HARFORD COUNTY, MARYLAND
Office of the County Auditor

AUDIT OF FACILITY ACCESS CONTROLS

Report Number:
2024-A-11

Report Date:
8/21/2024

Council Members and County Executive Cassilly:

In accordance with Section 213 of the Harford County Charter, we have performed an audit of facility access controls for the period of 7/1/2021 through 1/31/2024. This audit was conducted as part of the County Auditor's risk-based Annual Audit Plan approved by the County Council for FY2024.

The objective of the audit was to confirm that physical access to County facilities is adequately controlled and routinely monitored. The scope of this review was limited to the processes to manage and monitor access to all County owned or leased facilities used in the operation of County business. Facilities occupied and managed by affiliated agencies, such as the Circuit Court and Courthouse, were not included in the scope.

Basis for Qualified Opinion
On May 6, 2024, the Office of the County Auditor (the Office) met with management and requested the access history and configurations for the County's central badge system for the duration of the audit period, as well as a list of all County buildings that have been re-keyed and records of the assigned keys. Management has advised they are not able to provide this documentation in a timely manner. Accordingly, after being notified of another delay on July 17, 2024, we determined that we have not been, and would not be, able to obtain timely, sufficient, appropriate audit evidence to provide a basis for an audit opinion with regard to management's oversight of the badging system.

The results of the audit, our findings and recommendations for improvement are detailed in this report. Management has been provided an opportunity to respond to this report; the responses provided follows the Issues and Corrective Actions.

Sincerely,

Chrystal Brooks, CPA

Chrystal Brooks
County Auditor

CONCLUSIONS

In our opinion, based on the evidence obtained, and except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, is controls are not adequate to ensure appropriate, monitored access to County facilities. This assessment is based on the strengths and weaknesses identified for the operational objectives below.

Business Process Objective	Assessment[i]
Facilities access is limited to appropriate personnel.	Not Effective
Access is adequately monitored and incidents are reviewed and resolved.	Not Effective

ISSUES AND CORRECTIVE ACTIONS

2024-A-11.01 Facility Access Monitoring

For the County's central badge system, events such as access granted, access denied and system malfunctions are logged and able to be reviewed by the system administrators. However, based on our discussions with management, no one reviews these logs to ensure there is no unusual activity. In addition, the access history logs were not provided for review. Without reviewing the events that have occurred, unusual activity may go undetected and data for post-incident investigation may not be available for review.

We recommend management periodically review event logs to identify trends, ensure unusual activity is detected and granted access remains appropriate.

Management Response: Management agrees that a periodic review of access logs should be performed by appropriate management and/or directors. The County has updated access control software. Access reports will be reviewed monthly. Access termination takes place for County employees when a badge is deactivated by Human Resources. Termination reports will be cross checked against access history logs. Contractors will be issued badges differentiated from County employees with access that can time limited.

Expected Completion Date: 9/13/2024

2024-A-11.02 Physical Key Management

Throughout the County, there are facilities that rely upon physical locks for access. The County is in the process of re-keying several buildings each year. As each building is re-keyed, management has generated a list of all employees who are assigned keys and employees must sign to confirm their receipt of their new key. This is a new process that was put in place following a prior audit. For the buildings that have not yet been re-keyed, there are no full records of the associated keys or who those keys have been assigned to. Without that information, it is impossible to ensure that keys are returned when employees transfer to different departments or leaves County service.

During a separation audit for a member of senior management, we found their office key was not returned. While there is a process in place to track who new keys are assigned to, there is no process to ensure keys are returned as necessary. Without such a process, separated employees may continue to have access to County buildings.

We recommend management develop procedures to ensure keys are properly returned to management when no longer needed by the assigned employee.

Management Response: Facilities and Operations and the Information and Communication Technology Asset Manager are continuing to work together on re-keying County buildings and implementing a key control software system. As part of the new key implementation, the assignment and confirmation of keys will be managed by Facilities and Operations; the interim process is completed through a manually tracked spreadsheet. Once the new keying software is fully implemented and operational, Asset Management and Facilities and Operations will implement the process to track physical key issues and returns. If the key is not returned by the employee, the amount for the expense incurred to re-key the door(s) will be deducted from the final paycheck.

Expected Completion Date: 9/13/2024

MANAGEMENT RESPONSE

In response to the recommendation in Note # 3 from the Audit Exit Conference, for the cards no longer in use, the access has been revoked, deactivated or deleted as indicated. Guest badges not in use have been disabled and will only be restored to active use as necessary.

Badges for the Sheriff's Office Deputies serving as security guards will remain active as long as they are providing security to the buildings at 220 S. Main St. and 12 S. Bond St. Badges for SWAT Instruction will be activated and issued to HCSO personnel if requested for training exercises.

The following is the status of the access exceptions noted: *

List redacted by the auditor since it includes security configuration details. This response addresses prior audit finding 2018-A-15.02. Further explanation of the matter is on page 6 of this report.

BACKGROUND, OBJECTIVES, SCOPE AND METHODOLOGY

Facility access controls are necessary to control, monitor and manage access to facilities to protect against theft, loss or impairment of assets or sensitive information or harm to personnel. Access controls consist of physical keys and locks; electronic badges; fencing and gated entry; and surveillance cameras. In some facilities, such as the Administration Building (220 S. Main St.), 212 S. Bond St and the Circuit Courthouse, Harford County Sheriff's deputies observe building entries and provide security during business hours.

Facilities and Operations, a division formerly under the Director of Administration, now part of the Department of Public Works, is generally responsible for the management of the access function for all County facilities. Recently, however, the primary administrator of the physical key and badging systems was transferred to the Department of Information and Communication Technology. The responsibility for the design, implementation and oversight of access controls is shared with each department or division. Human Resources and other departments can notify Facilities and Operations when a change in badge or key access is required. A separate system granting access to Water & Sewer facilities is the responsibility of that division.

The audit approach focused on testing the key controls that address management's objectives. We have reviewed the issues reported in a prior audit and considered their impact while determining our planned audit procedures. Current conclusions for the open finding included in Audit Report 2018-A-15 follows the table below. Our audit procedures included interviewing personnel, observation and testing as described in the table below.

Process / Control Objective	Scope of Review
Facility Access	
Access to County facilities is limited to appropriate personnel	• For a sample of badge access readers, confirm badge holders are appropriate
County employees only have access to facility locations appropriate to their job	• For a sample of employees, confirm facility access location and type and is appropriate
Only approved system administrators have the authority to change access assignments	• For a sample of system access changes, confirm the changes were made by appropriate system users *(Unable to test for the County's central badge system – see Basis for Qualified Opinion)*

Process / Control Objective	Scope of Review
Records of assigned keys are maintained, and return is ensured upon employee separation	• For a sample of employees, confirm key access hierarchy appears appropriate *(Unable to test – see Basis for Qualified Opinion)*
Access History Review	
Access history is routinely monitored and reviewed	• Per management, this process does not exist

Areas for improvement are described in the Issues and Corrective Actions section of this report.

Previously, in audit report 2018-A-15, we noted "that some active electronic key cards are assigned to generic names (like 'Spare' or 'Test') or had no names. It is not clear who monitors custody of these badges. We reviewed the access history for each and confirmed that none of the generic or unnamed key cards accessed the facilities." In the current audit, we found 20 badges assigned to generic names, 5 active badges for former contractors and 4 badges for contractors whose access may be excessive. The access history for the badges was not provided for our review, so we could not confirm if they had been used. *Management's response to this audit report included the updated badge status for the exceptions noted. This finding will be closed.*

Harford County management is responsible for establishing and maintaining effective internal controls. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets and compliance with applicable laws, rules and regulations are achieved. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected.

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 on our audit objectives.

Report Distribution:	Audit Team:
Mr. Robert McCord, Director of Administration	Chrystal Brooks
Mr. Nick Kuba, Director of Information and Communication Technology	CPA, CIA, CGAP, CISA, CGFM, CRMA
Mr. Joseph Siemek, Director, Public Works	*County Auditor*
Mr. Steven Walsh, Deputy Director, Public Works	Sarah Self, CIA, CGAP
Mr. William Bettin, Deputy Director, Public Works	*Senior Auditor*

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[i] Definitions

Effective: The design and effectiveness of the internal control environment address key risks. The business unit complies with external laws and regulations, and internal policies, procedures and guidelines. Business processes are managed effectively resulting in achievement of expected outcomes.

Generally Effective: The design and/or effectiveness of the internal control environment generally address key risks; however, the number and severity of findings relative to the size and scope of the business unit being audited indicate that some minor areas of weakness in the control environment need to be addressed. Isolated instances of non-compliance with external laws and regulations, and internal policies, procedures and guidelines may exist. Business processes may not be managed effectively in all areas resulting in reduced achievement of expected outcomes.

Not Effective: The design and/or effectiveness of the internal control environment does not address key risks. Non-compliance or historical patterns of non-compliance with key regulatory requirements and internal policies, procedures and guidelines exist which expose the audited entity to financial, reputational, and operational risks. Business processes are not managed effectively and expected outcomes are not achieved.