

Employee Onboarding/Termination Process Audit June 2019

Lori Brooks Jaquess, City Auditor, CPA, CIA, CGAP, CRMA
Susan Edwards, Assistant City Auditor, CIA, CFE
Lee Hagelstein, Internal Auditor, CGAP



City Auditor's Office

June 12, 2019

Honorable Mayor and Members of the City Council:

The City Auditor's Office has completed the Employee Onboarding/Termination Process Audit. The purpose of the audit was to review and evaluate the current onboarding and termination process and procedures.

Management's response to our audit findings and recommendations, as well as target implementation dates and responsibility, is included following the report.

We would like to thank staff from the Municipal Court, Human Resources and Information Technology departments for their full cooperation and assistance during the audit.

Lori Brooks Jaquess

Lori Brooks Jaquess, CPA, CIA, CGAP, CRMA
City Auditor

Attachment

c: Trey Yelverton, City Manager
Jim Parajon, Deputy City Manager
Gilbert Perales, Deputy City Manager
Jennifer Wichmann, Assistant City Manager
Yoko Matsumoto, Interim Director of Human Resources
Dennis John, Chief Information Officer
David Preciado, Director of Municipal Court Services

Employee Onboarding/Termination Process Audit

Table of Contents

	<u>Page</u>
Executive Summary	1
Audit Scope and Methodology	2
Background	3
Audit Results.....	5
Detailed Audit Findings	10
Audit Recommendation and Response Table	18

Executive Summary

The City Auditor's Office has completed the Employee Onboarding/Termination Process Audit. The performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. The audit objective was to review and evaluate the current onboarding and termination process and procedures.

The City Auditor's Office noted the following strengths related to employee onboarding and termination processes:

- The Human Resources Department (HR) has a well-defined and effective new employee orientation program
- Most departments have implemented an employee onboarding program
- The Information Technology Department's (IT) processes for granting access and disabling access to network systems has improved during the past year
- The processing of Termination Pay and Tuition Reimbursement by Finance staff appeared to be accurate and properly controlled

We noted the following potential opportunities for improvement:

- The HR Department should consider extending the New Employee Orientation program and including more interactive, team-building activities
- The orientation program should include information on the City's Fraud, Waste and Abuse Hotline
- All departments should have a written new employee onboarding program to ensure that new employees are properly integrated into the workforce
- Granting new employees network system access and disabling terminated employees' access should consistently be performed in a timely manner
- Physical access to the City Tower, regarding terminated employees, should be better controlled
- Policies and procedures should be developed relating to employee access to department supported web-based systems
- The IT Web-based Application Inventory should be updated and include a complete listing of all department supported web-based and vendor hosted systems
- Documentation within the RemedyForce system should be complete and data-entry should be standardized
- Documentation related to terminated employees should comply with the written policies

Details of audit findings, conclusions and recommendations are included in the following report.

Audit Scope and Methodology

The audit was conducted in accordance with generally accepted government auditing standards. The time frame for testing included activities performed during FY2017 and FY2018, unless otherwise noted. The following methodology was used in completing the audit.

- Attended New Employee Orientation session on August 13, 2018, to gain an understanding of the process and review the information provided to new employees
- Surveyed new employees hired between April and August 2018 to obtain their opinions regarding the effectiveness of the New Employee Orientation
- Reviewed new employee onboarding procedures at the department level to determine if they exist and if they are comprehensive and effective
- Reviewed the process of granting and disabling employee network access to assure that it was properly authorized, documented, and completed in a timely manner
- Tested to ensure that terminated employee's final pay was calculated accurately
- Reviewed the process for granting and removing physical access to the City Tower
- Reviewed the Education Assistance Program to ensure that tuition reimbursement was obtained from employees, if necessary
- Reviewed the process for access related to department supported web-based systems

Background

Orientation/Onboarding

Many organizations view employee orientation and onboarding as one in the same; however, they are two separate processes that should be developed by the organization. This was noted in two separate articles by human resources consultants/trainers – one by Amy Lewkovich entitled “Employee Onboarding vs. Employee Orientation” and the other by Jennifer C. Carpenter entitled “Onboarding vs. Orientation.” Some of the key differences between orientation and onboarding are outlined in the chart below.

	Orientation	Onboarding
Duration	A single event which takes place during the first day or two that the new hire is on the job and lasts from several hours to a couple of days. Emphasizes the employee's role with the company.	Begins when a job offer is extended and may last from a couple of weeks or up to several months (when the new hire is considered to be a fully functioning employee). Emphasizes the employee's role within the department.
Delivery	Takes place in a classroom or boardroom with a manager (usually Human Resources) providing general information about the organization.	Takes place at the department level with a manager or supervisor providing more in-depth information regarding the new employee's job responsibilities and expectations.
Content	Delivers information that all new employees need to know about: personnel policies; benefit options; insurance; City culture, vision, mission statement and values; and to complete required paperwork.	Provides customized information to the new employee based on his/her job responsibilities within the City. Includes: introduction to other team members, how the position interacts within the department, and possibly assigning a mentor for the new employee.
Results	After completion of the orientation process, the employee is still considered a "new hire" and usually requires more assistance from a manager or supervisor to become a productive employee.	Designed to focus on strengthening the employee's connection with the City and their specific department. When completed, the employee is fully integrated into the organization.

The City offers a partial-day New Employee Orientation program conducted by the Human Resources and Information Technology Departments. This generally takes place on an employee's first day of employment. Onboarding occurs in each employee's department upon completion of the orientation program. Each department is responsible for developing their departmental onboarding program to meet their needs. As a part of the onboarding process, new employees are provided with computer network and system access as well as an access card to the City Tower, if necessary.

Termination Processing

When an employee terminates City employment, several activities occur. According to City policy, employees who are voluntarily terminating their employment are required to provide written notice and participate in an exit interview. Additionally, terminating employees receive a final check which consists of payment for any hours worked during their final pay-period and for any accrued unused vacation time. For retiring employees, the individual is paid for any hours worked during the final pay period and is also eligible to be paid for accrued unused vacation and sick time, along with other pay types which are prorated (i.e. stability, wellness plan and any other additional pay categories). The employee is allowed to "catch-up" on their 401K and 457 Plan investment accounts.

Additionally, the City offers a tuition reimbursement program for employees who wish to continue their professional growth and development. The City will reimburse up to a maximum of \$2,500 per employee, per calendar year for undergraduate courses and \$4,000 for higher level degree programs. However, the employee must remain employed with the City for two years after reimbursement has been made or the employee will be required to repay the City for those expenses. Upon termination, if an employee has received tuition reimbursement in the preceding two years, those reimbursements must be repaid to the City per program rules.

When an employee terminates, the employee is required to return any City-owned property, such as keys, badges, access cards, City-issued cell phones, etc. Sometimes, these items are returned to the HR Department. In other cases, the items are returned to the employee's supervisor or manager on their last day of employment. Instead of returning the items to HR, the department often keeps the items on hand for when the new employee arrives.

Audit Results

In order to accomplish the stated objective, Internal Audit surveyed new employees regarding orientation and onboarding, reviewed network and system access, termination processing, and the granting of access to the City Tower.

Survey

A survey was distributed to a sample of employees hired between April and August 2018. The survey included questions regarding the initial Human Resources/Information Technology (HR/IT) orientation, as well as the departmental onboarding programs. The purpose of the survey was to determine the new employee's satisfaction with these programs. The survey was sent to 32 new employees and 17 responses were received. A summary of the responses and comments obtained from the survey is shown below.

HR/IT Orientation

Overall, the employees who responded to the survey (16 of 17) were satisfied with the information that was provided during the orientation and with the presenter's knowledge and ability to answer questions and explain the topics presented. Additionally, most of the respondents (12 of 17) believed that all the topics were adequately covered during the time period allowed. However, the remaining respondents (5 of 17) stated that some topics could have been discussed in more detail. Those topics included more detailed information about benefits and more information and training related to Lawson, and other systems such as telephone, e-mail and other network computer systems.

In most cases, the participants in the orientation process were well prepared for the program. Documentation received prior to the orientation day included: schedule of events, link to obtain necessary documents, letter outlining the information that should be brought to the session, and information regarding the dress code, benefits, parking, etc.

Nine of the seventeen respondents had suggestions to help improve the orientation process. Those suggestions included:

- Ensure that all participants are able to log-in to computer systems
- Include some employee engagement activities to make the experience more engaging
- Do not include so much information in such a short time period
- Ensure completion of some forms prior to attending the session - takes too much time away from more valuable learning
- More hands-on training in computer systems
- Do not spend time on information that could be reviewed individually outside of the class
- Spend time actually setting up a 401K or 457 account instead of just a brief overview

Departmental Onboarding

Overall, the employees who responded to the survey (14 of 17) were satisfied with the information provided during the departmental onboarding period. Items that were not discussed during the initial HR/IT orientation were covered during the departmental onboarding program. Of the remaining 3 individuals, the main criticism was that the supervisor did not discuss their job description and that there was no departmental onboarding program (with smaller departments).

In addition, 15 of 17 employees were satisfied with the assistance provided by the department in getting them acclimated to the department's rules and regulations and job expectations. Regarding workspace readiness, 15 of 17 employees stated that their workspace was ready, adequate supplies were available and computer access was available. For the remaining 2 individuals, system access was not available and/or access was not adequate to perform their specific job duties.

In most cases, the new employees stated that the departmental onboarding process helped them feel more confident in their ability to perform the job for which they were hired. In addition, these employees were given the opportunity to provide feedback on the process. When asked how the departmental onboarding was helpful, the respondents had the following comments:

- The process helped me understand how the City and departments work together
- Tenured employees were very open and helpful - answered all my questions
- Meeting other staff members was very important
- Discussion of my role and job expectations was fundamental in my success
- The department web-site and training was very helpful
- Being paired with a colleague as a mentor was helpful in understanding processes/roles within the department as well as interactions with other departments
- My manager had "check-in" meetings to see how things were coming along

There were also some suggestions on how to improve the departmental onboarding programs. Those comments included:

- Develop a departmental onboarding program
- Ensure that new employees have access to all network systems necessary to perform their assigned job duties on their first day
- Ensure new employees are provided a copy of departmental policies and procedures

Access to Network Systems

During this review, access to computer systems was tested. The testing involved newly hired employees, employees that transferred from one department to another, contract laborers and terminated employees during the time period of FY2017 and FY2018. We tested to ensure:

- Proper access was granted based on job responsibilities
- Access was authorized by supervisory personnel
- Adequate documentation was retained to validate the access granted

- Access was granted in a timely manner
- Access to Active Directory "groups" was properly granted based on departmental needs
- Access to network systems was disabled in a timely manner when employment ended

When network access is needed, the employee's supervisor completes an *IT Access Request Form* that identifies the systems for which the employee will require access. The form is signed by the supervisor and sent via email to the IT Department. Prior to February 2018, the forms were sent to and processed by the IT Service Desk (Help Desk). Since that time, IT Security has been responsible for this process. When IT Security receives the form, they review the form, ensure that it is completed and signed, and verify that the requested access is reasonable based on the employee's position. The employee's Active Directory account is established at that time. In addition, service orders are sent to other divisions within IT to provide access to other systems noted on the form (i.e. ShoreTel, Lawson, Kronos, etc.). An incident number is then established within the RemedyForce system and access is officially granted to the employee. When comparing FY2017 activity to FY2018 activity, it was noted that the process has improved greatly since the change to IT Security; however, there is still room for improvement in the timeliness of activities.

The sample selected for testing included the following groups during FY2017 and FY2018: 29 new hires, 22 employees that transferred from one department to another, 7 contract laborers and 30 terminated employees. Several exceptions were identified and are discussed more fully within the Detailed Audit Findings section of this report.

Department Supported Systems

Access to department supported web-based systems and vendor hosted systems was also reviewed. Five of the web-based/vendor supported systems were reviewed in order to determine if there were written City policies and procedures which control access. Two of the systems within the Police Department (Arbitrator and New World Systems), which are department supported, have written policies. The remaining three do not have policies. Those systems include Cartegraph (Public Works & Transportation) and ActiveNet (Parks & Recreation) which are department supported systems and e-Builder, which is a Software as a Service (SAAS), and is jointly supported by Public Works & Transportation and IT. It was also noted that the IT Department does not have a complete list of all department supported/vendor hosted systems. These issues are discussed further in the Detailed Audit Findings portion of this report.

Termination Processing

Internal Audit reviewed various aspects of the termination process to evaluate compliance with policies and identify any opportunities for improvement. During this review, it was noted that there is not a city-wide, standardized termination check-list used by supervisors/managers for processing terminations. This form could be used, in part, to ensure that all city property (i.e. keys, ID badge, access cards, computer, phone, etc.) is returned prior to or on the employee's last day on the job.

The following sections discuss the details of the testing related to termination (final) pay, tuition reimbursement and documentation received upon termination.

Termination Pay

Internal Audit reviewed the final pay-out for 30 terminating employees to ensure the accuracy of the final gross pay amount and that additional deductions (i.e. 401K and 457) were properly authorized by the employee. As a result of the testing performed, it was determined that final pay was calculated accurately, and any additional deductions were authorized by the employee.

Tuition Reimbursement

Internal Audit reviewed documentation related to six employees who had entered the Education Assistance Program during FY2016 through FY2018 and had completed the course but did not remain employed for the required 2-year period. Each of these individuals fully reimbursed the City for the expenses.

Termination Documentation

The termination files for a sample of 30 employees were reviewed. It was determined that eight of the employees did not have a letter of resignation within their employee file and 25 of the employee files did not contain an exit interview form.

Please see the Detailed Audit Findings section of this report for further information regarding opportunities for improvement in termination processing.

Physical Access to the City Tower

The Municipal Court System Administrator (Card Access Coordinator) is responsible for providing access cards for authorized employees to the City Tower. There are written procedures that control this process and are described below.

Each department is responsible for ordering Card Access Badges for new employees, contract staff and volunteers.

- For new hires, the employee's supervisor must complete and sign a Card Access Badge Request Form and send it via email or interoffice mail to Municipal Court. The form will then be reviewed to determine what type of access the employee needs. The access card is then issued to the employee.
- For Contract Laborers, the individual's supervisor within the City, must complete and sign a Card Access Badge Request Form and send it to Municipal Court. The type of access for the individual is determined. The access card is then given to the supervisor to forward on to the contact laborer.

Each department is required to notify the Card Access Coordinator when an employee has been terminated or a card has been lost, damaged, stolen or is no longer in use. Departments accomplish this with e-mails or notes from supervisors stating that employees have left the employment of the City. The Coordinator also receives the "Termination" list from HR bi-weekly and reviews for

employees with access cards. On occasion, the coordinator also receives inter-office mail with access cards in them. After the coordinator receives notice of a termination, the access card is disabled. However, there is not currently a process for tracking access cards that are returned or disabled.

Internal Audit reviewed a sample of employees with a City Tower access card. The sample consisted of ten new hires for which an access card was requested. Nine of the employees completed and signed a Card Access Badge Request Form. The remaining employee was approved for the access card via email from the Assistant Director of the Department. There were seven contract laborers in the sample for which City Tower access was requested. For six of the individuals, the supervisor in the department completed and signed a Request Form. The form for the other contract laborer could not be located. There were three terminated employees in the sample who had access to the City Tower. In each of these instances, there was no documentation that showed that the access card was returned, destroyed or disabled. This issue is discussed further within the Detailed Audit Findings section of this report.

Detailed Audit Findings

New Employee Orientation

While observing the City's new employee orientation, the auditor noted that the program consisted of an HR facilitator standing in front of the group talking about policies and procedures; benefits; values, mission and goals of the City; how to use the City's intra-net and completing required forms, etc. Although the information presented is relevant and necessary to discuss with the group, there is no interaction or participation amongst the attendees. Also, including too much information in a short period of time could reduce the new employee's enthusiasm about the new job.

According to an article published by the International Public Management Association for Human Resources, entitled "Employee Orientation: Keeping New Employees on Board," Dr. Judith Brown, a Program Manager for Policy and Performance Management at Naval Intelligence, a good orientation process helps instill a positive work attitude and motivation at the onset. One of the most important principles to convey during an orientation is your commitment to continuous improvement and continual learning. A successful orientation allows for some fun and engages the new employees, perhaps providing some types of team-building activities. Some of the other activities mentioned included: introduction to "key" management personnel; lunch with a mentor from the employee's department; memory games based on the information presented during the orientation; and a tour of facilities. Additionally, it may be helpful to ask for feedback from the new hires (perhaps two to four weeks later), to gain an understanding of their impression of the orientation process and how it was helpful to them in adjusting to their new roles.

Recommendations:

- 1. The City Auditor's Office recommends that the Human Resources Department consider extending the time frame for new employee orientation and including more team-building activities to build upon the new employee's enthusiasm***
- 2. The City Auditor's Office recommends that the Human Resources Department consider implementing a survey or other mechanism for gauging new employees' impression and satisfaction with the orientation process and adjust accordingly.***

Fraud, Waste and Abuse Hotline Awareness

During the New Employee Orientation presentation, the facilitator discusses ethics briefly and shows the attendees a link on the employee portal to report ethical concerns. These emails are sent to the HR Department. However, in June 2016, the City Auditor's Office implemented a Fraud, Waste and Abuse hotline for employees to report concerns directly to the Audit Office for review. This hotline is not mentioned during New Employee Orientation. Best practices related to hotline awareness, dictate that employers make employees aware of the hotline at the earliest opportunity. Including hotline information during new employee orientation would assure that all employees are informed about the hotline and that the City takes fraud, waste, and abuse seriously.

Recommendation:

- 3. The City Auditor's office recommends that the Human Resources Department include a discussion of the Fraud, Waste and Abuse Hotline during New Employee Orientation presentation.*

Departmental Onboarding

We noted several major departments do not have a written on-boarding program. For all employees to be fully and successfully integrated into the workforce, there should be some type of documented onboarding program at the department level. The comprehensiveness of the program could vary based on the department/area in which the new employee will be working. The Human Resources Department could provide guidance in the implementation of these programs. For those departments that already have a program in place, the program should be reviewed on a regular basis and updated as necessary.

Recommendation:

- 4. The City Auditor's Office recommends that the Deputy City Managers and the Assistant City Manager ensure that all departments develop and utilize a written or otherwise documented onboarding program.*

System Access

The granting or disabling of system access is not always performed in a timely manner. If an employee does not have access to the necessary computer systems, he/she will not be able to perform the duties assigned. On the other hand, if an employee still has access to network systems after he/she terminates, that leaves the City open for possible destructive activity.

New employees or employees transferring to other departments should have access to the network systems necessary to perform their assigned duties on the day that their job begins. Supervisors should submit the IT Access Request Form to the IT Department in order to comply with the required lead time (7 days). Then, IT should process the form and grant access prior to the employee's first day on the job.

Based on testing performed, it was determined that supervisors are not requesting access within the required time frame of 7 or more days prior to the hire date. Additionally, it was noted that IT is not processing the requests in a timely manner, once the request is received.

Timeliness of Processing of Network Access Requests

	Number of Access Requests Tested	Requests Initiated 7+ Days Prior to Hire Date	Requests Completed by IT Prior to Hire Date
New Hires			
FY 2017	32	10 (31%)	10 (31%)
FY 2018	54	28 (52%)	32 (59%)
Transfers			
FY 2017	44	14 (32%)	5 (11%)
FY 2018	21	16 (76%)	11(52%)

Terminations

When an employee terminates, the department enters the termination information into Lawson. After this is input, a termination report, which does not include contract labor or volunteers, is generated and forwarded to the IT Department. It is the department's responsibility to notify IT of contract labor and volunteer terminations. The IT Department then creates an incident within Remedyforce, their incident management and tracking system. Remedyforce notifies the Active Directory Manager, who terminates network access.

For terminations, access to network systems should be disabled as soon as possible (on the day of or soon after their final day of work). Once IT has been notified of an employee termination, system access for that individual should be disabled in a timely manner.

Based on testing performed, it does not appear that access to network systems is being disabled in a timely manner. The chart below shows the results of testing performed.

Network Access Termination Timeliness

Timing of Incident Creation in Remedyforce	Number of Incidents Tested	Access Disabled Prior to Termination	Access Disabled 1 - 7 Days After Termination	Access Disabled 8+ Days After Termination *
FY 17				
Prior to Termination Date	8	1	2	5
1 - 7 Days After Termination	5		4	1
8+ Days After Termination	5			5
FY 18				
Prior to Termination Date	5		4	1
1 - 7 Days After Termination	6		4	2
8+ Days After Termination	1			1

* For incidents completed 8+ days after termination, the average time of completion was approximately 3 weeks.

During FY2018, the process of granting access to and disabling access from network systems was moved from the IT Help Desk to IT Security. The timeliness of the process has improved greatly; however, there can still be some improvement.

Recommendations:

5. *The City Auditor's Office recommends that the Director of Human Resources include in the hiring process an automated notification to the IT Department for establishment of a new employee's Active Directory access to assure that the account is set-up prior to an employee's first day at orientation.*
6. *The City Auditor's Office recommends that the Chief Information Officer remind department supervisors, on a recurring basis, of the necessity of providing the IT Access Request Form for new and transferring employees to the IT Department prior to the 7-day lead time required to set up access to systems.*
7. *The City Auditor's Office recommends that the Chief Information Officer assure that access to systems is set up as soon as possible after notification is received.*
8. *The City Auditor's Office recommends that the Chief Information Officer establish a standard time frame for disabling access to systems.*

Physical Access to the City Tower

There are several ways in which the Municipal Court System Administrator is provided with information regarding terminations:

- A "Termination" list from HR is received bi-weekly and reviewed to identify employees with City Tower access cards
- E-mails or notes from supervisors stating that employees have left City employment
- Inter-office mail containing access cards

Through these various means, when an employee resigns/retires, their access card can be disabled. However, currently there is not a tracking process in place to ensure all access cards are returned or disabled. Upon termination, an employee's access to the City Tower should be disabled in a timely manner and the return or destruction of the access card should be documented. Continued access to the City Tower building for disgruntled terminated personnel could result in property damage and/or physical harm to other employees.

Recommendation:

9. *The City Auditor's Office recommends that the Municipal Court System Administrator implement a system to track the disposition of access cards for terminated employees and contractors.*

Auditor Note: The City is implementing new access control systems within City buildings. Access will be granted using the employee's identification card. This new process was not included in the scope of this audit. This process will be considered for review in future audit projects.

Department Controlled Web-Based and Vendor Hosted Systems

There are limited policies or procedures to control access to department supported web-based systems. During audit testing related to system access, department supported web-based systems and vendor hosted systems were also reviewed. The following systems were identified and reviewed in more detail:

- Cartegraph - Public Works and Transportation is responsible for this system. According to the Public Works Information System Coordinator, there are no written policies/procedures to control access to or disabling access from this system.
- ActiveNet - Parks & Recreation is responsible for this system. According to the Parks Business Services Manager, there are no written policies/procedures to control access to or disabling access from this system.
- New World and Arbitrator - Police Department is responsible for these two systems. According to the Research & Development Manager, there are written policies/procedures to control access to and disabling access from these systems. The policies and procedures were reviewed and appeared to adequately control access.
- e-Builder - Public Works and Transportation is responsible for this system. According to IT Server Support, requests for access to this system should go through Remedyforce. As this is a SAAS product and access is granted to projects at the department level, there should be written policies/procedures as to who may be granted access and how access is granted.

In order to adequately control department supported web-based systems and vendor hosted systems, policies and procedures should be developed that state who may authorize access, the reason/purpose for access, and when/how to disable access to those systems. If not properly controlled, employees could gain access to systems for which they are not authorized.

Recommendation:

10. The City Auditor's Office recommends that the Deputy City Managers and the Assistant City Manager ensure departments, that are responsible for web-based systems or use hosted systems, develop policies and procedures to control access to those systems.

Department Supported Software Inventory

City Policy 205.05.B states, "The Information Technology Department is responsible for tracking all City software and ensuring that the City maintains license compliance. All software acquisition and installation shall be performed by, or coordinated with, the Information Technology Department."

The IT Department maintains an inventory listing of applications and services they support. In addition, there are a number of department supported web-based and vendor hosted systems being used. Since those systems are governed by the individual departments, the IT Department does not always have knowledge of those systems. Therefore, the City's software inventory is not comprehensive.

Because departments do not always coordinate software acquisitions with the IT Department, IT staff (having the appropriate expertise) does not have the opportunity to review the related service level agreements, security, access controls, ownership of data, and exit strategies. As such, it is necessary for the IT Department to be aware of all software acquisitions.

Recommendations:

- 11. The City Auditor's Office recommends that the City Manager's Office ensure that all departments coordinate with the Chief Information Officer when implementing department supported software (SAAS, vendor hosted, etc.).***
- 12. The City Auditor's Office recommends that the IT Applications Supervisor perform a complete city-wide inventory of department supported web-based systems and vendor hosted systems. Once completed, the inventory should be maintained and updated, as necessary.***

Documentation of System Access Authorization

Documentation for access to systems could not be located within the Remedyforce system. To gain access to City network computer systems, a supervisor must complete and sign an IT Access Request Form and send it to the IT Department. Then, once the form is reviewed and the requested access is verified, the IT Department will grant access to the specific systems requested. The City Auditor's Office selected a sample of 29 new hires, 22 employees transferred to other departments, and seven contract laborers for testing. For these individuals, Audit reviewed the initial IT Access Request Forms to determine what access was authorized and then reviewed corresponding individual system incidents (actions) that granted the access. The following was noted:

New Employees:

- For 2 employees, the initial IT Access Request Form could not be located; therefore, their authorized system access could not be determined
- A separate form is required for access to VPN (Virtual Private Network). For two employees ***with VPN access***, this form could not be located
- Employees were granted access to systems (i.e. Lawson, Amanda, etc.) for which the IT Access Request Form did not indicate such access (9 instances)
- The IT Access Request Form granted access to specific systems; however, an incident # could not be located that actually granted that access (3 instances)

Transferred employees:

- Employees were granted access to systems (i.e. Lawson, Shoretel, etc.) for which the IT Access Request Form did not indicate such access (3 instances)
- The IT Access Request Form granted access to specific systems; however, an Incident # could not be located that actually granted that access (6 instances)

Regarding employees' access to various "groups" or directories, it appears that some employees, after being transferred, still had access to groups from their previous assignments. From the sample of 22 employees transferred to a different department, there were six possible issues noted.

Contract Labor:

The IT Access Request Forms could not be located for three contract laborers.

Possible reasons why the deficiencies were noted:

- The documents were not entered into the Remedyforce system
- Even though these discrepancies were noted, it does not necessarily mean that the documents were not there. There is a lack of a standardized data entry system. All information should be entered in the same manner, so it is easily searchable

Employees or contract laborers could possibly be granted access to systems for which they are not authorized, thereby resulting in possible data integrity issues.

Recommendations:

- 13. The City Auditor's Office recommends that the IT Department develop a standardized data entry model to document all system activity within the Remedyforce system (i.e. IT Access Request Forms and Incident #s).***
- 14. The City Auditor's Office recommends that the Chief Information Officer require departments to review employee access to systems, directories, drives, folders, etc. for appropriateness and remove unnecessary access. Additionally, the IT Department should work with departments to establish role-based access.***
- 15. The City Auditor's Office recommends that the IT Department disable all prior access for transferring employees prior to setting up access for the employee's new role, as applicable.***

Termination Documentation

Departments are not in compliance with Personnel Policies related to documentation obtained from terminating employees. City policies require that employees provide written notice of resignation or retirement and that employees complete an exit interview. From the sample of 30 terminations reviewed, eight employees did not have a letter of resignation in their employee file and 25 had not completed the Exit Interview Form.

For the eight employees noted above, six of the letters of resignation could not be located by HR or the department. The remaining two were noted by the department as a resignation without notice. Based on discussion with personnel, the Exit Interview process is not seen as a required procedure.

Without a letter of resignation, it would be difficult to prove that final pay was calculated accurately or, in the case of retirement, if notice was given within the time frame to receive terminal pay. Exit interviews help the organization determine why employees leave; therefore, information received could help foster new business practices to possibly increase employee retention.

Recommendation:

16. The City Auditor's Office recommends that the Deputy City Managers and Assistant City Manager work with their service team members to implement steps to ensure that documentation regarding terminated employees is in compliance with Personnel Policies.

Termination Checklist

City employees may have in their possession various City-owned property (i.e. keys, badges/access cards, cell phones, P-Cards, tablets, laptops, uniforms, etc.) that was issued to them upon or during employment. Upon termination, these items must be returned to the City. In addition, employees may have received other benefits requiring reimbursement at the time of termination. For example, employees are required to reimburse the City for educational assistance benefits received if they do not complete their required two-year employment. In order to properly document the return of City-owned property and ensure required reimbursements are collected, a standardized form that can be used by all departments would be helpful. Audit noted there is no standard document available on the Human Resources portal for this purpose. Such a form could be used by supervisors/managers to provide proof that all City property and reimbursements due were returned as required.

Recommendation:

17. The City Auditor's Office recommends that the Human Resources Department consider developing a comprehensive termination form/checklist to be used by all departments, to document the return of all property and other reimbursements due to the City. The completed form should be sent to HR and kept in the employee's termination file.

RECOMMENDATION	CONCUR/ DO NOT CONCUR	MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE
1. <i>The City Auditor's Office recommends that the Human Resources Department consider extending the time frame for new employee orientation and including more team-building activities to build upon the new employee's enthusiasm.</i>	Concur	HR Organizational Development team will review the current New Employee Orientation as it relates to time frame of orientation and team-building activities.	Human Resources	10/1/2019
2. <i>The City Auditor's Office recommends that the Human Resources Department consider implementing a survey or other mechanism for gauging new employees' impression and satisfaction with the orientation process and adjust accordingly.</i>	Concur	HR Organizational Development team created and began implementation of a satisfaction survey for the New Employee Orientation.	Human Resources	Complete 2/1/2019
3. <i>The City Auditor's office recommends that the Human Resources Department include a discussion of the Fraud, Waste and Abuse Hotline during New Employee Orientation presentation.</i>	Concur	HR Organizational Development team will incorporate a discussion of Fraud, Waste and Abuse Hotline in the NEO presentation.	Human Resources	10/1/2019
4. <i>The City Auditor's Office recommends that the Deputy City Managers and the Assistant City Manager ensure that all departments develop and utilize a written or otherwise documented onboarding program.</i>	Concur	DCMs and ACM will review existing onboarding processes with their service team members and work with them to enhance onboarding programs where needed to meet this recommendation.	CMO	11/1/2019

RECOMMENDATION	CONCUR/ DO NOT CONCUR	MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE
5. <i>The City Auditor's Office recommends that the Director of Human Resources include in the hiring process an automated notification to the IT Department for establishment of a new employee's Active Directory access to assure that the account is set-up prior to an employee's first day at orientation.</i>	Concur	HR and IT will partner to create a process to initiate the creation of an Active Directory account as employees are processed for new hire. In part, this will include the use of an automated form within the Service Management system. IT has requested an FY2020 budget item for consulting services to help IT with this implementation and other improvements to the Service Management system.	Human Resources/ Information Technology	10/1/2019
6. <i>The City Auditor's Office recommends that the Chief Information Officer remind department supervisors, on a recurring basis, of the necessity of providing the IT Access Request Form for new and transferring employees to the IT Department prior to the 7-day lead time required to set up access to systems.</i>	Concur	In a coordinated effort between HR and IT, the HR Director will direct HR consultants to remind hiring managers of the access request requirements during the hiring process. The CIO will include requirements for access requests for both new hires and transferring employees as a recurring item on the TRC Agenda.	Information Technology	6/13/2019
7. <i>The City Auditor's Office recommends that the Chief Information Officer assure that access to systems is set up as soon as possible after notification is received.</i>	Concur	In May of 2018 the IT Security team implemented a new account creation process that included the use of automation tools. This has greatly reduced the time between the initial receipt of the employee's IT Access Request Form and the user's Active Directory account being created.	Information Technology	Complete

RECOMMENDATION	CONCUR/ DO NOT CONCUR	MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE
		This process helps ensure user accounts are available in advance of New Hire Orientation.		
8. <i>The City Auditor's Office recommends that the Chief Information Officer establish a standard time frame for disabling access to systems.</i>	Concur	The IT Department will ensure that staff will monitor employee terminations daily and disable accounts upon notification based on the employee's termination date.	Information Technology	Complete
9. <i>The City Auditor's Office recommends that the Municipal Court System Administrator implement a system to track the disposition of access cards for terminated employees and contractors.</i>	Concur	The IT Department will, in collaboration with the Municipal Court and other departments utilizing the Gallagher Access system, implement a process for tracking disposition of access cards used with the Gallagher Access Control system. In addition, an integration between the access control system and Active Directory (AD) will be implemented so that when a user's AD account is disabled, physical access is also disabled regardless if the card is returned or not.	Information Technology	AD Integration: 7/1/2019 Card Tracking Disposition: 4/1/2010

RECOMMENDATION	CONCUR/ DO NOT CONCUR	MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE
<i>10. The City Auditor's Office recommends that the Deputy City Managers and the Assistant City Manager ensure departments, that are responsible for web-based systems or use hosted systems, develop policies and procedures to control access to those systems.</i>	Concur	ACM and DCMs will verify that their service team members have procedures and policies on web-based systems or use hosted systems where appropriate.	CMO	11/1/2019
<i>11. The City Auditor's Office recommends that the City Manager's Office ensure that all departments coordinate with the Chief Information Officer when implementing department supported software (SAAS, vendor hosted, etc.).</i>	Concur	ACM & DCMs will clarify with their service team members that the IT Department should be consulted when purchasing software.	CMO	11/1/2019
<i>12. The City Auditor's Office recommends that the IT Applications Supervisor perform a complete city-wide inventory of department supported web-based systems and vendor hosted systems. Once completed, the inventory should be maintained and updated, as necessary.</i>	Concur	The IT Manger Software Services will work with departments to perform a complete city-wide inventory of vendor hosted and web-based systems supported by the departments. An FY2020 budget request to make improvements to our service management solution (if approved) will help with maintaining this inventory once collected.	Information Technology	4/1/2020

RECOMMENDATION	CONCUR/ DO NOT CONCUR	MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE
<p><i>13. The City Auditor's Office recommends that the IT Department develop a standardized data entry model to document all system activity within the Remedyforce system (i.e. IT Access Request Forms and Incident #s).</i></p>	Concur	<p>The IT Department is working to standardize data entry and automate the current paper-based Access Request Forms within the Service Management system. We have an FY2020 budget proposal for consulting services to help us with this and other improvements to our Service Management system.</p>	Information Technology	4/1/2020
<p><i>14. The City Auditor's Office recommends that the Chief Information Officer require departments to review employee access to systems, directories, drives, folders, etc. for appropriateness and remove unnecessary access. Additionally, the IT Department should work with departments to establish role-based access.</i></p>	Concur	<p>The Chief Information Officer will distribute an annual employee access report for review by departments to verify appropriateness of access. Also, the IT department will work to establish role-based security during FY2021. We have an FY2020 budget proposal for additional Active Directory Management Tools that will provide the ability to audit system access.</p>	Information Technology	<p>Tool Implementation: FY2020</p> <p>Audit: FY2021</p>

RECOMMENDATION	CONCUR/ DO NOT CONCUR	MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE
<p><i>15. The City Auditor's Office recommends that the IT Department disable all prior access for transferring employees prior to setting up access for the employee's new role, as applicable.</i></p>	Concur	<p>The IT Department will modify the account management process to ensure employees transferred to new areas have the appropriate access based on their new role. In Part, this will include the use of an automated form within the Service Management system. We have an FY2020 budget proposal for consulting services to help us with this and other improvements to our Service Management system.</p>	Information Technology	4/1/2020
<p><i>16. The City Auditor's Office recommends that the Deputy City Managers and Assistant City Manager work with their service team members to implement steps to ensure that documentation regarding terminated employees is in compliance with Personnel Policies.</i></p>	Concur	<p>ACM & DCMs will ask the appropriate resource to bring training related to this issue to an executive team meeting.</p>	CMO	11/1/2019

RECOMMENDATION	CONCUR/ DO NOT CONCUR	MANAGEMENT RESPONSE	RESPONSIBLE PARTY	DUE DATE
<i>17. The City Auditor's Office recommends that the Human Resources Department consider developing a comprehensive termination form/checklist to be used by all departments, to document the return of all property and other reimbursements due to the City. The completed form should be sent to HR and kept in the employee's termination file.</i>	Concur	HR will create and implement a termination checklist regarding returned property/reimbursements.	Human Resources	10/1/2019