

2022 Internal Audit Progress Report

TABLE OF CONTENTS

1. [AUDIT OF STRATEGIC & BUSINESS PLANNING](#)
2. [AUDIT OF TRANSFER EMPLOYEES SYSTEM ACCESS](#)
3. [AUDIT OF PATH FORWARD](#)
4. [AUDIT OF INVESTMENT SERVICES & INVESTMENT ACCOUNTING – GRANT THORNTON](#)
5. [AUDIT OF APPLICATION INCIDENT MANAGEMENT – WEAVER AND TIDWELL](#)
6. [FOLLOW UP ON INTERNAL AUDIT FINDINGS](#)

AUDIT OF STRATEGIC & BUSINESS PLANNING

OBJECTIVE: To assess the adequacy and effectiveness of strategic and business planning.

SCOPE: Our audit scope consisted of an evaluation of the adequacy of controls over strategic and business planning. To achieve our objective, we interviewed Enterprise Strategy Management (ESM) staff; reviewed the Teachers' Retirement Board Policy Manual and guidance documents; and researched best practices. We reviewed six processes for the planning and development of the strategic and business plans to determine if:

- ESM provides guidance on staff resources, budgets, and timing;
- the business plan is aligned with the strategic plan;
- the Accomplishments Report is developed effectively;
- the strategic and business plans are completed and approved timely;
- goals and objectives are defined and measurable; and
- procedures are aligned with industry best practices.

The audit period was January 1, 2021 through September 15, 2022.

EFFECTIVE

PRACTICES: ESM performs the following:

- uses information technology tools including SharePoint to centralize key information to facilitate collaboration among all parties involved,
- assesses if the business plan initiatives support and help achieve the three-year strategic plan progress indicators,
- obtains feedback from individuals to make modifications and process improvements,
- collaborates with Financial Planning, Accounting and Reporting to include budget discussions during the initial development process,
- facilitates the planning of the strategic and business plans to ensure they were supported by measurable goals and objectives, and
- includes multiple review cycles in their workplans.

STRATEGIC

PLAN:

Goal 4: Organizational Strength: Grow capacity and enhance efficiency in alignment with the mission and vision.

Objective B: Improve business processes and reduce costs.

AUDIT OF STRATEGIC & BUSINESS PLANNING (cont'd)

RISK: The absence of formalized procedures may lead to inconsistent processing of the strategic and business planning processes and may result in the delay in the completion of the strategic and business plans.

1. Rating/Results: 

For the strategic and business planning processes, ESM does not have formalized procedures for the following key activities:

- consideration of staff resources, budgets, and timing of the initiatives during development of the business plan initiatives
- completion of the Accomplishments Report
- review of the alignment of business plan initiatives with strategic plan goals
- preparation and planning of the timelines for the Strategic and Business Plans
- implementation of best practices during the strategic and business planning process

Management Action: ESM will document procedures for the strategic and business planning processes and will, at a minimum, include guidance on the following:

- organization of staff resources, budgets, and timing of initiatives
- preparation of the Accomplishments Report
- review of business plan initiatives to ensure alignment with strategic plan goals
- planning of timelines for the strategic and business plans to ensure timeliness and appropriate approval
- refresh of procedures to align with best practices and incorporate lessons learned

Target Completion Date: March 2023

AUDIT OF TRANSFER EMPLOYEES' SYSTEM ACCESS

OBJECTIVE: To assess the adequacy and timely change of access for employees who transfer within the organization.

SCOPE: Our audit scope consisted of an evaluation of the adequacy of controls related to updating system access for internal transfers. To achieve our objective, we reviewed relevant policies, procedures and forms related to system access and the internal transfer process. Also, we evaluated consistency of operations to policy and procedures. Further, we selected a sample of transfer service request tickets within the audit period of January 1, 2019 through December 31, 2021. We assessed the completion and retention of the Separation/Transfer form; timely processing of requests for access changes; and the review of completed tickets to ensure accurate updates to employees' access.

EFFECTIVE

PRACTICES: Information Technology Infrastructure & Operations (ITI&O) keeps a record of the number of transfer tickets that are not completed timely and reports this information quarterly to Technology Services leadership, ensuring there is transparency in any delays in processing tickets.

During the pandemic, Human Resources (HR) updated the Separation/Transfer Policy and process to adapt to the remote environment.

STRATEGIC

PLAN: Goal 2: Digital Transformation: Leverage technology to securely transform business and service delivery models to maximize operational efficiency.
Objective B: Secure the confidentiality and integrity of data and member information.

RISK: System access when an employee transfers to a new position within CalSTRS may not be changed timely and/or appropriately.

1. Rating/Results: ▲

ITI&O does not have a required process to document completion of user access changes. In addition, ITI&O does not perform quality reviews of completed tickets for user access changes. A review of work ensures business operations are working as intended.

Management Action: ITI&O will coordinate with I&O teams to conduct and document monthly review of a random sample of their Transfer Employee tasks.

Target Completion Date: December 2022

AUDIT OF TRANSFER EMPLOYEES’ SYSTEM ACCESS (cont’d)

2. Rating/Results:

When an employee transfers within CalSTRS, supervisors may request extended access either on the service request ticket or by using the optional supervisor questionnaire. ITI&O relies on the supervisor to request removal of the extended access. Audit Services identified the following opportunities to improve the process:

- A. The current supervisor questionnaire has outdated verbiage, is infrequently used by supervisors, and may be a redundant process. Of the service requests sampled, requests for extended access were done via the service request tickets instead of the supervisor questionnaire.
- B. Instruction to supervisors regarding their responsibility to request the removal of the employee’s temporary access once it is no longer needed is absent.

Management Action:

- A. ITI&O will coordinate with Technology Services teams to evaluate options to ensure the required information is gathered in a current, efficient, and consistent manner.
- B. ITI&O will coordinate with Technology Services teams to ensure Requestor/Manager responsibilities to request removal of access at the end of the temporary extension are clearly communicated.

Target Completion Date: June 2023

RISK: The procedures for internal transfers may not be followed timely by the business areas.

3. Rating/Results:

The Separation/Transfer Policy states HR is responsible for reviewing and filing the completed AD 1021 form for separating and transferring employees. The procedures state if an employee is transferring within the organization, HR will file the completed AD 1021 in the employee’s Official Personnel File. HR did not consistently retain the AD 1021, as required by policy and procedures.

Management Action: HR will facilitate a review of the transfer processes with partnering business areas to determine if the AD 1021 form and current processes remain applicable to internal transfers. Depending on the conclusion, HR will update the Separation/Transfer Policy and procedures and train HR staff, as appropriate.

Target Completion Date: December 2022

AUDIT OF PATH FORWARD

OBJECTIVE: Assess the adequacy and effectiveness of the Path Forward processes.

SCOPE: Our audit scope consisted of an evaluation of the Path Forward policies and protocols and its implementation. To achieve our objective, we reviewed state and local guidelines to identify current COVID-19 requirements and compared these requirements to the Path Forward policies and processes. We assessed how:

- the equipment needs of teleworking employees are met;
- visitors are informed of CalSTRS' onsite policies;
- building operations are designed to mitigate COVID-19 spread;
- COVID-19 cases in the workplace are tracked;
- employees are notified of potential COVID-19 exposure;
- compliance with the COVID-19 testing requirement is monitored; and
- the design and implementation of the Telework Program.

EFFECTIVE

PRACTICES: Human Resources (HR) and Facilities Management's Path Forward policies and protocols align with current state and local requirements.

HR:

- tracks cases of COVID-19 in the workplace, sends the appropriate notices timely when there is a potential exposure or close contact and monitors compliance with the COVID-19 testing requirement.
- has a designated Telework Coordinator who performs the duties required in the Statewide Telework Policy.

Facilities Management:

- has improved the air filtration system at CalSTRS Headquarters to exceed recommendations from CDPH and Cal/OSHA.
- oversees the onsite testing program, which reduces the risk that employee who test positive for COVID-19 are working onsite at CalSTRS facilities.
- has increased the cleaning frequency at Headquarters, ensured face coverings and respirators are available to employees and placed hand sanitizers at high-traffic locations.
- retains records for remote work and ergonomic equipment issued to CalSTRS employees and ensures appropriate return of CalSTRS property.
- ensures visitors to CalSTRS are informed of COVID-19 precautions and requirements by requiring the host to send the visitor the current Path Forward visitor policy and protocols prior to their visit.

STRATEGIC

PLAN: Goal 3: Sustainable Organization – Fully integrate a unified environmental, social and governance ethos in all we do.
Objective D: Strengthen preparedness capabilities to address change and disruptions.

RESULTS: No audit findings were noted during the course of this audit.

AUDIT OF INVESTMENT SERVICES & INVESTMENT ACCOUNTING – GRANT THORNTON

OBJECTIVE: To evaluate the internal control environment governing Investment Services & Investment Accounting.

SCOPE: CalSTRS seeks an assessment of CalSTRS Investment Services & Investment Accounting processes to evaluate the design and operating effectiveness of the Investment Services & Investment Accounting internal controls as it relates to the life of a trade for public and private investments, including additional oversight responsibilities listed below:

- policies and procedures
- accounting (reconciliations and variance resolutions)
- new Account/CUSIP Setup
- broker-dealer desk setup/changes/deletes
- transaction processing through Aladdin
- transaction processing through eCFM
- delegation of authority
- system access
- valuation reporting
- service organization controls
- oversight of Investment Compliance & Performance Reporting
- key person risk and adequate oversight coverage

The audit scope period was January 1, 2021 – December 31, 2021.

EFFECTIVE

PRACTICES: Investment Services/Investment Accounting respectively had controls related to:

- policies and procedures, Investment Accounting reconciliations, new account/CUSIP set up, broker-dealer desk setup/changes/deletes, transaction processing through Aladdin, transaction processing through eCFM.
- delegation of authority and system access: There is a semi-annual or annual certification of Aladdin, eCFM and BusinessDirect.
- valuation and service organization controls: The valuation reports are prepared and reviewed by board committee quarterly.
- oversight of Investment Compliance & Performance Reporting and key person risk and adequate oversight coverage.

STRATEGIC

PLAN:

Goal 1: Ensure a well governed, financially sound trust fund.

Objective C: Leverage investment cost information to yield long-term benefits.

RESULTS: No audit findings were noted during the course of this audit.

AUDIT OF APPLICATION INCIDENT MANAGEMENT – WEAVER AND TIDWELL

OBJECTIVE: To assess the adequacy and effectiveness of CalSTRS’ internal controls over application incident management.

SCOPE: We evaluated the activities for the selected audit areas under review and tailored our audit program accordingly, using a risk-based approach to our procedures. Our procedures addressed the following:

- application incident governance
- application incident management
- application incident process
- monitoring of application control effectiveness

The internal audit focused on the following applications managed by the Enterprise IT Solutions & Innovation (EIT S&I):

- Disclosure Compliance
- Electronic Content Management Solution (ECMS) Imaging
- Forms Ordering System
- myCalSTRS
- Schedule Direct (myCalSTRS module)
- Secure Employer Website (SEW)
- START

The audit scope period was January 1, 2021 through December 31, 2021.

EFFECTIVE

PRACTICES: EIT S&I:

- has a superior understanding of the applications considered in scope for this assessment and are able to use their knowledge to address application incidents in a timely manner.
- appears to replicate skills related to application support across their employees.
- appears to satisfy the timeliness and quality of application incident response expectations of CalSTRS business divisions.

STRATEGIC

PLAN:

Goal 2: Digital Transformation: Leverage technology to securely transform business and service delivery models to maximize operational efficiency.
Objective D: Explore advanced technology to securely gain business agility and enhance user experience.

AUDIT OF APPLICATION INCIDENT MANAGEMENT (cont'd)

RISK: Identification of system issues related to the processing of member data may be delayed as transactional failures may occur for reasons other than server failures. Additionally, the current technology does not clearly identify the points where transactional failures take place.

1. Rating/Results: ▲

Automated end-to-end monitoring, tracing of transactions, and middleware status monitoring was not available for the sampled web applications. Availability of application servers, web servers, and database servers was checked periodically throughout the day, with communication regarding status being sent out to appropriate managers and staff.

Management Action: EITS&I will:

- A. evaluate the types of monitoring needed per application and establish minimum monitoring processes for each application. If certain types of monitoring are not required or not feasible, management will document the rationale and communicate with stakeholders the expected monitoring process.
- B. establish a checklist (either manual or automated) if an automated monitoring tool is not utilized to ensure consistency and execution of any manual availability or checks performed for the multiple applications.
- C. evaluate and establish the after-hours support process and communicate the process when emergency support is needed, or how after-hours issues will be addressed if not an issue.

Target Completion Date: December 2022

- D. evaluate the needs for comprehensive monitoring and determine whether an existing tool or a new tool can provide the comprehensive monitoring needed for the web applications and ECMS. The monitoring tool(s) will account for existing applications and future applications.

Target Completion Date: June 2023

RISK: Absence of event logs may limit the ability of Solution Services, START Solutions Development, and Web Solutions Development to identify trends related to recurring events and may limit their ability to identify permanent solutions.

2. Rating/Results: ▲

Events (incidents, alarms, and alerts) identified by the current level of server monitoring were not logged and maintained for a pre-determined period of time. Notifications of server-related events were sent to managers and staff responsible for maintaining the applications; however, retention of such information was dependent of the managers and staff storing email messages.

AUDIT OF APPLICATION INCIDENT MANAGEMENT (cont'd)

Management Action: EITS&I will:

- A. define the event types that will be logged and their retention. Based on the expected retention types, management will evaluate the method for long term centralized storage.
- B. determine whether a dedicated monitoring tool or other existing tools could be utilized (ex, Splunk).

Target Completion Date: June 2023

RISK: The ability to identify trends and perform root cause analysis may be limited due to insufficient documentation of incidents, alarms, and alerts. This may limit the ability to identify long term solutions for recurring application problems. New IT personnel with limited knowledge of the systems may not have sufficient historical data to fully evaluate issues and identify solutions.

3. Rating/Results: ▲

Alerts associated with routine incidents that can be resolved quickly did not always result in the creation of a service ticket. Alarm and alert logging data was not available to quantify the number of potential incidents not associated with a service ticket. In addition, criteria establishing when an alarm or alert becomes an incident was not formally established for the EITS&I team. EITS&I management was unable to follow the documentation for several of the sampled tickets to provide additional insight into the issues noted, although required by procedures.

Management Action: EITS&I will:

- A. define the types and any thresholds that convert an alarm or alert to an incident that requires action and addition to the EITS&I Incident Ticket Management Expectations document.
- B. utilize the defined types and thresholds to create workflows for automated service ticket creation. Where automated ticket creation is not available, management will update existing policies and procedures to require the creation of service tickets for all events determined to represent application incidents with attached log data for reference. For typical issues, an existing ticket or method of tracking the instance of an issue and the resulting closure of the issue will be documented for identification on the volume and frequency of the issue.

Target Completion Date: December 2022

- C. reinforce the need for tickets to be documented, “so other staff can pick up and continue providing or initiating service as necessary” through onboarding training for certain IT personnel and annual training. The training will demonstrate to IT personnel both proper and improper ticket documentation methods.

AUDIT OF APPLICATION INCIDENT MANAGEMENT (cont'd)

- D. on a recurring quarterly basis, review a sample of tickets across Solution Services, START Solutions Development, and Web Solutions Development to determine whether the tickets were completed appropriately.
- E. review the monitoring procedures for external consultants performing upgrades or implementations on behalf of management to ensure all change management steps are performed completely with sufficient documentation.

Target Completion Date: October 2022

RISK: Individuals are not provided sufficient guidance related to proper documentation of incidents. Documentation of incidents may not include key elements or may not be detailed enough to support the identification of trends and root causes.

4. *Rating/Results:* ▲

The CalSTRS EIT S&I Incident Ticket Management Expectations document did not provide sufficient specific guidance for how tickets should be documented. In addition, Cause Codes were not defined to ensure proper and consistent assignment and closure of tickets.

The Management Incident Status Reports based on Cause Codes did not include all Cause Codes. An improper Cause Code associated with a ticket would inadvertently exclude tickets from management reports.

Management Action: EITS&I will:

- A. revise the EIT S&I Incident Ticket Management Expectations and ensure it provides clear direction for IT personnel on how application incident tickets should be completed.
- B. create a supporting document demonstrating examples of good and poor documentation techniques for application incident tickets.
- C. establish guidelines for the use of the Incident Management Tool Cause Codes, and if needed, inactivate unused Cause Codes.
- D. review the Management Incident Status Reports to ensure all appropriate Cause Codes are included.

Target Completion Date: October 2022

AUDIT OF APPLICATION INCIDENT MANAGEMENT (cont'd)

RISK: The ability to continuously improve applications used and reduce the occurrence of application incidents may be diminished.

5. Rating/Results: 

The CalSTRS EITS&I application incidents handling process did not consistently include the following:

- A. Technology weaknesses, single points of failure and errors were not identified and documented;
- B. Workarounds for technology weaknesses, single points of failure and errors were not documented;
- C. Response templates, playbooks or scripts were not developed;
- D. Detailed plans and reports for the use of application incident related data to extract information needed to improve existing applications (to include but not be limited to automated trend analysis, word searches for certain types of events such as member facing documents, etc) were not documented or created;
- E. Formal procedures for the identification of false positives were not formalized;
- F. The decision-making authority to initiate the incident response plan in response to application incidents was not formalized;
- G. Automated alerts were not generated based on pre-established thresholds being met or exceeded.

An improved application incident handling level of maturity may reduce the number of future incidents for the current applications and gain insight to improve the design and lower incidents for future applications.

Management Action: EITS&I will build an action plan, prioritizing the higher risks, to implement additional practices, tools (automated and manual), and supporting governance documentation to advance the maturity level of its application incident handling process.

Target Completion Date: February 2023

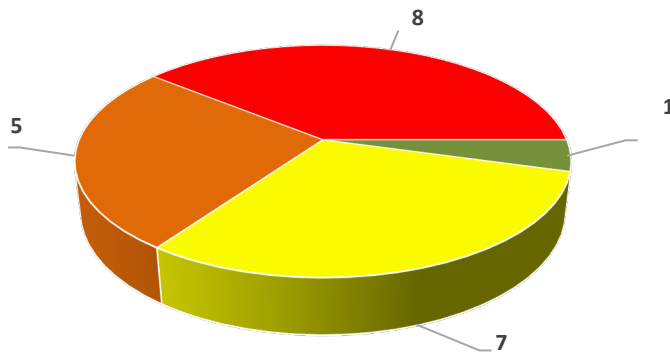
FOLLOW UP ON INTERNAL AUDIT FINDINGS

Following is a corrective actions status summary for internal audit findings as of September 30, 2022. Any audit findings over one year that are in progress and with the highest rating (◆), if any, will have additional information on the management actions. Resolved findings are reported to the committee upon corrective action implementation and do not appear in subsequent status reports. Each finding is rated using the following Finding Significance Rating Scale.

FINDING SIGNIFICANCE RATING SCALE

●	Design of controls is adequate in addressing key risks, providing a reasonable level of assurance that objectives are being achieved. Controls/policies/procedures are documented, up-to-date, and monitored. Controls are fully implemented and operating effectively and efficiently. Identified high level of compliance with laws/regulations/policies/procedures. Some improvement opportunities have been identified but not yet actioned.
■	Design of controls is adequate and effective in addressing key risks, but do not provide complete assurance that all objectives will be achieved. Controls/policies/procedures are documented, up-to-date, and monitored, but there are some gaps in the documentation relied upon to provide evidence that the key controls are operating effectively. Controls are operating as intended, but there is opportunity to improve the effectiveness or efficiency of the control. Identified general compliance with laws/ regulations/policies/ procedures with a few minor exceptions. There are some opportunities to improve existing controls, strengthen compensating controls and/or awareness of the controls.
▲	Design of controls only partially address key risks, but do not provide adequate assurance that all objectives will be achieved. Controls/policies/procedures documentation is incomplete, unclear, or outdated, and not monitored. Controls are not operating consistently and/or effectively or have not been fully implemented. Unable to confirm the effective operation of key controls. Examples of non-compliance with laws/regulations /policies/procedures and there are opportunities to develop new controls to provide a more appropriate level of assurance. There is a cost/benefit advantage to implement improvement opportunities.
◆	Design of controls is ineffective in addressing key risks or no process exists to manage the risk. Controls/policies/procedures documentation does not exist. Controls are not in operation or have not yet been implemented. There are significant breaches of compliance with laws/regulations/policies/ procedures. Immediate need for corrective and/or improvement actions to be undertaken.

Findings In Progress by Significance Rating



SUMMARY OF INTERNAL AUDIT FINDINGS

Resolved – Audit Services validated finding is resolved by management’s corrective actions.

In Progress – Management is in the process of addressing the audit finding.

FINDINGS OVER ONE YEAR OLD

AUDIT: Data Governance

Finding 2B: Data owner and data steward training and communication to new and existing staff could be formalized.

Significance Rating:  Resolution Status: In Progress

AUDIT: Third Party Vendor- Pension Benefit Information, LLC (PBI)

Finding 1F: The Death Match and Obituary Match files are sent in text format, not the required PDF and Excel formats.

Finding 1H: Death Match response files sampled were missing two of the five required elements potentially resulting in CalSTRS performing additional research to obtain pertinent data.

Finding 1I: Obituary Match response files sampled were missing three of the seven required elements, potentially resulting in CalSTRS performing additional research to obtain pertinent data.

Finding 1J: Obituary Match response files sampled were missing three of the seven required elements, potentially resulting in CalSTRS performing additional research to obtain pertinent data.

Significance Rating:  Resolution Status: Resolved

FINDINGS LESS THAN ONE YEAR OLD

AUDIT: Workforce and Succession Planning

Finding 1C: The quarterly update, and by whom, of the tracking spreadsheet was not evident.

Significance Rating:  Resolution Status: Resolved

Finding 2: A documented methodology for assessing the talent pipeline’s current competencies and overall readiness was not included within the workforce and succession plan.

Significance Rating:  Resolution Status: In Progress

AUDIT: Production Data and Application Development Access

Finding 1: Two staff and two contractors (Release Managers) have authority to release projects into production, and all four staff have access to develop systems.

Significance Rating:  Resolution Status: In Progress

Finding 2: The SDLC is silent on testing requirements for Content changes.

Significance Rating:  Resolution Status: In Progress

Finding 3: Developers have unlimited access to check out codes from the TFS repository to make changes/edits. Code change activities in the repository are not monitored.

Significance Rating:  Resolution Status: In Progress

AUDIT: Sustainable Investments and Stewardship Strategies

Finding 3: The annual audit of Viewpoint by SISS, which evaluates whether eligible portfolio accounts have been added, can be strengthened.

Significance Rating:  Resolution Status: In Progress

Finding 4: SISS could further strengthen monitoring controls over proxy voting and the Glass Lewis – Viewpoint application used to administer proxy voting in compliance with the Corporate Governance Principles.

Significance Rating:  Resolution Status: In Progress

AUDIT: Account Management and Performance Reporting

Finding 3: Incident memos do not consistently contain relevant information and a centralized process to monitor and report on remediation status after memo released to CalSTRS does not exist.

Significance Rating:  Resolution Status: In Progress

Finding 8: Out-of-tolerance difference of \$1,063,419 not explained in one of two monthly investment manager reconciliations sampled.

Significance Rating:  Resolution Status: Resolved

AUDIT: Audit of Third-Party Vendor – Genesys Cloud Services, Inc.

Finding 1: Genesys did not always include important elements in the Work Authorization forms. Additionally, we were unable to determine if the work authorizations were received prior to Genesys beginning work.

Significance Rating:  Resolution Status: In Progress

Finding 2: Genesys does not support screen capture function and retrieval of screen captures consistently. Additionally, Customer Service has an outstanding issue, created in December 2020, where screen capture does not function on one user's computer.

Significance Rating:  Resolution Status: Resolved

Finding 3: Genesys does not retain all documentation to support the Design, Development, and implementation of projects.

Significance Rating:  Resolution Status: In Progress

Finding 4: Genesys provided one Deliverable Acceptance Form; however, it was not signed by all CalSTRS approving officials. Also, a Deliverable Acceptance Form was not provided with Genesys' monthly invoices. In addition, Genesys did not provide a Deliverable Expectation Document for each project deliverable.

Significance Rating:  Resolution Status: In Progress

Finding 5: Genesys did not show full conformance with the Americans with Disabilities Act (ADA)/Web Content Accessibility Guidelines (WCAG) 2.0 AA success criteria.

Significance Rating:  Resolution Status: In Progress

Finding 6: Genesys does not provide the Service Level Agreement monthly performance report by the 10th calendar day of the following month.

Significance Rating:  Resolution Status: In Progress

Finding 7: Genesys submitted invoices with two missing required elements.

Significance Rating  Resolution Status: In Progress

AUDIT: Death and Survivor Benefits

Finding 1: DaSB does not have an established process to actively manage and monitor suspended accounts. One-third of the cases sampled had errors, such as an incorrect status, or were not properly documented in event tracking, where all account activity should be documented.

Significance Rating:  Resolution Status: In Progress

Finding 2: A discrepancy was noted between two different sources on the number of unpaid death and survivor benefits which resulted in an overstatement of outstanding cases, totaling approximately \$145,000.

Significance Rating:  Resolution Status: Resolved

Finding 3: A discrepancy was noted in the number of deaths reported and the number of cases assigned. Although all cases were set up as needed, documentation of discrepancies was not consistently performed.

Significance Rating:  Resolution Status: Resolved

Finding 4: DaSB did not always complete all steps in preparing the case summary as required by the documented procedures.

Significance Rating:  Resolution Status: In Progress

Finding 5: DaSB does not require the completion of certain forms or steps mentioned in the detailed procedures to process death and survivor benefits. As a result, inconsistencies exist between actual practices and documented procedures in some areas.

Significance Rating:  Resolution Status: In Progress

AUDIT: Mail & Receiving

Finding 1: Many Information Technology (IT) goods were not asset tagged and entered into BusinessDirect (BD) due to an unexpected large shipment of goods. In addition, the IT goods were located in more than one unsecured location.

Significance Rating:  Resolution Status: In Progress

Finding 2: An opportunity exists to improve the recordkeeping of Purchase Orders (POs).

A. Written initials and receipt date designating receipt of goods were not on the hard copy PO.

B. Some valuable goods are not included in the procedures to be asset tagged.

C. Completed POs were not scanned and entered in Corporate Imaging, as required in the procedures.

Significance Rating  Resolution Status: In Progress

Finding 3: Checks are received as part of incoming mail and should be secured until delivered to Accounting:

A. Evidence of the transfer of custody for checks was not available.

B. The combination to the safe utilized to store checks was not periodically changed.

C. Copies of checks with protected personally identifiable (PII) information were unsecured overnight within the mail room.

D. A secondary review of checks received by Facilities Management does not exist.

Significance Rating:  Resolution Status: In Progress

Finding 4: A process does not exist to track confidential mail. In addition, the list of recipients of confidential mail is out of date.

Significance Rating:  Resolution Status: Resolved

Finding 5: Equipment used to generate postage was not secured to prevent improper use as noted:

A. Equipment to prepare postage for shipping - postage meter, weight machine, and postage printer, as well as the password to access the postage meter are readily accessible to all staff.

B. Access to the mail room, where a postage meter is located, is not limited to staff who require access to perform their job duties and approved contractors.

Significance Rating:  Resolution Status: In Progress

Finding 6: Emergency x-ray instructions and phone numbers were not posted. Also, x-ray procedures did not include sufficient detail addressing oversized goods or do not require an x-ray.

Significance Rating:  Resolution Status: Resolved

Finding 7: In some instances, the date stamp, for stamping daily mail, were not changed or checked, as required by procedures which may impact time sensitive mail.

Significance Rating  Resolution Status: Resolved

Finding 8: Invoice details are manually entered into the imaging system. A quality control review by a different staff member does not exist.

Significance Rating  Resolution Status: Resolved