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Risk Management Department

June 2013

*Internal Audit Report Authorized by the
Maricopa County Board of Supervisors*

Report Highlights	Page
Risk Management Department (RMD) will enhance its programs.	1
RMD will improve claims processing.	2
RMD will strengthen contract oversight.	4
The Risk Management Trust Fund Balance is communicated to management.	6
RMD will enhance Safety Programs.	7
RMD will improve IT security and claims management application controls.	14

Objectives

To determine that:

- A program is in place to review insurance coverage limits, reduce exposure to liabilities, and assess and report environmental liabilities.
- Controls over claims processes are adequate.
- Safety/Loss control programs are effective.
- Safety programs comply with County and Occupational Safety and Health Administration (OSHA) requirements.
- Controls over the Legal Service Provider and Workers' Compensation contracts are adequate.
- The Trust Fund strategy is communicated to County leadership.
- Information Technology (IT) General Controls are effective.
- The claims management application controls over data confidentiality, integrity and availability, are effective and adequate.

Scope

This audit focused on workers' compensation and liability claims, safety activities, IT general and application controls, and contracts. The testing period was FY 2010 to FY 2013.

To perform this audit we interviewed Risk Management Department (RMD) and the workers' compensation claims vendor management and employees. We surveyed a sample of County leaders and observed site inspections at County facilities.

We also reviewed the following: claims data, claims files, and related documents; County and RMD policies and procedures; OSHA guidance; safety-related documents and training records; contracts and invoices; IT general controls; and claims management application controls.

Standards

This audit was approved by the Board of Supervisors and conforms to International Standards for the Professional Practice of Internal Auditing. The specific areas reviewed were selected through a formal risk-assessment process.

Audit Results

Issue #1: Risk Management Program

Observation: RMD's risk assessment process and communication of claims experience and loss control activities could be enhanced. RMD sends out a questionnaire to various agencies to identify insurable risks and forwards the questionnaires to the broker. The risk assessment process can be strengthened by formalizing a countywide risk assessment that includes uninsured risks, retained risks, and emerging issues. RMD shares raw claims data with County agencies but does not formally communicate trends and emerging issues. Communication of loss control/safety activities is not consistent between RMD and County agencies.

Conclusion #1A: Consistent communication and risk analysis would enhance RMD's ability to make informed decisions	
Recommendations	RMD Action Plan
1A-1 Periodically survey County agencies about their information needs and formalize the communication process.	Concur – in process Risk Management will develop a process to survey County agencies. Target Date: 12/31/2013
1A-2 Enhance the risk assessment process by formally documenting (at least annually) a countywide risk assessment.	Concur – in process Risk Management will create a document to assess risk on an annual basis. Target Date: 6/01/2014
1A-3 Enhance claims reporting to County agencies by including claims history and trends.	Concur – in process Risk Management will enhance the quarterly claims history reporting process to include trends. Target Date: 6/01/2013

Issue #2: Claims Processing Controls

Observation: RMD's General Claims Protocol is not always followed. We reviewed 30 general liability claims and found that only 11 were subject to this protocol, which was established in 2011. Four did not have evidence of required meetings or a waiver from the deputy director. In addition, one of those four claims was also missing a claims checklist and budget. We also noted RMD does not have a standard, documented claim reserving approach.

We reviewed 30 workers' compensation (WC) claims and found that 11 claims exceeded the statutorily required 10-day timeframe because County agencies were not always reporting claims timely. In addition, we determined that RMD does not perform a reconciliation between claims reported to the WC third-party administrator (TPA) and the claims listed in TPA's RiskMaster, the primary case management application used by both RMD and TPA.

We reviewed RiskMaster input, edit, and authorization controls and found that adequate controls appear to be in place to facilitate efficient and effective claims management.

Conclusion #2A: RMD does not consistently follow its established General Claims Protocol.	
Recommendation	RMD Action Plan
2A Update the Risk Management Severity Code Index – General Claims Protocol, and include documentation guidelines to meet each claim requirement. Communicate Protocol to and provide training for all adjusters.	Concur – completed Target Date: 6/01/2013
Conclusion #2B: RMD's claim reserving approach has not been standardized and documented.	
Recommendation	RMD Action Plan
2B Formalize and document the claim reserving approach.	Concur – in process We are developing a policy that documents the County's claim reserving approach. Target Date: 9/01/2013

Conclusion #2C: RMD has not taken steps to ensure that County agencies report claims timely.	
Recommendation	RMD Action Plan
2C Develop requirements for County agencies to file timely claims. Communicate the importance of timely reporting and implement reporting on agency performance.	Concur – in process We are developing requirements and will publish them to agencies for timely reporting of claims and communicate the importance of timely reporting. We will develop reports from RiskMaster to indicate lag time of reporting for distribution. Target Date: 10/01/2013
Conclusion #2D: RMD does not reconcile claims sent to the workers' compensation claims administrator (TPA) to ensure the claims are entered in the TPA's system.	
Recommendation	RMD Action Plan
2D Reconcile claims reported to TPA, to claims in TPA's RiskMaster, if RMD continues to outsource workers' compensation claims management.	Concur – completed Contract terminates on 6/30/13 and work comp claims handling will be processed in-house. Target Date: 6/30/2013
Conclusion #2E: RiskMaster controls over claim input and edit accuracy, and over claim authorization, appear to be working.	
Recommendation	RMD Action Plan
None	N/A

Issue #3: Claims Payment Processing Controls

Observation: All 100 workers' compensation payments and 54 general claims payments reviewed were properly documented and justified. Of the general claims payments tested, seven invoices were not approved by the adjuster. However, all payments had two levels of RMD Finance Division review. We also reviewed all medical malpractice, general liability, and workers' compensation claims from July 2009 to June 2012 and did not find any duplicate payments.

Conclusion #3A: All claims payments tested were properly supported.	
Recommendation	RMD Action Plan
None	N/A
Conclusion #3B: Some claim payments tested were not approved by the adjuster.	
Recommendation	RMD Action Plan
3B Formalize policies and procedures for payment approval processing. Adjusters should verify services have been received and meet quality standards before Finance approves the payment.	Concur – completed Policy developed for approving payments. All adjusters have been trained on the new policy. Target Date: 6/01/2013
Conclusion #3C: No duplicate payments were found in the claims we reviewed.	
Recommendation	RMD Action Plan
None	N/A

Issue #4: Workers' Compensation Contract

Observation: We found no exceptions with the fees charged by the workers' compensation (WC) third party administrator (TPA); all five monthly invoices reviewed were properly supported and approved. The TPA included most of the contractually-required invoice details, with the exception of contract numbers and County purchase order numbers.

To verify that the TPA performs monthly reconciliations of the WC maintenance account, as required by the contract, we reviewed account reconciliation procedures and one monthly reconciliation. RMD monitors funding requests and bank account statements. No exceptions were noted.

We reviewed 30 workers' compensation claims and found 4 claims did not have evidence that the contractually-required 30-day review of open active claims occurred. We also reviewed all four closed WC claims in our sample that were subject to subrogation (third party at fault but unable to recover) to ensure that RMD approved all closed claims before abandoning recovery. No exceptions were noted.

We found that the TPA was not meeting a number of contract reporting, status, and timely review requirements. Based on discussions with RMD and the TPA, some of the requirements are no longer valid, however this has not been documented.

Conclusion #4A: RMD has implemented controls over the workers' compensation contract to ensure that (1) invoice rates and supporting documentation are reviewed prior to payment, (2) the bank account is reconciled, and (3) assignments to attorneys are preapproved by RMD. As an added control, RMD conducts quarterly, contractually-required, mini audits.	
Recommendation	RMD Action Plan
None	N/A
Conclusion #4B: RMD is not consistently monitoring and enforcing all contract requirements. Practices that differ from contract requirements for reporting, timely reviews, and notifications are not documented.	
Recommendations	RMD Action Plan
4B-1 The contract requirements that are no longer valid should be documented and agreed to by both parties to eliminate any misunderstanding in the future.	Concur – completed Contract terminates on 6/30/13 and work comp claims handling will be processed in-house. Target Date: 6/30/2013
4B-2 Consistently enforce all contract requirements.	Concur – completed Contract terminates on 6/30/13 and work comp claims handling will be processed in-house. Target Date: 6/30/2013

Issue #5: Legal Services Contract

Observation: We found that a majority of the 30 invoices reviewed complied with contract requirements. However, invoices did not always include contractually-required detail, and preapproval of certain expenses was not always documented. One firm overcharged more than \$2,600 on one invoice due to hourly rate discrepancies.

Conclusion #5A: Contract controls could be improved.	
Recommendations	RMD Action Plan
5A-1 Consider reviewing additional invoices for the firm that overcharged; seek reimbursement.	Concur – completed Target Date: 6/01/2013
5A-2 Document formal policies for contract compliance reviews and payment processing.	Concur – completed Developed formal policy for reviewing and approving invoices. Target Date: 6/01/2013

Issue #6: Risk Trust Fund Balance

Observation: The Risk Trust Fund had a deficit of over \$79 million as of June 30, 2012. The deficit is discussed in the County budget book, the RMD audit, and RMD annual reports. In addition, RMD provides financial updates of indemnity and expense reserves for the Trust Fund Board of Trustees.

The Risk Trust Fund budget strategy was to fund every expenditure using internal service fund charges, with the exception of non-recurring, high dollar and abuse of power claims, which were budgeted in contingency funds.

Conclusion #6A: The Risk Trust Fund has a large deficit balance; the County has budgeted contingency funds to cover the deficit.	
Recommendation	RMD Action Plan
None	N/A
Conclusion #6B: County management and the Trust Fund Board of Trustees are updated on the fiscal status of the Trust Fund.	
Recommendation	RMD Action Plan
None	N/A

Issue #7: Safety Program Policies

Observation: RMD has implemented County policies to ensure compliance with OSHA requirements; however, there is no Board-approved, Countywide plan. In addition, policies are outdated (some date back to the 1990s).

Conclusion #7A: Safety policies are outdated and are not included in a comprehensive, Countywide safety plan.	
Recommendations	RMD Action Plan
7A-1 Create a Countywide safety plan that defines agency and RMD responsibilities.	Concur – in process Creation of an Injury and Illness Prevention Plan has been completed by the Safety Manager and has been submitted to OMB for review and creation of a new County-wide policy. Target Date: 6/30/2014
7A-2 Review and update safety policies and communicate updated policies to County agencies.	Concur – in process The Injury and Illness Prevention Plan will be the new updated safety policy. All new policies are introduced to the management team by OMB. Target Date: 6/30/2014

Issue #8: Safety Program Communication

Observation: RMD has implemented safety programs targeted high-risk County agencies; however, the programs have not been communicated and implemented Countywide. Twenty-one (34%) of 62 County agencies have no assigned RMD safety specialist and do not receive regular RMD communications. RMD does not send loss data to agencies that have their own agency loss specialists or to unassigned agencies. We surveyed eight, various sized County agencies regarding RMD communications. Six reported that RMD communicates with their employees frequently about general safety practices.

County Policy A2201 *Loss Control* requires that all high-risk agencies have safety committees or safety coordinators. We found some agencies do not have safety committees or assigned safety coordinators.

Conclusion #8A: Safety Programs are informal and do not target all County agencies.	
Recommendations	RMD Action Plan
8A-1 Communicate regularly with all County agencies and ensure they are conducting safety/health meetings.	Concur – in process The Safety division communicates on a regular basis with County agencies and always encourages departments to establish and participate in Safety team meetings. Target Date: 6/30/2014
8A-2 Ensure all high-risk agencies have safety coordinators and/or safety committees, as required by policy. Work with County agencies to increase the number and effectiveness of safety coordinators and/or safety committees.	Concur – in process All high risk agencies have Safety representatives assigned to them who regularly promote safety team meetings. Safety always encourages departments to establish and participate in Safety team meetings and assign safety coordinators. Target Date: 6/30/2014

Issue #9: Safety Program Training and Certifications

Observation: RMD does not consistently track and monitor safety training and certifications, and does not ensure agencies track and monitor them. Out of the three RMD safety specialists, only one maintains a list of required OSHA training classes for her assigned agencies; however, the list does not indicate which positions require which training, and does not track training attendance/completion. There is no list of required training for other agencies. Agencies do not register all safety training courses in Pathlore, the County’s online learning center. In some agencies, more than one supervisor keeps training records, making monitoring difficult.

We reviewed the training records of 31 County employees who operate heavy equipment. We found that most employees did not receive all OSHA recommended training. Of the 31 employees reviewed, 15 (48%) completed Personal Protective Equipment training, 13 (42%) completed Hazard Communication training, 14 (45%) completed Fire Extinguisher training, and 8 (26%) completed Heat Stress training. Only one employee completed all recommended OSHA safety training courses.

County policy requires employees to be licensed and certified to operate certain equipment. RMD does not have procedures to ensure certifications are updated and tracked. We reviewed the training records of 34 County employees who operate equipment. We found that 11 (32%) did not have classes related to their certification documented in Pathlore. To see if agencies were tracking certifications, we reviewed training documents provided by three County agencies, and found agencies had

certification records for 20 of the 30 employee records requested. One agency did not centrally track training, and another no longer had records for a terminated employee.

RMD tracks driver's licenses. All of the 34 heavy equipment operators reviewed had current licenses.

Conclusion #9A: More formal RMD oversight would ensure that safety and certification requirements are met.	
Recommendations	RMD Action Plan
9A-1 Formalize safety training requirements for all County employees and monitor agency progress.	Concur – in process All Safety training is moving towards being performed online. All training records will be stored in Pathlore or any other LMS the County selects. Target Date: 6/30/2014
9A-2 Ensure safety training and equipment certifications are tracked.	Concur – in process All Safety training is moving towards being performed online. All training records will be stored in Pathlore or any other LMS the County selects. Target Date: 6/30/2014
Conclusion #9B: RMD tracks employee driver's licenses.	
Recommendation	RMD Action Plan
None	N/A

Issue #10: Safety Program Site Inspections and Job Safety Analysis

Observation: To verify compliance with County policy and OSHA site inspection requirements, we requested site inspection documents for 15 County facilities and observed two site inspections. RMD provided reports for 9 of the 15 facilities. RMD could not provide reports on the remaining six because it did not inspect two leased County facilities, or four other facilities that were omitted from the planned inspection lists. These facilities should have been on the inspections list.

Only four of the nine inspection documents contained corrective action plans from agencies, and none of the inspection documents were sent to agency directors as required by policy. Only five of the site inspection documents contained completed checklists.

Of those completed, one checklist did not indicate which items were reviewed during the inspection and another did not indicate whether RMD checked for safety data sheets.

To determine compliance with County policy and OSHA requirements, we reviewed a sample of five Job Safety Analysis (JSA) checklists and found the forms reviewed were not current. We observed one JSA in process and found the analysis was informal and the JSA checklist was not completed.

Conclusion #10A: More formal oversight of site inspections will enhance RMD's ability to assess risk.	
Recommendation	RMD Action Plan
10A Ensure that site inspections are completed and formally documented for all facilities normally used by County employees. Communicate results of site inspections to agency directors as required by policy.	Concur – in process A formal inspection form and follow-up document has already been created and is currently in use. Target Date: 6/30/2014
Conclusion #10B: The Job Safety Analysis process could be improved to ensure all applicable positions are consistently analyzed.	
Recommendation	RMD Action Plan
10B Ensure County agencies are conducting and formally documenting JSAs for all applicable positions. Periodically review and update.	Concur – in process The upcoming Injury and Illness Prevention Program (I2P2) policy assigns JSA responsibility to individual departments, and the Safety division will audit compliance. Target Date: 6/30/2014

Issue #11: Safety Program Emergency Evacuation Plans

Observation: RMD had evacuation plans for eight of the ten facilities requested. RMD does not maintain evacuation plans for the other two facilities, because they are leased. Only two of the eight evacuation plans reviewed contained all recommended OSHA requirements. The most common missing items were current floor plans and emergency contacts.

Conclusion #11A: RMD does not maintain evacuation plans for all County facilities.	
Recommendation	RMD Action Plan
11A Ensure all County facilities (leased and owned) have evacuation plans.	<p>Concur – in process</p> <p>Safety representatives have been informed that leased building must be inspected and have evacuation plans.</p> <p>Risk Management will work with FMD to include the floor plans and Risk will work with the HR liaisons of the individual departments to ensure they establish emergency contacts.</p> <p>Target Date: 6/30/2014</p>

Issue #12: Safety Program Hazard Communication

Observation: RMD tracks compliance with OSHA hazard communication requirements and provides training.

County policy requires RMD to have a current inventory of hazardous chemicals in use throughout the County. Although documentation is reviewed during site inspections, only one safety specialist out of three had an inventory for her assigned agencies. In March 2013, the policy was updated to make each facility responsible for maintaining the hazardous chemical inventory and updating safety data sheets. RMD was not compliant with the policy prior to the update.

Conclusion #12A: We found no exceptions with County hazard communication tracking.	
Recommendation	RMD Action Plan
None	N/A

Conclusion #12B: RMD was not tracking safety data sheets as required by policy. A recent policy change makes agencies responsible for tracking these sheets.

Recommendation	RMD Action Plan
<p>12B Ensure County agencies are aware they should be tracking safety data sheets. Monitor compliance. Provide hazardous chemical training if needed.</p>	<p>Concur – in process</p> <p>The Hazard Communication Program is currently assigned as a service of the Environmental Division. We have already begun HazCom training that includes informing employees of the Safety Data Sheet requirements. This training is conducted in scheduled training classes, in on-line webinars, and in train-the-trainer sessions. We are planning on implementing an evaluation of the HazCom programs of County departments after January 1, 2014. The evaluation will be conducted using a Compliance Metric that uses compliance data from OSHA Directive CPL02-02-038, Inspection Procedures for the Hazard Communication Standard. It provides evaluation criteria and a scoring system. This will allow departments to track their improvements with objective measurements. There are approximately 20 metrics in the evaluation.</p> <p>Target Date: 6/30/2014</p>

Issue #13: Safety Program OSHA Injury Tracking

Observation: We found no exceptions related to OSHA injury tracking. We reviewed 20 of 263 injuries from the 2012 OSHA 300 Log to determine that reported injuries had supporting documentation, as required by *OSHA Recordkeeping* guidance.

Conclusion #13A: We found no exceptions with OSHA injury tracking.	
Recommendation	RMD Action Plan
None	N/A

Issue #14: Modified Duty Program

Observation: RMD oversight of Modified Duty is informal. We surveyed eight County agencies and found that one tracks Modified Duty. Other agencies indicated that tracking is informal.

Conclusion #14A: More formal oversight of the Modified Duty Program would increase policy compliance.	
Recommendation	RMD Action Plan
14A Coordinate the Modified Duty Program and formally track as required by policy	Concur – in process Developing RiskMaster reports to track modified duty. Target Date: 11/01/2013

Issue #15: Third Party Administrators' (TPA) Control Reports

Observation: We reviewed the unemployment and workers' compensation TPA Service Organization Controls Reports (SOC1). SOC1 is a system review by an external auditor that assesses a vendor's internal controls. We determined that RMD obtained the SOC1 reports from both the unemployment and workers' compensation TPAs. Exceptions in the reports were deemed low risk by the SOC1 auditors and do not appear to have a significant impact on the overall claims control environment. The SOC1 auditor for the unemployment TPA noted one weakness. The SOC1 auditor for the workers' compensation TPA noted several weaknesses.

Conclusion #15A: The unemployment TPA's SOC1 vendor control review report included one control weakness not considered significant by the auditor.	
Recommendation	RMD Action Plan
None	N/A

Conclusion #15B: The workers' compensation SOC1 vendor control review test results noted several control weakness or exceptions, though they were deemed low risk by the auditor.	
Recommendation	RMD Action Plan
15B Consider other service providers or ensure control weaknesses are addressed if RMD continues to outsource workers' compensation claims management.	Concur – completed Contract terminates on 6/30/13 and work comp claims handling will be processed in-house. Target Date: 6/30/2013
Conclusion #15C: RMD obtained the workers' compensation and unemployment SOC1 reports from the third party administrators.	
Recommendation	RMD Action Plan
None	N/A

Issue #16: IT Security Controls

Observation: A review of RMD IT security controls showed that RiskMaster, RMD's primary case management application, receives unencrypted (insecure) sensitive employee and volunteer data from the payroll and Sheriff's Office systems. We also found that RMD has not implemented two of three Office of Enterprise Technology (OET) recommended security standards for RiskMaster passwords, including minimum character length and complexity. We found that 3 of 11 (27%) sampled RiskMaster users did not have a signed Data Confidentiality Form on file; two users were from other County agencies and the third was a consultant. We also found that RMD does not actively monitor network activity for unauthorized removal or downloads of sensitive data from RiskMaster. RMD staff could attend OET security awareness classes; however, RMD has not implemented a formal policy requiring IT security awareness training.

Conclusion #16A: RMD's RiskMaster application passes unencrypted (insecure) sensitive employee and volunteer information through the RMD network.	
Recommendation	RMD Action Plan
16A Consider working with OET and the Sheriff's Office to encrypt data files that are transmitted through RiskMaster.	Concur – in process We have discussed with OET adding password protection and encryption to the feed file as it travels from Zone 2 to Zone 3 in addition to the submission by secure FTP, which already takes place. This update has been added to our OET projects list and will be completed. Target Date: 7/01/2014
Conclusion #16B: RiskMaster password requirements do not comply with OET's recommended password security standards.	
Recommendation	RMD Action Plan
16B Fully implement OET's password security recommendations for RiskMaster.	Concur – completed Target Date: 6/01/2013
Conclusion #16C: RMD does not require all authorized RiskMaster users to sign the Data Confidentiality Form.	
Recommendation	RMD Action Plan
16C Require all authorized RiskMaster users to sign the Data Confidentiality Form.	Concur – completed Target Date: 6/01/2013

Conclusion #16D: RMD does not have formal policies promoting IT security awareness.	
Recommendation	RMD Action Plan
16D Develop a formal security awareness policy that includes requiring employees to complete OET's online data security training. Consider requesting IT security awareness training from OET, tailored to RMD's needs.	<p>Concur – in process</p> <p>Policy has been developed and all employees and other users of RiskMaster have signed they agree to abide by the policy.</p> <p>Employees are currently scheduling their time to take the online security training.</p> <p>We have requested additional security training from OET for our all hands meeting by the end of October.</p> <p>Target Date: 10/31/2013</p>

Issue #17: RiskMaster Change Management and Report Changes

Observation: RMD does not consistently authorize, test, and approve application and report changes. We found that none of the three RiskMaster application changes reviewed had been formally authorized before OET made the change. Also, RMD did not document RiskMaster test results and approvals for two of the three application changes reviewed. RMD does not have a formal process for authorizing and testing modifications to RiskMaster reports. Inadequate application and report change controls may lead to data accuracy and system availability issues.

Conclusion #17A: RMD has not implemented formal controls for authorizing, testing, and approving changes to the RiskMaster application and reports.	
Recommendation	RMD Action Plan
17A Develop formal policies and procedures for authorizing, testing, and approving RiskMaster changes and RiskMaster report changes.	<p>Concur – in process</p> <p>The department has procedures established for all items. These procedures will be converted to formal policies as requested.</p> <p>Target Date: 6/01/2014</p>

Issue #18: IT Access

Observation: We reviewed RMD processes and reports to verify key IT access controls were in place. We found that for one of four employees terminated in FY 2012, RMD did not collect the VPN card (the device used to remotely access the County network) before discharging the employee. We verified that OET promptly disabled network access for the terminated employee; however, RMD had not verified that access was disabled at the time the employee was terminated. Discharged employees with network access could obtain access to sensitive RiskMaster information.

RMD does not formally document user access privileges, changes to access, or access terminations in RiskMaster. For seven of eight (88%) sampled employees, RMD did not formally authorize RiskMaster access.

RMD has not formally developed key IT planning documents, including an IT strategic or governance plan, IT risk assessment, or an IT budget that supports RMD’s business requirements.

Conclusion #18A: RMD does not verify with OET that terminated employees’ network access is promptly disabled.	
Recommendation	RMD Action Plan
18A Develop a formal policy to ensure that network access is disabled when employees are terminated.	Concur – in process The department has procedures established for all items. These procedures will be converted to formal policies as requested. Target Date: 6/01/2014
Conclusion #18B: RMD does not formally document RiskMaster user access authorizations, changes, and terminations.	
Recommendation	RMD Action Plan
18B Develop user access, policies and procedures that include requirements for authorization, changes, terminations, and updates. Also, update user access documentation to include new access, changes to existing access, and terminated access.	Concur – in process The department has procedures established for all items. These procedures will be converted to formal policies as requested. A supervisor signature date has been added to the Technology Access Request Form. Target Date: 6/01/2014

Conclusion #18C: RMD has not developed formal IT planning policies or procedures.	
Recommendation	RMD Action Plan
18C Develop formal policies and procedures for IT strategic planning and governance, IT risk assessment, and IT budgeting.	Concur – in process The department has procedures established for all items. These procedures will be converted to formal policies as requested. Target Date: 6/01/2014

Issue #19: IT Controls

Observation: RMD controls over the following areas generally followed recommended standards: (1) Service Level Agreements that define OET and RMD responsibilities for managing technology services, (2) Data Center Security, (3) Data Back-ups and Restorations, (4) Virus Protection, (5) Disaster Recovery and Business Continuity, (6) Legislative Changes to RiskMaster, and (7) Data Quality.

Conclusion #19A: Through observations, limited testing, and interviews, we determined that RMD controls generally followed recommended professional standards.	
Recommendation	RMD Action Plan
None	N/A

This report is intended primarily for the information and use of the County Board of Supervisors, County leadership, and other County stakeholders. However, this report is a matter of public record, and its distribution is not limited.

We have reviewed this information with RMD management. The Action Plan was approved by Pauline Hecker, Director, on June 24, 2013. If you have any questions about this report, please contact Eve Murillo, Deputy County Auditor, at 602-506-7245.

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