

# **AUDITOR'S REPORT**

## **AUDITOR'S OFFICE SOCIAL SECURITY NUMBER AND TAX IDENTIFICATION NUMBER CONVERSION PHASE 2**



**May 9, 2014**

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**HARRIS COUNTY AUDITOR**

May 9, 2014

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RE: Auditor's Office Social Security Number/Tax Identification Number Conversion Phase 2

The Audit Services Department performed procedures relative to the Auditor's Office Social Security Number (SSN)/Tax Identification Number (TIN) Conversion Phase 2 project. The objective of the engagement was to determine whether acceptance testing by the Information Technology Center (ITC) and the Harris County Auditor's Office (HCAO) Accounts Payable (AP) and other departments provide assurance the SSN/TIN Conversion Project is properly implemented with the new Person Entity Identification Database Number (PEID) replacing the SSN/TIN. Our procedures included the following:

1. Reviewed project methodology for compliance with standard practices, to include project plan; problem logging/error tracking and resolution; Structured Query Language (SQL) code creation and peer review approval; application change testing; customer acceptance approval; requirements document; system stress testing documentation; and other documents created or needed as required by HCAO policy.
2. Evaluated whether ITC documentation for the summation of the GL\_TRANS\_DTL table testing, execution of the SQL code to update the affected tables, and the verification testing of the 30 random employee SSN entries were adequate with the results supported by the documentation.
3. Reviewed the completed acceptance testing to evaluate whether the HCAO departmental testing validated that:
  - The correct entity was returned when queried with the newly implemented identification number.
  - SSNs cannot be used as a PEID to create a Request for Payment (RFP).

- SSNs are not visible on the AP\_WEB\_DL and other randomly selected reports.
  - Samples of Account Payable Integrated Financial and Administrative Solution (IFAS) application screens do not have a visible SSN entry.
  - New PEID entries have replaced the SSNs in the appropriate field in reports tested containing current and former employees.
4. In addition, we performed the following procedures:
- Reviewed the script/code used to create the new PEIDs.
  - Reviewed the script/code used to update the tables with the new PEID's.
  - Selectively tested the updating of tables in the PEDB (Person Entity Database) environment, and other tables used in IFAS containing PEID information.
5. Determined if policies and procedures have been updated to reflect changes in the process due to the addition of new PEID standards and data access restrictions. Reviewed project communications to determine if the system changes have been communicated to other necessary parties. However, we did not review the County Auditor's Forms that need a label description changed from "Social Security Number" to "Vendor # (PEID)," along with the completed Robo versions of these forms.

Additionally, we did not perform procedures regarding certain areas listed below, as they were not made available to Audit Services by the end of fieldwork:

- Final report modification request(s) from AP to ITC to remove SSN entries from selected reports, including new procedures to ensure that SSN/TIN exposure is minimized.
- Communications plan for sending out notifications about the change which will also include:
  - A link to the new County Auditor's Forms in Robo form repository.
  - A notification message to be placed on the employee website.

The engagement process included providing you with engagement and scope letters and conducting an entrance and exit conference with your personnel. The purpose of the letters and conferences was to explain the process, identify areas of concern, describe the procedures to be performed, discuss issues identified during the engagement, and solicit suggestions for resolving the issues. A draft report was provided to you and your personnel for review.

The enclosed Auditor's Report presents the significant issues identified during our procedures, recommendations developed in conjunction with your staff, and any actions you have taken to

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implement the recommendations. Less significant issues and recommendations have been verbally communicated to your staff.

We appreciate the time and attention provided by you and your staff during this engagement.

Sincerely,

A handwritten signature in blue ink, reading "Barbara J. Schott". The signature is fluid and cursive, with a long horizontal line extending to the right.

Barbara J. Schott  
County Auditor

cc: District Judges  
County Judge Ed Emmett  
Commissioners:  
R. Jack Cagle  
El Franco Lee  
Jack Morman  
Steve Radack  
Devon Anderson  
Vince Ryan  
William J. Jackson

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## OVERVIEW

There are 37 employees in AP with access to employee SSNs and vendor TINs. Also, AP management informed us that there are over 600 estimated additional persons with access to the IFAS AP module, that have access to SSN and TIN information. Additionally, other IFAS modules also have SSN and TIN information available to the users, with ITC reporting the number at over 1,500 users.

The TIN and the SSN are currently used as the PEID/vendor number for vendors and employees in the IFAS system used by Harris County. The purpose of this project is to discontinue the use of the SSN and TIN for both Harris County vendors and employees by replacing these numbers as the unique identifying PEID with a new five digit numeric value, which will then be used to look up the vendor or employee in IFAS.

To this end, all nine digit numerical values and nine digit numerical values prefixed or suffixed by a letter in the Master ID table will be replaced with a newly created five digit numerical value. This value will be assigned in a sequential fashion, and will be used in the IFAS system to look up the particular vendor or employee. Some records, referred to as Orphan records (records not listed in the Master ID tables), will not be affected by this change. The Orphan records will be addressed by management at a later date.

## RESULTS

Based on the procedures performed, it appears that project methodology complied with standard practices to include project planning; problem logging/error tracking and resolution; SQL code creation and peer review approval; application change testing; system stress testing documentation; and other documents created or needed, including ITC acceptance testing results showing the system was functioning as intended. Procedures performed verified every record and field ensured the only change made was to the PEID related fields.

However, even though there is a written policy in place for formalizing and distributing the creation of project planning requirements, it appears that, in providing this documentation, there has been an informality in the method in which it has been performed and acknowledged by management. These formalized processes need to be adhered to as demands on the County to upgrade or replace systems is expected to continue, and it will become increasingly important to meet established deadlines that will be affected by the complexity of scheduling requirements of multiple projects with associated risk factors and limited availability of user department and technical personnel to perform these tasks. Also, the AP acceptance testing incorrectly documented two tests as having passed, when in fact the results of the acceptance test should have been noted as a failure. Additionally, SSNs were not replaced in a report reviewed by AP department testers. These acceptance test results were not discovered on a review performed by AP management, and were identified by our procedures, signifying AP personnel would benefit from formal training in project testing and documentation. Acceptance testing was re-performed by AP management, and the acceptance testing results demonstrated the system was performing as intended. These and other issues are presented in the attached Issues and Recommendations.

## ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
<p>Policy Requirements</p>	<p>Harris County Accounting Procedure O.9, <i>IFAS Program Changes</i>, details the actions that are to take place to request, plan, and approve any changes to the IFAS system. It defines the actions that the requestor is to perform, to include the completion of County Auditor's Form 25, <i>IFAS Program Change Request</i>, which includes details on what the change consists of and requires the module owner to authorize the change.</p> <p>ITC is then required to evaluate, authorize if complete, and assign a priority number to the request. ITC uses this information to complete the County Auditor's Form 62-0027, <i>IFAS Program Change – Specification Sheet</i>. Form 62-0027 is then provided to the</p>	<p>Harris County Accounting Procedure O.9, <i>IFAS Program Changes</i>, has not been followed; as a result, required documentation detailing exactly what system changes were required, which include managerial approval, were not created.</p> <p>Without this documentation, it is possible that changes would be made that are not what the module owner requested, or that these changes are made without the appropriate departmental approval.</p>	<p>ITC and Auditor's Office management should review Harris County Accounting Procedure O.9, ensure that it is still current, and follow the guidance provided in the future. ITC management should enforce the policy and not initiate any program changes without the presentation of a completed County Auditor's Form 25.</p>	<p>ITC Management response: ITC-FHRA management will set up a meeting with Auditor management and Auditor Systems and Procedures personnel to review Procedure O.9. ITC-FHRA management will comply with the procedures adopted in the review process.</p>

## ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
Policy Requirements (Continued)	requestor for approval so that ITC can proceed with the change request.			
SSN in Report	<p>County employees are reimbursed for expenditures made on County business, including mileage, conference fees, etc.</p> <p>County employees complete reimbursement request forms, and these request forms are used by the accounting department to process the payment request. This requires that a PEID be created in the system for the employee. The employee SSN is required in the PEID setup to enable the reimbursement to be made through the ACH process.</p> <p>The Employee/Vendor report was utilized AP to verify employee status and</p>	<p>Some accounting employees currently have access to view and print this report in IFAS.</p> <p>Viewing or printing this report allows employee confidential information to be available to those who might not need to view it and could lead to an employee SSN becoming compromised due to negligence or malicious action.</p>	<p>Formal documented controls need to be put in place to secure this report, ensuring that only those that need the report have access to view it in IFAS.</p> <p>Additionally, printed copies of this report should be stored in a locked file, and shredded after no longer required.</p> <p>Also, accounting personnel should continuously evaluate all reports to ensure that any other reports that show the SSN also implement the above mentioned controls.</p>	<p>AP Management Response: The SSN is <b>not</b> available on the version of HR_EMPVENDOR_RPT available to Accounts Payable staff. However, the SSN is needed by Revenue Accounting for the initial setup of the PEID because the processing of the ACH requires SSN. A plan is being implemented that will provide the appropriate staff in Revenue Accounting with the report that includes the SSN, however, the SSN would continue to be unavailable in the version of the report provided to Accounts Payable staff. This will minimize the number of staff with access to the version of the report with the SSN and will eliminate circulation of PEID setup</p>

## ISSUES AND RECOMMENDATIONS

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SSN in Report (Continued)	to obtain the SSN which was then entered on the new PEID request form which is submitted to Revenue Accounting to create the PEID.			<p>documentation with SSN. There is no issue with storage or shredding the report available to AP since it does not include SSN.</p> <p>There will be no issue with storage or shredding the report made available to Revenue Accounting since Revenue Accounting will be accessing the information from the computer monitor and entering the SSN directly into the PEID setup screen in IFAS.</p> <p>In addition, implementation of a new ERP may provide opportunities to further reduce SSN usage and the number of staff requiring access to SSN data.</p>
Managerial Approval	User Acceptance Testing (UAT) is performed in the IFAS test environment to ensure that required functionality is not	Five of the ten completed UAT documents did not include a managerial oversight and approval signature.	The ITC Project Management team should require all UAT documents to include managerial approval of the testing	ITC-FHRA management will require a managerial signature on future UAT documents. The UAT templates have been

## ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
Managerial Approval (Continued)	adversely affected by planned system changes. Each department is responsible for creating the plans used to test their process and any new functionality to the IFAS system to determine if there are any adverse results from the system change. User Management needs to be involved in this process, to ensure that the correct functionality is tested, and to review and approve test results which verify the results of the testing. Managerial involvement, oversight, and approval is usually provided by a managerial signature affirmed to the completed test plan.	Without evidence of managerial oversight and approval, it is possible that the testing performed did not address all areas requiring testing for the proposed change, leading to possible unforeseen issues after the system changes have been implemented in the production environment.	performed and the associated results. This can be documented with a managerial approval signature section added to the UAT documentation.	modified to include a Tester Manager's signature.
Incorrect Testing Status	AP performed testing in the test environment provided by ITC to ensure the IFAS application was functioning correctly and as expected	AP's testing documented two tests incorrectly as having passed, when they should have been documented as failed. This	AP management needs to ensure that testers are adequately trained in what the changes being incorporated into the	AP Management Response: AP management agrees that the testing has been inadequate in the past. It is management's opinion that

## ISSUES AND RECOMMENDATIONS

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Incorrect Testing Status (Continued)	after the system was modified by ITC to replace nine digit numbers with a new five digit numeric value. The testing was twofold; ensure that the system was functional, with no data loss or loss of system capabilities post modification; and ensure that the previous nine digit PEID value was replaced with the new five digit value.	illustrates that AP test team members might not have understood project requirements, and were unsure of what the expected results should have been for this project.  This type of misunderstanding can lead to system changes being moved into the production environment that do not function in a correct or expected manner.	system are. Additionally, AP management should consider providing formal, documented training to its personnel in the purpose of system testing and the methodology required to be effective.	the issues AP testers have had are attributable to a lack of clear and timely guidance and inadequate AP test plans that are not clearly worded and do not provide sufficient guidance. The format and content of the test plans are being revised to clearly describe the testing to be done and clearly define the criteria for success. Management will monitor the testing process closely in the future to provide immediate feedback to staff.  ITC Management Response: ITC-FHRA management will be available to assist AP management on training testers, preferably at the beginning stage of the UAT process.
DevTest Access Control	The DevTest environment is the IFAS environment used to test changes in the IFAS system as they are	The DevTest Environment was unsecured. The controls in place to safeguard system access in	ITC management should implement password security mirroring controls as configured in the	The DevTest password controls were implemented prior to the PEID Conversion UAT process. In the future

## ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
DevTest Access Control (Continued)	being developed. It is populated with production data, but it is not necessarily current. As of November 7, 2013, the data in the DevTest environment was relatively current.	<p>the production environment were not in place in the DevTest environment, with all accounts that were active in DevTest assigned the same generic password that was known to all users. There were no managerial controls in place to monitor which accounts were used by the testers.</p> <p>Users may access the DevTest system using managerial accounts to retrieve information they do not have access to in the production environment.</p>	production environment in the DevTest environment.	the generic password will not be given to testers. Any testers outside ITC-FHRA will be given a unique secure password.