



**October 28, 2020**

**To:** Finance and Administration

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Employee Separations, Internal Audit Report No. 21-501

### **Overview**

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of employee separations. Based on the audit, internal controls related to employee separations have been established and controls to ensure accurate final payroll processing are adequate. However, the Internal Audit Department recommends improvements in the employee off-boarding process, more consistent stale account reviews of system user access, and improved documentation and communication of employee exit survey results.

### **Recommendation**

Direct staff to implement the recommendations provided in Employee Separations, Internal Audit Report No. 21-501.

### **Background**

The supervisor of a separating employee completes the employee exit processing form on the employee's last day and sends the form to Human Resources (HR). HR then sends the form to the General Services Helpdesk, Information Systems (IS) Helpdesk, and the Security and Emergency Preparedness Department to cancel access to networks, equipment, building, and parking structure. HR also completes a Personnel Action Form and forwards it to the Payroll Department to initiate processing of the employee's final paycheck.

To identify factors in the workplace which promoted or inhibited employee satisfaction and performance of job duties, voluntarily separating employees are

asked if they would like to participate in an employee exit survey coordinated by an outside vendor.

On a quarterly basis, IS Department staff is scheduled to perform a stale account review to identify whether there are any active Orange County Transportation Authority system user accounts that should be deleted.

### ***Discussion***

The employee off-boarding process is dependent upon HR's timely distribution of employee exit processing forms to other departments for action. Omissions and delays in distribution of these forms were detected during testing, resulting in separated employees having continued network, equipment, building, and/or parking access, or in delays in the removal of such access. The Internal Audit Department (Internal Audit) recommended that the employee off-boarding process be improved and streamlined, with resumption of HR's suspended efforts to automate the employee exit processing form. HR responded that they would work with other departments to resume efforts to convert the employee exit processing form into an electronic form.

Quarterly stale account reviews are to be performed to determine if any system user accounts should be disabled or deleted; however, these reviews were not consistently performed. Internal Audit recommended that stale account reviews be performed quarterly to ensure that accounts associated with separated employees have been disabled or deleted. Management agreed, noting that they are also working to make the process more efficient.

Voluntarily separated employees are asked if they would like to participate in an employee exit survey administered by an outside vendor; however, the invitation to participate is not recorded. In addition, reports of exit survey results are not prepared and presented to management. Internal Audit recommended that invitations to participate in employee exit surveys be documented and that a procedure be developed to analyze and communicate exit survey results to management. HR agreed, noting that written procedures will be developed to cover the employee exit survey process and communication of the results.

### ***Summary***

Internal Audit has completed an audit of employee separations and has made three recommendations to improve the process.

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***Attachment***

A. Employee Separations, Internal Audit Report No. 21-501

**Prepared by:**

A handwritten signature in black ink that reads "Serena K. Ng". The signature is written in a cursive, flowing style.

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