

**PARKING DEPARTMENT
DRIVER AND VEHICLE INFORMATION
DATABASE (DAVID) AUDIT
AUD22-01**



WEST PALM BEACH

Internal Audit

March 29, 2022

**City of West Palm Beach
Internal Auditor's Office**

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Chief Internal Auditor

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Executive Summary

PARKING DRIVER AND VEHICLE INFORMATION

DATABASE (DAVID) AUDIT AUD22-01

March 29, 2022



OVERVIEW

- The City's Parking Department and the Florida Department of Highway Safety and Motor Vehicles (FLHSMV) entered into a Memorandum of Understanding (MOU) in order for Parking to obtain confidential personal information on drivers and vehicles. This information assists in the issuance and collection of parking citations. The MOU outlines the City's obligations to meet internal controls that were designed to protect confidential information from inappropriate access or use. This audit is a requirement in the MOU for the purpose of confirming compliance with the MOU terms.
- Per the MOU, the Parking Department is the primary requesting agency and the Code Enforcement Division is the sub-agency. However, the Code Enforcement Division is a part of the Police Department, not the Parking Department. Code Enforcement uses DAVID data as related to code violations.
- To access the data from the FLHSMV, the Parking Department utilizes an online portal known as DAVID (Driver and Vehicle Information Database). Parking is required to appoint an Agency Point of Contact to administer and perform local services. Examples of these services include deactivation of terminated users, user access and quality reviews, and obtaining acknowledgements of the confidentiality of information.

SUMMARY FINDINGS

1. **Distribution of DAVID Data:** The MOU states that the requesting party should refrain from assigning or sub-contracting its rights to access DAVID data, without the prior written consent of the FLHSMV. We found that the Parking Department inappropriately distributed DAVID data to the sub-contracting collection agency to assist with collections on delinquent parking accounts.
2. **Business Justification for Searches:** During the audit period, there were 14 users with DAVID access and 10 users performed 3,131 searches. Based on a statistically valid sample of 343 searches, we found that for 94 (27%) searches performed, the Parking Department was unable to provide a business justification or other supporting documentation to validate whether the searches were for a legitimate business purpose. Specifically, we found that:
 - 85 of 94 (90%) searches were performed within Parking, and
 - 9 of 94 (10%) searches were performed within Code Enforcement.
3. **Quality Control Reviews and Segregation of Duties:** The MOU requires Quarterly Quality Control Review Reports to be completed within 10 days after the end of each quarter and maintained for two years. We found that Quarterly Quality Control Reviews were not being performed as required. We also found that there was inadequate segregation of duties in the Quarterly Quality Control Review process. Specifically, we noted that the person charged with performing Quarterly Quality Control Reviews, also performs DAVID searches.
4. **Access Termination:** For the 14 users with DAVID access, we found that the Parking Department did not deactivate user access in a timely manner for 4 (28%) employees. Their access remained active after termination or transfer for 8 to 886 days.

SUMMARY RECOMMENDATIONS

1. The Parking Department should ensure that it is aware of the requirements of the MOU by performing a comprehensive review of the agreement. The Parking Department should also work with the Office of the City Attorney to expedite a review of the Parking Department's obligations outlined in the MOU and update the sub-contract collection agreement such that it appropriately reflects the MOU requirements, provided that the FLHSMV gives its written consent.
2. The Parking Department should ensure that documentation is retained to support the business justification of all DAVID searches. In addition, Parking should work with the Police Department to remove the Code Enforcement Division from its MOU. Further, the Code Enforcement Division should obtain its own MOU or obtain access through the Police Department's MOU, provided that written consent from the FLHSMV is obtained first.
3. The Parking Department should ensure that Quarterly Quality Control Reviews are performed and that the reports are accurate and complete.
4. The Parking Department should ensure timely deactivation of DAVID user access by creating a process that requires immediate communication of terminated/transferred users, performing routine reconciliations of all users, and conducting periodic training.

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March 29, 2022

Audit Committee
City of West Palm Beach
401 Clematis Street
West Palm Beach, Florida

RE: Parking Department Driver and Vehicle Information Database (DAVID) Audit, AUD22-01

Dear Audit Committee Members:

Attached is the City of West Palm Beach's Internal Auditor's Office report on the Parking Department's Driver and Vehicle Information Database (DAVID) Audit. This audit was conducted in compliance with a Memorandum of Understanding between the City and the State that requires an audit of the internal controls of the access and usage of the DAVID data. Certain disclosures and representations made in the body of this report have been made based on the MOU requirements and the work performed.

We thank the management and staff of the Parking Department for their time, assistance, and cooperation during this audit.

Respectfully Submitted,

s/ Beverly Mahaso
Chief Internal Auditor

cc: Keith James, Mayor
Faye Johnson, City Administrator
Edward Davis, Parking Administrator

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Background

The City's Parking Department and the Code Enforcement Division utilize personal information that is obtained from the Florida Department of Highway Safety and Motor Vehicles (FLHSMV) to identify or confirm driver or vehicle owner information as related to parking and code violations. In order to utilize the data provided, the City and the FLHSMV entered into a Memorandum of Understanding (MOU) that outlines the City's obligations to meet internal control measures designed to ensure that confidential personal information is adequately protected from inappropriate access or use.

To access the data from the FLHSMV, the City and its employees utilize an online portal known as DAVID (Driver and Vehicle Information Database) that is managed by the FLHSMV. While FLHSMV owns and manages the DAVID system, the City is required to appoint an Agency Point of Contact (APOC) to administer and perform local services. Examples of these services include deactivation of terminated users, user access reviews, quality control reviews, and obtaining acknowledgements of the confidentiality of information, including criminal sanctions for confidentiality violations.

This audit is a requirement in the MOU agreement and it was conducted to evaluate the internal controls in place to ensure that data provided or received is protected from unauthorized access, distribution, use, modification, or disclosure. We note that in the MOU, the Parking Department is the primary requesting agency and the Code Enforcement Division is the sub-requesting agency. As such, the Parking Department is responsible for ensuring that all users comply with the MOU requirements. However, the Code Enforcement Division is within the Police Department and the Parking Department does not have authority or oversight over Code Enforcement employees.

Statement of Scope

The scope of the audit was from December 1, 2018 to September 30, 2021 (audit period). The audit included tests and reviews of systems, policies, procedures, and processes. Other procedures and reviews outside the audit period were conducted as deemed necessary.

Statement of Objectives

The objectives of this audit were to:

- A. Determine whether the internal controls governing the Parking Department's access and usage of DAVID data complied with the requirements in the MOU, and
- B. Determine whether there were any additional opportunities for improvement.

Statement of Methodology

The methodologies used to meet the audit objectives included the following:

- Conducting interviews and inquiries of personnel;
- Reviews of relevant agreements, State laws, internal policies and procedures;
- Evaluating and testing internal controls as related to applicable systems;
- Analyzing data, and
- Other audit procedures deemed necessary.

To the extent possible, testing was conducted on the entire population. However, where sampling was employed, we utilized a statistically valid sample that provided a 95% confidence level with a 5% margin of error. As such, these results may be extrapolated to the entire population.

Statement of Auditing Standards

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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.

Audit Conclusions and Summary of Findings

The following statements are made in response to disclosure requirements within the MOU.

The Internal Auditor's Office has evaluated the internal controls governing the access and usage of personal data based on the requirements in the MOU and applicable laws. We conclude that the Parking Department did not meet the requirements in the MOU during the audit period. While significant corrective actions were being taken to resolve the issues identified, we cannot attest that all deficiencies/issues found during the audit have been corrected, and measures enacted to prevent recurrence. However, this audit can and does indicate that corrective action is being taken expeditiously. The following is a summary of opportunities for improvement that will assist the department in meeting the requirements in the MOU and applicable laws:

- Parking should ensure that it is aware of and complies with all the requirements of the MOU by performing a comprehensive review of the agreement.
- Parking should ensure timely deactivation of DAVID user access by creating a process that requires immediate communication to the Agency's Point of Contact of all users terminated or transferred from Parking and ensure that access is terminated within five business days.
- Parking should ensure adequate oversight of users by performing Quarterly Quality Control Reviews in a timely manner.
- Parking should ensure that documentation is retained to support the business justification of all DAVID searches.
- Parking should ensure that the requirements of the MOU are reflected in all current

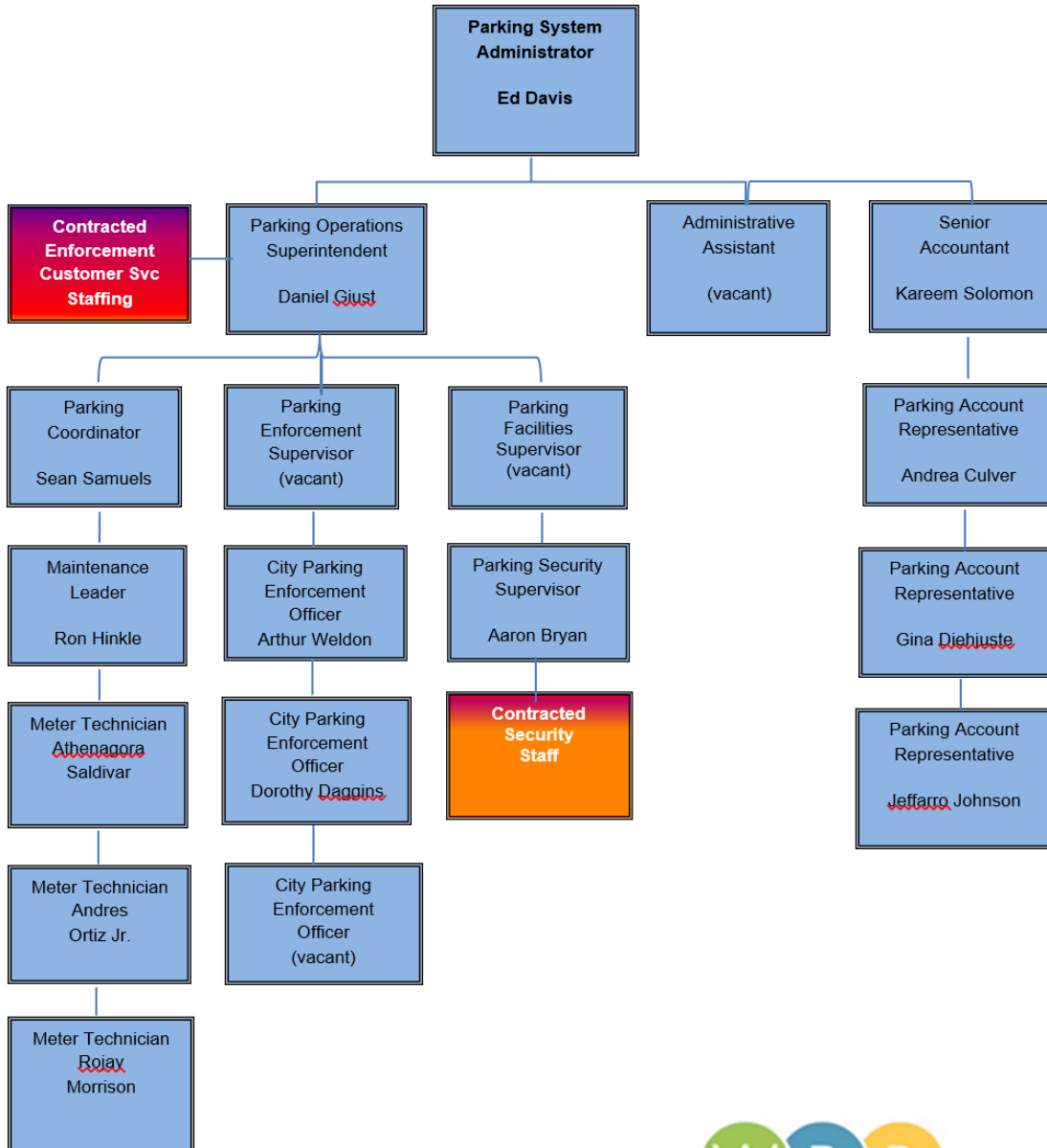
and future agreements with subcontractors, third parties, or anyone who accesses or receives DAVID data.

- Parking should work with the Police Department to remove Code Enforcement from its MOU. Code Enforcement users should obtain a separate MOU with the State or utilize the Police Department's MOU with written consent from the State.

Noteworthy Accomplishments

We found knowledgeable and dedicated employees that were receptive to our recommendations for improvement. Specifically, we found that the Parking Department was proactive in taking corrective action. In some instances, corrective action was taken within days of the issues being identified. We commend the Parking Department on its efforts at continuous improvement.

Parking Department Organization Chart



WEST PALM BEACH

Parking Administration

Opportunities for Improvement

1. Distribution of DAVID Data

Condition

The Parking Department utilizes a third-party collection agency to collect on delinquent receivables. This process is initiated once accounts are outstanding longer than the established threshold. During our review, we found that the Parking Department inappropriately distributed Florida Highway Safety and Motor Vehicle (FLHSMV) DAVID data to the sub-contracting collection agency to assist with collecting on delinquent parking accounts. Furthermore, we found that the terms of the agreement with the sub-contractor did not adequately disclose the applicable laws, security, and confidentiality requirements surrounding DAVID data. We note that the contract with the collection agency expired and there is a month to month contract until a new vendor is identified through an RFP process.

Criteria

Per the Memorandum of Understanding (MOU), Section IV, "Statement of Work", the Requesting Party agrees to:

- Refrain from assigning, sub-contracting, or otherwise transferring its rights, duties, or obligations under this MOU, without the prior written consent of the Providing Agency,
- Not share, provide, or release any DAVID information to any law enforcement, other governmental agency, person, or entity not a party otherwise subject to the terms and condition of this MOU, and
- Protect and maintain the confidentiality and security of the data received from the Providing Agency in accordance with this MOU and applicable state and federal law.

Cause

Parking was not aware of the MOU requirements that prohibit the sharing of DAVID data without prior written consent of the FLHSMV. Additionally, Parking did not inform the Office of the City Attorney of the sub-contracting/third party distribution of DAVID data, prior to establishing an agreement for the collection of delinquent Parking citations.

Effect

Transferring DAVID data obtained from the FLHSMV to a sub-contracting collection agency without consent violates the terms of the MOU. More importantly, it increases the risk of inappropriate access to confidential information that could be misused. Furthermore, this may leave the City susceptible to litigation and reputational damage, due to inappropriate distribution of personal identifiable information.

Recommendation 1

The Parking Department should ensure that it is aware of all the requirements of the MOU by performing a comprehensive review of the agreement. Subsequently, Parking should communicate its obligations under the MOU to the Office of the City Attorney, should it wish to continue assigning/sub-contracting delinquent parking accounts to a collection agency or a third party.

The Parking Department should work with the Office of the City Attorney to expedite a review of the Parking Department's obligations outlined in the MOU, and update the month to month agreement for the collection of delinquent parking accounts to appropriately reflect the MOU requirements. Further, the requirements of the MOU should be reflected in all future agreements with subcontractors, third parties, or anyone who accesses or receives DAVID data.

Management Response 1

We agree with this recommendation. The reason for this information being shared with our third-party collection contractors was to provide updated information in order for the contractor to effect thorough collection efforts on delinquent accounts. At the time, we were not aware of the understanding that additional consent was required. AT PRESENT, ALL INFORMATION SHARING WITH THIRD PARTY COLLECTION CONTRACTOR HAS BEEN HALTED.

An RFP has been published in an attempt to enter into a new contract with a qualified collection agency. Parking will consult with the legal department as to the process to request and include this consent from FLHSMV to share this information with the new vendor as part of the new contract for third party collection services. NO INFORMATION FROM DAVID WILL BE SHARED WITHOUT CONSENT BEING CONTRACTUALLY ESTABLISHED.

Target Implementation Date: August 1, 2022

2. Business Justification for Searches

Condition

During the audit period, there were 14 users with DAVID access, of which 10 users performed searches. The 10 users conducted a total of 3,131 searches. We reviewed a statistically valid sample¹ of 343 searches and found that for 94 (27%) searches performed, the Parking Department was unable to provide a business justification or other supporting documentation to validate whether the DAVID searches were for a legitimate business purpose. We also found the following DAVID search activities:

- 85 of 94 (90%) searches were performed within Parking, and
- 9 of 94 (10%) searches were performed within the Code Enforcement Division.

It should be noted that while a process for documenting business justifications for DAVID searches exist, we found that this process was not being consistently followed. Further, the Parking Department does not have oversight or authority over Code Enforcement staff because Code Enforcement is within the Police Department. This presents challenges for the Parking Department to enforce the MOU requirements or monitor the access and use of the DAVID data.

Criteria

Per the MOU, Section V, "Safeguarding Information", the parties mutually agree that information exchanged will not be used for any purposes not specifically authorized by this MOU. The MOU further states that unauthorized use includes, but is not limited to, queries not related to a legitimate business purpose, personal use, or the dissemination, sharing, copying, or passing of this information to unauthorized persons.

Cause

As related to the Parking Department, there was insufficient oversight of DAVID users to ensure that a business justification was documented or other support was maintained, for each search performed. As related to Code Enforcement, the Parking Department did not have the authority or oversight of the Code Enforcement Division to ensure that searches had a documented business justification.

Effect

Failure to document a business justification or maintain other supporting documentation to justify searches performed in DAVID could result in the Parking Department's inability to demonstrate to the FLHSMV that the searches are in fact legitimate and for a business purpose. Further, this increases the risk of inappropriate searches being performed. Finally, there is a heightened risk to the City of being liable for unauthorized access or misuse of confidential personal information, as well as a loss of public confidence.

¹ The statistically valid sample provided a 95% confidence level and a 5% margin of error.

Recommendation 2a

The Parking Department should ensure that documentation is retained to support the business justification of all DAVID searches by:

- Creating a process to perform routine/ongoing reviews of user searches. This process should include verifying that a business justification or other supporting documentation exists of all DAVID searches, and
- Conducting periodic training for all DAVID users on the process and MOU requirements.

Recommendation 2b

The Parking Department should work with the Police Department to remove the Code Enforcement Division from its MOU. The Code Enforcement Division should obtain its own MOU or obtain access through the Police Department's MOU, provided that written consent from the FLHSMV is obtained first. In the interim or in the event that Code Enforcement remains a part of the Parking Department's MOU, the Parking Department should create a process for communicating and monitoring Code Enforcement's DAVID user searches and ensuring that documentation of a business justification or other supporting documentation when searches are performed is maintained.

Management Response 2

We agree with this recommendation.

With the understanding that the Police Department has entered into a separate MOU with FLHSMV for access to DAVID, and they have direct oversight of the Code Enforcement Department, it is management's position that Code Enforcement should be placed as a sub-user to PD's MOU and be removed from Parking's MOU as soon as possible.

A process has been established to log all information and supporting documentation to justify that all user searches in DAVID are for legitimate business purposes. This log will be available during all quarterly reviews and any future audits.

Target Implementation Date: July 1, 2022

The process to obtain approval from City Administration to move Code Enforcement under PD's MOU has begun.

3. Quality Control Reviews and Segregation of Duties

Condition

To ensure misuse has not occurred by individuals with DAVID access, agency point of contacts are required to submit Quarterly Quality Control Review Reports to the FLHSMV. During the audit period, we found that Quarterly Quality Control Reviews were not being performed as required under the current MOU. We reviewed a period that covered 8 Quarterly Quality Control Reviews (2 years) because the MOU states that the review data should be maintained for 2 years. We found that 7 of 8 (88%) reviews were not completed and the one that was completed, did not comply with the correct months for the applicable quarter. As such, all 8 (100%) quarters did not meet the MOU requirements.

We also found that there was inadequate segregation of duties in the Quarterly Quality Control Review process. Specifically, we noted that the Agency's Point of Contact (APOC) charged with performing Quarterly Quality Control Reviews, also performs DAVID searches for parking citations that are escalated for resolution. Thus, the reviewer has the ability to review their own searches. We note that management was taking corrective action and we anticipate that positive improvements are already in progress.

Criteria

MOU Section VI-A requires Quarterly Quality Control Review Reports to be completed within 10 days after the end of each quarter and maintained for two years.

Cause

The Parking Department was not aware of the responsibility to perform Quarterly Quality Control Reviews, until a separate audit highlighted the specific responsibilities of an Agency Point of Contact.

Effect

Lack of Quarterly Quality Control Reviews could lead to management's inability to detect possible errors, irregularities, and misuse of DAVID data within a timely manner. These possible conditions could expose the City to litigation, reputational harm, and ultimately have the Department's DAVID privileges revoked by the FLHSMV. In addition, inadequate segregation of duties could circumvent the process and result in inappropriate access or misuse of confidential personal information without being detected.

Recommendation 3

The Parking Department should ensure that it is fully aware of all the requirements of the MOU by performing a comprehensive review of the agreement. Subsequently, Parking should ensure that Quarterly Quality Control Reviews are being performed. Parking should also ensure that its reviews are accurate and complete (i.e. months reviewed should be included in the correct quarters). Finally, Parking should implement a process that adequately segregates the review process and removes the conflict that exists between the reviewer and users that perform DAVID searches.

Management Response 3

We agree with the recommendation. Management requests assistance from the audit department for guidance on the details of how to adequately perform these audits. The quarterly interval will be adhered to; however, the department lacks the auditing expertise to conduct these reviews and would greatly benefit from the training provided by the auditors to the department's APOC. This would strengthen the department ability to maintain compliance with the MOU.

Moving forward, the Parking Department's designated APOC for DAVID will not have user access and therefore any conflict between reviewer and user will be eliminated and remain non-existent.

Target Implementation Date: April 1, 2022

Auditor's Comment: The Internal Auditor's Office may provide general guidance to the extent permissible under auditing standards.

4. Access Termination

Condition

During the audit period, DAVID access was added and/or removed for 14 users within the Parking Department. We reviewed access termination and found that the Parking Department did not deactivate DAVID user access in a timely manner for 4 (28%) employees with a terminated or transferred status. Their access remained active for 8 to 886 days. The following table provides the details of what we found:

Table 1 – Employee Access Status

Employee	Department/ Division	Date Terminated/ Transferred	Date Deactivated from DAVID	Days with Active Access	Employee Accessed DAVID Post Termination/Transfer
User 1	Parking	10/06/2018	03/10/2021	886	Yes*
User 2	Code Enforcement	08/02/2021	02/23/2022	205	No
User 3	Code Enforcement	09/02/2021	02/23/2022	174	No
User 4	Parking	01/22/2020	01/30/2020	8	No

*For User 1, we noted that the user accessed DAVID for six days after transferring from Parking and performed seven searches in DAVID. We were advised that this was due to a transition period where the user was assisting the Parking Department. However, we were unable to independently verify this due to insufficient documentation.

Criteria

Per the MOU, Section IV, "Statement of Work", the requesting party agrees to immediately inactivate user access/permissions following termination or the determination of negligent, improper, or unauthorized use, or dissemination of information. The requesting party also agrees to update user access/permissions upon reassignment of users within five (5) business workdays.

Cause

The Parking Department did not adequately monitor and/or perform adequate user access reviews to determine whether employees with active DAVID access still required access. Additionally, Code Enforcement did not inform Parking that two of its employees with DAVID access were terminated from the City and would no longer require access. Finally, the Parking Department did not have authority or oversight of the Code Enforcement Division.

Effect

Terminated and transferred City employees with access to DAVID directly violates the terms of the MOU and increases the likelihood of inappropriate access to confidential personal information without a justified business reason.

Recommendation 4a

The Parking Department should ensure timely deactivation of DAVID user access by:

- Creating a process that requires immediate communication to the APOC of all users terminated or transferred from Parking,
- Performing routine reconciliations of all current DAVID user access, by comparing users to the City's most recent employee roster, and
- Conducting periodic training for all DAVID users on the process and the MOU requirements.

Recommendation 4b

As related to Code Enforcement, the Parking Department should work with the Police Department to remove the Code Enforcement Division from its MOU. The Code Enforcement Division could obtain its own MOU or obtain access through the Police Department's MOU provided that written consent from the FLHSMV is obtained first. In the interim or in the event that Code Enforcement remains a part of the Parking Department's MOU, the Parking Department should follow the procedures that it establishes, in accordance with the above recommendation, and ensure that Code Enforcement users are timely deactivated.

Management Response 4

With the understanding that the Police Department has entered into a separate MOU with FLHSMV for access to DAVID, and they have direct oversight of the Code Enforcement Department, it is management's position that Code Enforcement should be placed as a sub-user to PD's MOU and be removed from Parking's MOU as soon as possible.

We agree with this recommendation. Going forward the Parking Department will ensure that all DAVID users assigned to the Parking Administration will have access removed within the five (5) day window as prescribed in Section IV, Para.B,8 of the MOU.

Target Implementation Date: July 1, 2022

Removal of terminated employees within 5 days will be effective immediately.

The process to obtain approval from City Administration to move Code Enforcement under PD's MOU has begun.