



Performance Audit:

***Identification Badge Controls
General Services & Human Resources***

Durham County Internal Audit Department

July 28, 2017



Kierra Simmons
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Audit Committee:
Manuel Rojas
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July 28, 2017

Mr. Wendell Davis,
County Manager

Dear Mr. Davis:

The Internal Audit Department completed its audit of Identification Badge Controls. This audit focused on the security controls in place to ensure that employees and authorized personnel's identification badges are appropriately retrieved, deactivated, and destroyed. Additionally, Internal Audit reviewed two departments that were identified as having an issues with multiple badges.

Our conclusion is that current security controls need improvement to ensure that badges are timely and appropriately retrieved, deactivated, and destroyed. We found 1) departments that could not provide proof of retrieval and destruction of identification badges; 2) badges were not being timely deactivated; and 3) that employees have multiple enabled badges.

The report has been reviewed by General Services, Human Resources, and The Office of the Sheriff. Their comments are included in the report as Appendix I, Appendix II, and Appendix III.

We appreciate the cooperation of General Services, Human Resources, The Office of the Sheriff, and staff throughout this audit engagement.

Sincerely,

Kierra Simmons
Interim Internal Audit Director

CC: Kathy Everett-Perry, Esq.
Motiryo Keambiroiro
Sheriff Michael Andrews

INTRODUCTION

The Audit Oversight Committee approved this audit in the fiscal year 2017 Annual Audit Plan. This audit was conducted in order to examine security controls to ensure that identification badges are appropriately retrieved, deactivated, and destroyed.

We conducted this performance audit 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

Performance audits are defined as audits that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.¹

AUDIT OBJECTIVE, SCOPE, METHODOLOGY

The objective of this audit was to determine if separated employees and authorized personnel's identification badges were timely retrieved, deactivated, and destroyed. We conducted our fieldwork for this engagement between January 18, 2017 and January 25, 2017. In order to answer our objective, we examined all employees and personnel who separated from Durham County between the months of September 1, 2016 and November 30, 2016. To conduct our audit engagement, we:

1. Researched best practices for identification badge management and security management.
2. Reviewed policies and protocols that govern identification badges.
3. Interviewed personnel responsible for distributing, monitoring, retrieving, and destroying badges.
4. Tested a sample of 60 separated employees and authorized personnel to ensure that their identification access badges were disabled.
5. Reviewed the badge software database to collect data relating to the dates when separated personnel last accessed County facilities.

BACKGROUND

¹ Comptroller General of the United States, *Government Auditing Standards*, Washington D.C.: U.S. Governmental Accountability Office, 2011, p.17.

Government offices can be targets for theft, unlawful entry, kidnapping, bombings, forcible occupation, and sabotage. Effective barriers, both physical and psychological, can reduce the likelihood of these threats. These barriers can be created through effective security management. Security management is the process of identifying, implementing, and monitoring systems and processes for the protection of people and building assets against loss, misuse, damage, or deprivation of use caused by deliberate acts. For fiscal year 2017, the security division of General Services was awarded a \$1.8M budget to ensure that resources were sufficient to provide adequate security for Durham County facilities. Approximately 88% of that budget is allocated to security services, which includes funds for uniformed contract security as well as hiring additional security officers when needed, badge access equipment, and equipment maintenance and repair.

Durham County regards the security of its employees and of its property to be of primary importance to its continued growth, customer service, and success. In 2015, County Officials created a new position for a "Security Manager" in an effort to centralize management of security for Durham County's facilities, people, and other tangible property. The current Security Manager and his team operate as the security division of the General Service's department. The security division has made several changes to improve the County's access security controls and procedures, such as: revising identification badge and facility access policies, changing protocols for intrusion alarm notifications, and removing thousands of erroneous records in the County's access security control systems.

Changes made in regards to badge controls include establishing a uniform method of identifying and tracking employees and authorized personnel through the use of identification access badges. These badges confirm an individual's affiliation with Durham County and open electronic doors. All County employees and authorized personnel are issued an identification access card which must be visibly worn at all times when reporting to Durham County work sites and premises. General Services, with the help of Human Resources, has established policies and protocols to govern how identification access badges are distributed, replaced, retrieved, deactivated, and destroyed.

General Services utilizes the Andover Continuum Software system to manage identification card access amongst its facilities. Andover Continuum Software is as an integrated system used to monitor building security. There are over 3,500 badges issued through the Andover system to include Durham County employees and contractors, Courts, vendors and temporary employees. Currently, 19 of Durham County's facilities utilize the Andover Software for badge access at exterior and interior points. Although some of Durham County's facilities are opened to the public, such as the Administration building, the badge access points are located in areas in which the public does not have access. For restricted areas and facilities, employees are instructed to place their identification badges against the badge reader and badge reader's indicator light will either turn red, to deny access, or green, to allow access. Additionally, General Services has added security guards to monitor some restricted employee entrances. Although physical security guards are not always present at these entrances, they are usually there during high traffic times such as at the start of the day when employees report to work.

When employees separate from the County, the process is to return badges to a supervisor or a departmental badge administrator on their last day of work. Supervisors without access to the Andover system should turn the retrieved badge in to the badge administrator. The badge administrator should deactivate the badge, using the Andover system. After deactivation, the badge should be shredded.

FINDINGS

During the course of our audit of identification badge controls we found several concerns. Those concerns were 1) departments that could not provide proof of retrieval and destruction of identification badges; 2) badges not being timely deactivated; and 3) employees having multiple badges. These concerns heighten the risk that individuals may gain unauthorized access to Durham County facilities. We have discussed these issues with General Services, Human Resources, and the Office of the Sheriff. These departments agree with the findings and recommendations outlined in this report and their comments are provided below in Appendix 1, Appendix 2, and Appendix 3. Our recommendations have been provided on page 5 of this report.

Policy improvements will enhance compliance

Durham County's Identity Access policy requires employees to surrender their badges on their last day of employment. We reviewed 60 separated employees' badges to determine if their badges had been retrieved, deactivated, and destroyed. We found that 15 separated employees' badges had not been deactivated. These 15 separated employees badges fell within six departments. Further analysis revealed that five of the six departments could not provide documentation that they had retrieved and destroyed the badges.

Although Durham County's Identity Access policy requires employees to surrender their badges on their last day of employment, the policy does not require badge administrators to provide documentation that badges are being retrieved and destroyed. Without documentation there is no assurance of compliance with the policy. Internal Audit suggests that management develop a verifiable system to account for badge retrieval and destruction.

Timely deactivation will enhance security

Durham County's Identification Access policy states that identification badge access should be deactivated by departmental card administrators and Human Resources at the close of business to correspond with the card assignee's last day of employment and/or affiliation with Durham County. In our testing, we found that badge administrators failed to timely deactivate separated employees badges. Fifteen (15) out of 60 separated employees, or 25% of our sample, had badges that were still enabled. These badges were still activated for period ranging from 54 days to 131 days after separation. Due to the lack of documentation, as discussed above, Internal Audit was only able to verify that 8 of these 15 employees' badges had actually been retrieved. Therefore, the other 7 employees may have had the ability to gain unauthorized access to the County's facilities for weeks, and even months, after separation.

Badge administrators attribute their failure to timely deactivate badges for various reasons such as:

1. oversight of badge administrators to deactivate badge;
2. failure of supervisors to notify badge administrators of an employee's departure;
3. lack of knowledge and awareness of the procedures to follow in regards to badge retrieval, deactivation, and destruction; and
4. lack of training on how to deactivate the badges in the badge database.

Former employees, specifically those who may be disgruntled, with continued unauthorized access to County facilities have the potential to steal confidential information or equipment, destroy company property, or engage in other forms of mischief. To reduce the risk of these events occurring, we recommend that personnel ensure that separated employees' identification badges are timely deactivated in accordance with Durham County's Policy.

Employees Have Multiple Enabled Identification Access Badges

During the course of this review, Internal Audit was made aware that multiple badges was an issue. The two departments identified as being the primary agencies of concerns were the Office of the Sheriff and the Department of Social Services. In our review of those two departments, we found over 50 individuals with duplicate badges, including high level officials, in the Office of the Sheriff and no instance in which an employee had multiple enabled badges in the Department of Social Services.

We discussed our findings and concerns with representatives for the Office of the Sheriff and General Services. Although multiple badges were found, General Services confirmed that there was no evidence of a badge security breach within these departments.

The Sheriff's Office facilitates the badge process for their department and state employees associated with the Office of the Courts. According to the Office of the Sheriff's representative, there are certain instances in which multiple badges were appropriate to ensure there were no entry delays. This applied to certain high level officials such as the Sheriff and the Chief Deputy. However, they agreed to have the other duplicate badges reviewed. The review was conducted, and as a result, we were told that duplicate badges, with the exception of high level officials, had been disabled.

According to the Identification Access Badge Policy, no badge holder shall have more than one Durham County issued identification access card. Representatives of the Office of the Sheriff felt strongly that high level officials should have more than one badge; although, the policy does not make an exception. Internal Audit believes that County Administration and the Office of the Sheriff should re-evaluate the badge policy to determine if the exception for certain positions should be codified in the Identification Access Badge Policy.

RECOMMENDATIONS

In an effort to help strengthen security controls to minimize Durham County's security vulnerabilities, we provided General Services with the following recommendations:

- Coordinate with Human Resources to develop a clear, concise policy that outlines the responsibilities for those involved in badge security
- Communicate the policy to the badge administrators and supervisors by way of announcement, memorandum, or an email.
- Provide training and instructions to badge administrators on how to carry out their job functions.
- Conduct consistent periodic auditing of the system to ensure that separated employees' badges are disabled. General Services should consider coordinating with Human Resources to get this accomplished.
- Coordinate with Office of Sheriff to clarify and codify, as needed, their practice of high level officials having more than one badge.

Appendix 1. Management Comments- General Services



To: Kierra Simmons

From: Ed Miller

Date: 5 September 2017

Subject: Identification Badge Control Audit – Security Manager Response

Since your audit I have met with Human Resources to discuss off-boarding security concerns to include the accountability of badges. Here are the recommendations that I made and were discussed at the meeting:

On boarding was not an issue and was therefore not addressed.

Off-Boarding

- Voluntary Termination – The department badge administrator (if there is one) disables the employee's badge in the access control system and signs off on the employee off-boarding checklist that this was accomplished. The employee must turn in their badge and key(s) to security (myself, Jeff Schmidt from Lock & Key, Motiryo, Debra Booth, or Shawn Swiatocha). We sign off on the checklist indicating receipt of the badge and key(s) and that the badge was deactivated in the access control system.
- Involuntary Termination (badge and key(s) available) – Same as above except that the supervisor/manager has the badge administrator (if any) disable the badge and brings the badge and key(s) to Security. We will provide a receipt indicating that we received the items and have ensured that the badge is disabled in the access control system.
- Involuntary Termination (badge and key(s) not available) – The supervisor notifies the badge administrator (if any) of the termination and they disable the badge. Security is also immediately notified via phone call or e-mail. Security will ensure that the badge is disabled and that a notification is sent to the contract uniformed security services about the individual who was terminated and that they may be in possession of a County badge and to confiscate the badge if seen. Security will contact the former employee's supervisor to discuss any unaccounted for keys.
- All badges need to be turned in to security for destruction. I can provide an electronic receipt. Security will maintain an electronic record of all badges received and destroyed.

I am working with the on/off-boarding team to address these security issues. The I.D. badge policy is being updated to reflect these changes once approved and ready to be put in place by HR and the Security Advisory Committee. Department badge administrators, as well as all county managers and supervisors, were previously provided the existing policy and will be notified of any revisions.

Bi-weekly audits are being accomplished to look for exceptions to include: duplicate badges, badges that need to be disabled based on the termination report issued by HR, and those that need to be moved to the disabled badge department code.

Ed Miller
Security Manager

Appendix 2. Director Comments- Human Resources



Human Resources

July 25, 2017

Kierra Simmons, Esq.
Interim Internal Audit Director
Durham County Government

Dear Ms. Simmons,

Human Resources (HR) is in receipt of your Performance Audit on Identification Badge Controls, wherein you make specific Findings and Recommendations. The report has been reviewed by key members of the HR Leadership Team and at the conclusion of a very thorough examination of the same, HR agrees with the findings and recommendations offered in the report in their entirety. Therefore, HR agrees as follows:

1. To collaborate with General Services to develop a clear, concise policy that outlines the role of HR in badge security
2. To collaborate with General Services in creating a process wherein consistent periodic auditing of the system is completed to ensure that separated employees' badges are timely disabled.
3. To work with General Services to ensure that the HR Off-Boarding Module contains sufficient processes to ensure appropriate oversight and control of employee badges at the time of separation.

Thank you for this opportunity to respond. If you have any questions regarding this response, please feel free to contact me.

With kind regards, I am

Sincerely,

Kathy R. Everett-Perry, Esq.
Chief Human Resources Officer/Director

200 E. Main Street, 3rd Floor, Durham, N.C. 27701 (919) 560-7900
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Appendix 3. Director Comments- Office of the Sheriff



Office of the Sheriff
Michael D. Andrews, Sheriff

September 6, 2017

Kierra Simmons
Interim Internal Audit Director
Durham County Government

Re: Performance Audit: Identification Badge Controls

Dear Ms. Simmons:

Thank you for the opportunity to review and comment on the referenced performance audit. This Office greatly appreciates the concerns identified during the audit. Revisions to our procedures are ongoing to address those issues, most particularly those involving tenants in the Judicial Building.

We have also reviewed practices regarding the issuance of duplicate badges to senior staff and those on recall who may be required to report to the Sheriff's Office on short notice and outside of regular working hours. Decisions on the issuance of duplicate badges will be made by the Major of Support Services, or in his absence, myself or the Sheriff. We have decided on vesting responsibility in that position since that division oversees building security in the Courthouse.

That responsibility of the Sheriff's Office, for both the Courthouse and the Detention Facility, has been overlooked in the performance audit which instead seems to assume that General Services performs these functions. Accordingly while we are in general agreement with the recommendations, they should be revised to reflect the independent authority and responsibility of the Sheriff's Office in this area.

Thank you again, and we look forward to working with our partners in County Government to improve the security measures in place.

Sincerely,


Donald R. Ladd, Jr.
Chief Deputy Sheriff



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Appendix 4. Internal Audit's Response to the Office of the Sheriff

Internal Audit is aware that the Office of the Sheriff is responsible for badge distribution for the Courthouse and the Detention Facility. At the time of this audit, badge security was being governed by the General Services with the help of Human Resources. Now that the Office of the Sheriff is establishing independent authority and responsibility for badge security and governance for the Courthouse and the Detention Facility, during follow-ups Internal Audit will take your comments, in that regards, into consideration.