



County of Santa Clara

**Controller-Treasurer Department
Internal Audit Division**

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August 24, 2007

Assignment 10107

To: Distribution List

Subject: ESA Data Integrity Audit

We have completed a Countywide system audit on the integrity of personnel data in the Employee Services Agency (ESA) PeopleSoft system. ESA, the Human Resources Service Centers and individual departments throughout the County use this system. We conducted the audit from May 2006 through June 2007.

We thank the managers and staff in ESA, the Service Centers, and the departments visited. Their assistance and patience contributed significantly to the success of an audit of this magnitude and vision.

Respectfully submitted,

Signatures on file

David G. Elledge
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COUNTY OF SANTA CLARA

CONTROLLER-TREASURER DEPARTMENT – INTERNAL AUDIT DIVISION

**Employee Services Agency
Data Integrity Audit**



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Executive Summary

Conclusion The personnel data in the PeopleSoft database has integrity. It is supported by documentation in the Employee Services Agency's (ESA) Human Resources Operations, the Service Centers and the HR function in the departments. The County of Santa Clara Human Resources Manual states that an official personnel file is maintained at the Employee Services Agency's Human Resources Operations. Thus, there is a need to update the manual to reflect the current situation of supporting documentation being at multiple locations. In addition, there is a need to provide more detailed guidelines in maintaining individual personnel files.

The client is in agreement with our findings.

Audit Objective The overall objective was to evaluate the integrity of personnel data in the PeopleSoft database.

Audit Scope Due to the extensive scope of this audit, we first gained an understanding of the organizational structures in ESA, the Service Centers, and the HR function in the employee's assigned departments. We studied the environment and related systems and procedures, by interviews and on site visits. This was a comprehensive countywide audit.

We obtained data of all active employees in the County from ESA. We checked it for irregularities. We statistically selected samples for field-testing. Selection criteria was developed with ESA.

Internal Audit identified, reviewed and collaborated critical data fields related to the individual, the position and the benefits. With the sample records of critical data fields of selected employees, we first crosschecked official personnel files in the Human Resources Operations. We further tested the validity with files in various departments and Service Centers to arrive at the conclusion. Those files not located during field testing were later found. We reviewed them as well. Throughout this project, we held regular meetings and exchanged e-mails with ESA to confirm our assumptions, understanding and findings.

Audit Background The PeopleSoft system was implemented in the County in 1998. The validity of the data has never been reviewed by Internal Audit. This audit is one of many being done to assess the accuracy of data used in calculating the County's payroll.

We conducted the audit in accordance with the Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

Details on findings and recommendations are provided below.

Signatures on file

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Findings and Recommendations

Finding 1 **The County of Santa Clara Human Resources Practices Manual needs to be updated to reflect where supporting documentation is maintained.**

Detail testing was performed to determine the accuracy of data in the PeopleSoft system for the individual, the position and the benefits. Currently, the personnel data in the PeopleSoft system is supported by a combination of personnel files kept at the ESA-Human Resources Operations, the Service Centers, and the HR function in the departments.

The data was 100% verified by tracing to supporting documentation. Per the County of Santa Clara Human Resources Practices Manual dated August 23, 2005, “each employee has an official personnel file, which is maintained at Employee Services Agency Human Resources.” The files at ESA- Human Resources supported data regarding the individual. The files at the Service Centers and the HR function in the departments supported data regarding the position and the benefits. When the County implemented PeopleSoft, the Service Centers were created to provide better and timelier service to the employees. The Santa Clara Human Resources Practices Manual has not been updated to reflect this change in service.

Recommendation 1 The Employee Services Agency should update its manual to reflect the current situation that supporting documentation is maintained at locations other than ESA-Human Resources. The policy should also address the roles and responsibilities of files kept at the Service Centers and at the HR function in the departments. **[Priority 3]**

Finding 2

Guidelines are not specific on a personnel file's contents and how records are handled on interdepartmental transfers.

In the County Human Resources Practices Manual, the section "What information is retained in a personnel file?" we found the language and wording to be general without references to specific records and documents that should be kept in a personnel file. This can lead to different interpretations by different Service Centers. A document or record may be kept in the personnel file in one Service Center. The same document or record may not be kept in another Service Center.

Also, there is no clear guideline for a department to follow concerning a transferring employee's file or what information should be forwarded to the receiving department. Consequently, a long-term employee who has worked in several departments can have several copies of a personnel file. Each copy of the file contains only documents for the employee's tenure in the respective department.

Recommendation 2

ESA should develop specific guidelines for personnel files. The guidelines should list specific documents and records regarded as mandatory and documents that are optional for placing in a personnel file. Proper retention periods for these documents should also be included. Additional guidelines should address the type and nature of personnel information that should follow an employee who transfers between departments. **[Priority 3]**

From: Joanne Cox
Sent: Thursday, August 23, 2007 2:35 PM
To: Fred Chan
Cc: Dave Elledge; Luke Leung; Bill Perrone; Sheila Mohan
Subject: ESA Data Integrity Audit

Thank you for your patience on the Data Integrity Audit. This e-mail serves as ESA's response that we are in agreement with the findings of the audit dated July 27, 2007. We are very pleased with the conclusion in the Executive Summary that finds that the personnel data in the PeopleSoft dataset has integrity.