PII are sent from the Hesperia Office to the San Bernardino office, a record of the files being transported is not included. Without this, the receiving location cannot verify that the files received are complete by reconciling to the record.

The Department uses County Interoffice Mail as a secure form of transporting PII. Files may be lost or stolen during transport and employees will not be aware of the loss without a verification and reconciliation process.

Recommendation:

We recommend that the Department establish procedures over how files are transported between sites. These procedures should include creating a record of the documents being transported and a process to verify all documents listed on the record were received.

Current Status: Implemented

The San Bernardino and Hesperia offices maintained logs of all documentation being transported and received between sites.