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*Excellence...Always*

*Paula S. O'Neil, Ph.D.  
Clerk & Comptroller  
Pasco County, Florida*

January 29, 2015

The Honorable Ted Schrader, Chairman, and  
Members of the Board of County Commissioners  
Pasco County Board of County Commissioners  
8731 Citizens Drive  
New Port Richey, FL 34654

Dear Chairman Schrader and Members of the Board:

Enclosed is Audit Report 2014-08, the Pasco County Board of County Commissioners (BCC) Code Compliance Division's DAVID Annual Audit. As of the date of this report, corrective actions have been implemented for the findings identified during the audit as follows:

1. Quarterly Quality Control Reviews were not performed.
2. Acknowledgements were not maintained.
3. Access to information was not monitored on an on-going basis.
4. Proper evaluation of internal controls was not performed prior to submitting an affirmation.
5. Written internal policies and procedures did not exist.
6. Use of information could not always be verified as proper and authorized.
7. Printed DAVID information was taken to a personal residence for shredding and disposal.

We appreciate the cooperation and professional courtesy received from the management and staff of the Code Compliance Division during this audit. This audit was conducted in response to a random selection of the BCC Code Compliance Division by the Florida Department of Highway Safety and Motor Vehicles (DHSMV) to submit an attestation. Enclosed is an Attestation Statement which must be signed by the Chairman and submitted to the DHSMV by February 21, 2015.

Please let us know if you wish to discuss any findings and/or corrective actions.

Sincerely,

*Paula S. O'Neil*  
Paula S. O'Neil, Ph.D.  
Clerk & Comptroller

PSO/pm

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*Office of Paula S. O'Neil  
Clerk & Comptroller  
Pasco County, Florida*

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**Pasco County Board of County Commissioners  
Code Compliance Division  
DAVID Annual Audit**

January 29, 2015



**Division of Inspector General**

Patrice Monaco-McBride, CIG, CIGA, CGFO  
Inspector General

Christine Calianno, CGAP, Auditor

Report No. 2014-08

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### **Executive Summary**

On May 21, 2014 the Florida Department of Highway Safety and Motor Vehicles (DHSMV) randomly selected the Board of County Commissioners (BCC) Code Compliance Division (Division) to submit an Attestation Statement to the DHSMV by November 21, 2014. The purpose of the attestation was to ensure that the Division was using DAVID (Driver and Vehicle Information Database) information in an appropriate manner as required by the Memorandum of Understanding (MOU) for Drivers License and/or Motor Vehicle Record Data Exchange. Failure to submit the attestation by the aforementioned date would result in the cancellation of the agreement as stated in Section IX, Part B of the MOU.

On July 25, 2014 the Clerk & Comptroller's Division of Inspector General initiated an engagement in response to a request from the Code Compliance Division. The purpose of the engagement was to evaluate the adequacy of internal controls over DAVID information. DAVID information must be protected from unauthorized access, distribution, use, modification, or disclosure. In addition, our review and evaluation of the internal controls over DAVID information provided assurance that the Division could sign and submit the Attestation Statement to the DHSMV.

### **Background Information:**

On March 15, 2013, the Division renewed an MOU (Contract No. HSMV-0560-13) with the DHSMV for electronic access to DHSMV's Driver and Vehicle Express (DAVE) database for a three year term. The Division's Code Compliance Officers used the DAVE system for access to vehicle registration information needed while enforcing the County's Code of Ordinances and Land Development Code.

The DAVE database contained driver license and motor vehicle information. The DHSMV implemented an initiative for the transition of their older database systems to the newer web-based DAVID system. The DAVE system ceased operation on June 26, 2014, when the new DAVID rollout was completed.

DAVID provided agencies with extensive Florida driver information. The information was only to be utilized for business-related purposes in completing job functions. The information could not be retained by agencies, unless retained for law enforcement purposes. Information was required to be protected from unauthorized users review or retrieval.

Unauthorized use of the database included queries not related to business (job function) purposes, personal use, dissemination of information to unauthorized personnel, and copying the information. Unauthorized access, use or distribution of DAVID information resulted in penalties and civil lawsuits, and possible criminal law violations. Upon identification of misuse, the Division was required to immediately notify DHSMV and the affected individual that personal information was compromised by any unauthorized access, distribution, use, modification, or disclosure.

Initial training for new users included a mandatory online DAVID instructional training and exam. Prior to gaining access into the DAVID system, users were to complete the training and pass the exam with a score of 80% or higher. The training included instruction on the confidential nature of the information and the criminal sanctions for unauthorized use of the information. All personnel with access to information exchanged under the terms of the MOU were required to acknowledge their understanding of the confidential nature of the information and of the criminal sanctions for its unauthorized use. These acknowledgements were required to be maintained in current status.

The MOU also required the Division to conduct Quarterly Quality Control Reviews (QQCR's) to ensure all current users were appropriately authorized. Access to the information was required to be monitored on a continuous basis and audits were required to be conducted annually to ensure proper and authorized use and dissemination.

An annual affirmation from the Division indicating compliance with the requirements of the MOU was required to be received by DHSMV no later than 45 days after the anniversary date of the MOU.

At the written request from the DHSMV, the Division must submit an Attestation Statement to the DHSMV that indicated the internal controls over DAVID information were evaluated and were adequate to protect information from unauthorized access, distribution, use, modification, or disclosure. The DHSMV required the attestation to be received within 180 days of the written request.

**Objectives:**

The overall objective of this audit was to evaluate the adequacy of internal controls over DAVID information. Specifically, the objectives were to:

- Determine if information exchanged was safeguarded by the Division pursuant to Section V of the MOU (Contract # HSMV-0560-13).
- Determine if the Division's internal controls over information were adequate to protect it from unauthorized access, distribution, use, modification, or disclosure.

**Scope and Methodology:**

Our scope was limited to the requirements specified in the MOU. The period examined was March 15, 2013 through March 14, 2014.

The nature and scope of this audit was intended to provide objective and relevant assurance, and to contribute to the effectiveness and efficiency of governance, risk management, and control processes of the Division's use of DAVID information.

To achieve our objectives, we used the following methodology:

- Reviewed the MOU for Drivers License and/or Motor Vehicle Record Data Exchange (Contract No. HSMV-0560-13)
- Reviewed Florida Statutes, the Driver's Privacy Protection Act of 1994, and the DHSMV website
- Reviewed internal policies and procedures related to the use and oversight of the DAVID system
- Interviewed key personnel involved in DAVID oversight
- Reviewed a random sample of DAVID user activity for misuse
- Interviewed a random sample of DAVID users

- Reviewed terminated or reassigned user’s access and current user’s access
- Requested and reviewed documentation as required by the MOU (QQCR’s, Acknowledgements, Access Authorization forms, misuse reports, DHSMV attestation statements, and DHSMV affirmation statements)

**Overall Evaluation:**

The Division of Inspector General would like to express our gratitude for the cooperation and professional courtesies extended to our audit team by the Code Compliance Division. We would also like to commend management and staff for their responsiveness in taking corrective action for findings that were brought to their attention during the audit.

The following table summarizes the Findings within this report.

<b>Finding</b>	<b>Description</b>	<b>Page Reference</b>
1	Quarterly Quality Control Reviews were not performed.	5
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5	Written internal policies and procedures did not exist.	9
6	Use of information could not always be verified as proper and authorized.	10
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**Overall Conclusion:**

Based on a review of the Division’s internal DAVID policies and procedures implemented on October 10, 2014 and corrective actions taken by management during the course of this audit, we concluded that the Division’s internal controls over DAVID information were adequate to protect information from unauthorized access, distribution, use, modification, or disclosure. The recommendations offered in this report were offered to strengthen the control environment.

## Findings & Recommendations

**Compliance:** Since compliance with agreements, contracts, laws, rules, regulation, policies and procedures is expected, recommendations were not provided.

### Finding 1

#### **Quarterly Quality Control Reviews were not performed.**

Pursuant to Section IV, Part B, subsection 9 of the MOU, the Requesting Party (BCC Code Compliance Division) agreed to conduct quarterly quality control reviews (QQCR's).

Key personnel engaged in the oversight of the DAVID system were interviewed. Questions were asked regarding the expected procedures and internal controls that should be in place. During interviews, Division management indicated that quarterly quality control reviews and regular on-going monitoring were not conducted.

#### **Management Response:**

*"Management concurred with the finding and implemented corrective action."*

#### **Corrective Action Plan:**

Division management took corrective action during the course of the audit to achieve compliance with the MOU and performed a QQCR for the time period of July 2014 through September 2014. In addition, on October 10, 2014 formal written internal policies and procedures were implemented which included directives for monthly DAVID monitoring. Division management has continued ongoing quarterly quality control reviews.

#### **Target Completion Date:**

*Completed- October 10, 2014*

## Finding 2

### **Acknowledgements of the confidential nature of information and the criminal sanctions for unauthorized use of information were not maintained.**

Pursuant to Section V, 'Safeguarding Information' of the MOU, *'All personnel with access to the information exchanged under the terms of the agreement will be instructed of, and acknowledge their understanding of, the confidential nature of the information and the criminal sanctions specified in state law for unauthorized use of the data.'* In addition, the acknowledgements were required to be maintained in a current status by the Requesting Party (BCC Code Compliance Division).

Key personnel engaged in the oversight of the DAVID system were interviewed. Questions were asked regarding the expected procedures and internal controls that should be in place. During interviews, Division management indicated that acknowledgements of the confidential nature of information and of the criminal sanctions for unauthorized use of information were not maintained.

### **Management Response:**

*"Management concurred with the finding and implemented corrective action."*

### **Corrective Action Plan:**

Division management took corrective action during the course of the audit to achieve compliance with the MOU. The Division implemented a written *'Access Authorization Request'* form as documentation that users acknowledged and understood the terms and conditions for use of DAVID information and the DAVID system. The form included specific language addressing the acknowledgement of the confidentiality of information obtained from DAVID and the criminal sanctions for unauthorized use of information obtained from DAVID. Signed acknowledgments were provided to audit staff on August 29, 2014.

On October 10, 2014 new written internal policies and procedures were implemented that provided directives on obtaining access to the DAVID system. The procedures included the following:

- Prior to being granted a temporary password, employees were to sign an *'Access Authorization Request'* form in the presence of the Code Compliance Manager or Field Supervisor acknowledging their responsibilities under the DAVID system.
- The Supervisor was to verify that employees understood all statements contained within the *'Access Authorization Request'* form.

### **Target Completion Date:**

*Completed- August 29, 2014*

### Finding 3

**Access to information was not monitored on an on-going basis.**

Pursuant to Section V, Part F of the MOU, '*All access to the information must be monitored on an on-going basis by the Requesting Party.*'

Key personnel engaged in the oversight of the DAVID system were interviewed. Questions were asked regarding the expected procedures and internal controls that should be in place. During interviews, Division management indicated that proper and authorized use of information was discussed at staff meetings, but regular on-going monitoring of access was not performed.

**Management Response:**

*"Management concurred with the finding and implemented corrective action."*

**Corrective Action Plan:**

Division management took corrective action during the course of the audit. On October 10, 2014 new written internal policies and procedures were implemented which included a section on DAVID monitoring. The procedures included the following:

- Quarterly, at a minimum, the POC was to ensure that all current users were appropriately authorized. The POC was to identify any new or inactivated users, ensure that updates to user information were made, and to document the date and reason for the update.

**Target Completion Date:**

*Completed- October 10, 2014*

**Scope Limitation:** Testing included review and verification of user access permissions. Documentation did not exist for user access permission updates for the audit period under review. In addition, the DHSMV was unable to provide access permission update data for DAVE users during the audit period of March 14, 2013 through March 15, 2014. After the transition to the new DAVID system in June 2014, access to data from the old DAVE system was not available. Therefore, audit staff was unable to verify if user access permissions were updated in compliance with the MOU.

#### **Finding 4**

**Proper evaluation of internal controls was not performed prior to submitting an affirmation.**

Pursuant to Section VI, Part C of the MOU, the Requesting Party (BCC Code Compliance Division) was required to send the DHSMV an annual affirmation statement indicating compliance with the requirements of the MOU. The statement had to be received by the DHSMV no later than 45 days after the anniversary date of the MOU.

The Annual Affirmation stated, *'In accordance with Section VI, Part C, of the Memorandum of Understanding between Department of Highway Safety and Motor Vehicles and Pasco County Code Compliance Division hereby affirms that the requesting agency has evaluated and have adequate controls in place to protect the personal data from unauthorized access, distribution, use and modification or disclosure and is in full compliance as required in the contractual agreement HSMV-0560-13.*

On February 14, 2014 an annual Affirmation Statement was signed by the POC and submitted to the DHSMV. Receipt of the affirmation by the DHSMV was required no later than 45 days after the anniversary date of the MOU. The DHSMV confirmed that they received the affirmation in compliance with the MOU. However, during interviews Division management indicated that no prior audits were performed to evaluate the internal controls over personal information prior to completing and submitting the affirmation.

**Management Response:**

*"Management concurred with the finding and implemented corrective action."*

**Corrective Action Plan:**

Corrective action was taken by Division management. On July 25, 2014 the POC requested the Division of Inspector General of the Clerk & Comptroller's Office to initiate an audit engagement in response to having been randomly selected by the DHSMV to submit an Attestation Statement. The objectives of the audit were to evaluate the adequacy of internal controls over personal data and to assess the compliance of DAVID system users with the requirements of the MOU.

**Target Completion Date:**

*Target Audit Final Report Completion Date- February 10, 2014*

**Control Activities:** Listed below are findings that represent opportunities to strengthen the internal controls. For each finding, a recommendation has been included.

### **Finding 5**

#### **Written internal policies and procedures governing the use of DAVID information and the DAVID system did not exist.**

Key personnel engaged in the oversight of the DAVID system were interviewed. Questions were asked regarding the expected procedures and internal controls that should be in place. Although verbal policies and procedures were described, Division management indicated that written internal policies and procedures related to the DAVE (Driver and Motor Vehicle Express) system did not exist for the audit period under examination. In addition, written policies and procedures for the current DAVID system did not exist.

#### **Recommendation:**

We recommend that Division management establish and implement written policies and procedures governing the use of the DAVID system, including access, distribution, use, modification and disclosure of personal data from the DAVID system.

#### **Management Response:**

*“Management concurred with the finding and implemented the corrective action recommended.”*

#### **Corrective Action Plan:**

On August 21, 2014 the Inspector General notified the Assistant County Administrator and Division management of this preliminary finding to expedite corrective action in order to achieve compliance with the MOU. Division management took corrective action during the course of the audit. On October 10, 2014 the Division's Point of Contact for the MOU communicated formal written internal policies and procedures governing the Division's use of the DAVID system to all Code Compliance staff via email.

#### **Target Completion Date:**

*Completed- October 10, 2014*

## Finding 6

### **Use of DAVID information could not always be verified as proper and authorized.**

Pursuant to Section IV, Part B of the MOU the Requesting Party agreed to use the information received from the Providing Agency only for the purposes authorized by the MOU.

A random week within the audit period was selected. User Activity Reports were requested from the DHSMV for all users having activity for the randomly selected week. Activity Reports were reviewed for unauthorized use, including personal-use queries (celebrities, political figures, family). Activity was reviewed for any instances where data was accessed outside of the user's regular shift and for repeated queries of the same individual.

A Field Supervisor and two Code Officers were included in the sample of user activity. The information entered in the search value field could not always be linked to a specific complaint (case) number. The old DAVE system did not provide a field for the users to enter an identifying complaint (case) number. As a result, only one search value was able to be verified and linked to a specific complaint (case) number. The remainder of the activity logged could not be associated with case numbers and verified as authorized use.

According to interviews with a Field Supervisor and Code Officer, no internal tracking mechanism was in place for linking complaints/case numbers to a user's database queries.

### **Recommendation:**

We recommend that users select 'Other' for the purpose code when conducting a query. This purpose code includes a blank field for the user to provide a valid identifier to associate with the query.

### **Management Response:**

*"Management concurred with the finding and implemented the corrective action recommended."*

### **Corrective Action Plan:**

Division management took corrective action during the course of the audit to mitigate the risk of improper and unauthorized use of information. On October 10, 2014 new written internal policies and procedures were implemented that provided directives which made the verification of user activity logged on the DAVID User Activity Reports possible. The procedures required users to select the purpose code 'Other' when conducting a search in the DAVID system and to note the case number in the blank field.

### **Target Completion Date:**

*Completed- October 10, 2014*

## Finding 7

### **Printed DAVID information was taken to a personal residence for shredding and disposal.**

Pursuant to Section V, 'Safeguarding Information' of the MOU, Contract # HSMV-0560-13, information was to be stored in a place physically secure from access by unauthorized persons. Access to the information was to be protected in such a way that unauthorized persons could not review or retrieve the information. Code Officers were interviewed regarding policies and procedures for the security of printed DAVID data. During interviews, a Code Officer indicated that printed information was taken home for shredding when no longer needed.

### **Recommendation:**

We recommend that DAVID information be kept locked in a secure location and shredded on-site at a County location.

### **Management Response:**

*"Management concurred with the finding and implemented the corrective action recommended."*

### **Corrective Action Plan:**

Division management took corrective action during the course of the audit to mitigate the risk of unauthorized access to DAVID information. On October 2, 2014 Division management responded that requirements for storage and destruction of all printed DAVID information would be included in the new internal policies and procedures. On October 10, 2014, Division management implemented new written internal policies and procedures which included the following:

- Information printed from DAVID was to be kept in a locked location and shredded when no longer needed.
- Information was not to be provided to or viewed by unauthorized users.

### **Target Completion Date:**

*October 10, 2014*

**ATTESTATION STATEMENT**

**Contract Number HSMV-0560-13**

In accordance with Section VI., Part A, of the Memorandum of Understanding between the Department of Highway Safety and Motor Vehicles and the Pasco County Board of County Commissioners Code Compliance Division (Requesting Agency), this MOU is contingent upon the Requesting Party having appropriate internal controls over personal data sold or used by the Requesting Party to protect the personal data from unauthorized access, distribution, use, modification, or disclosure. Upon request from the Providing Agency, the Requesting Party must submit an attestation from a currently licensed Certified Public Accountant performed in accordance with the American Institute of Certified Public Accountants (AICPA), "Statements on Standards for Attestation Engagement." In lieu of submitting the attestation from a currently licensed Certified Public Accountant, the Requesting Party may submit an alternate certification with pre-approval from the Department. In the event the Requesting Party is a governmental entity, the attestation may be provided by the entity's internal auditor or inspector general. The attestation must indicate that the internal controls over personal data have been evaluated and are adequate to protect the personal data from unauthorized access, distribution, use, modification, or disclosure. The attestation must be received by the Providing Agency within 180 days of the written request. The Providing Agency may extend the time to submit the attestation upon written request and for good cause shown by the Requesting Agency.

The Pasco County Board of County Commissioners Code Compliance Division (Requesting Agency) hereby attests that the Requesting Agency has evaluated and has adequate controls in place to protect the personal data from unauthorized access, distribution, use and modification or disclosure and is in full compliance as required in the contractual agreement.

\_\_\_\_\_  
Signature (Agency Head)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Pasco County Board of County Commissioners  
NAME OF AGENCY