

Mailing Addresses:

Dade City:
38053 Live Oak Avenue
Dade City, FL 33523-3894

New Port Richey:
P.O. Box 338
New Port Richey, FL 34656-0338

Office Locations:

Robert D. Sumner Judicial Center
38053 Live Oak Avenue, Suite 205
Dade City, FL 33523-3894

West Pasco Judicial Center
7530 Little Road, Suite 106
New Port Richey, FL 34654

East Pasco Government Center
14236 Sixth Street, Suite 201
Dade City, FL 33523

West Pasco Government Center
8731 Citizens Drive, Suite 220
New Port Richey, FL 34654

East Pasco Records Center
38319 McDonald Street
Dade City, FL 33525

West Pasco Records Center
Jack Albert Records Retention Center
8901 Government Drive
New Port Richey, FL 34654

Phone: (727) 847-8199

Fax: (727) 847-8121

www.pascoclerk.com

poneil@pascoclerk.com

Excellence... Always

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

July 11, 2018

The Honorable Mike Wells, Chairman, and
Members of the Board of County Commissioners
Pasco County Board of County Commissioners
8731 Citizens Drive
New Port Richey, Florida 34654

Dear Chairman Wells and Members of the Board:

Enclosed is Audit Report No. 2018-03, an audit of the Pasco County Board of County Commissioners Code Enforcement Department. The overall objective was to evaluate the adequacy of the internal controls over the Driver and Vehicle Information Database (DAVID) system and to determine if Code Enforcement was in compliance with MOU HSMV-0444-16. The DAVID system was a tool that provided Code Enforcement with the immediate retrieval of driver and motor vehicle information. By using this system, Code Enforcement officers were able to more effectively and efficiently enforce County code.

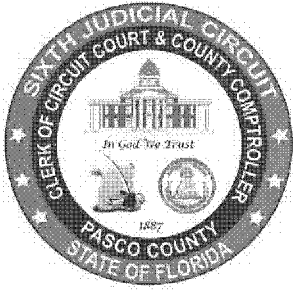
The Department of Inspector General (IG) commends the Code Enforcement department on their professionalism and cooperation. The Assistant Manager and his team were easy to work with, had a positive attitude, and were very responsive throughout the entire audit.

Based on the results of the completed audit, seven audit comments were identified. Recommendations were provided to the Code Enforcement Department to improve their control environment. All comments and recommendations were brought to management's attention, and their responses were included in this report.

During the course of this audit, corrective action was immediately taken to resolve each issue mentioned below:

Compliance:

1. The change in Agency Head was not updated in accordance with the MOU requirements.
2. The attestation Statement and Annual Certification Statement were not always submitted in compliance with MOU HSMV-0444-16.
3. Quarterly Quality Control Review reports (QQCR) were not always completed in compliance with MOU HSMV-0444-16.



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Pasco County Board of County Commissioners
July 11, 2018
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4. Access permissions were not always updated in accordance with the MOU requirements.
5. A list of all persons authorized within the agency to access the DAVID information was not maintained by the POC.

Control:

6. Authorization Request and Acknowledgement forms were not always maintained or reflected the correct status.
7. The standard operating procedures (SOPs) related to sections IV(B), V, and VI of the MOU HSMV-0444-16 were not always adequate to protect the DAVID data.

The Inspector General team appreciates the cooperation, professional courtesy, and timely response received from Code Enforcement during the audit. Please let us know if you wish to discuss any of the information provided in the report.

We request the Board to receive and file the report.

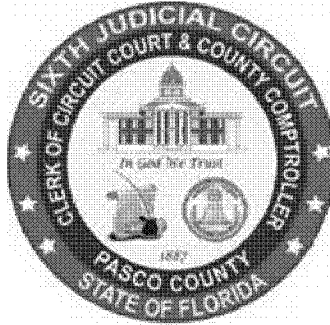
Sincerely,

Paula S. O'Neil, Ph.D.
Clerk & Comptroller
PSO/sd

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

DAVID Code Enforcement Audit

August 7, 2018



Department of Inspector General

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

Sarah Denney
Auditor I

Josseibel Vázquez-González, MACC, CIGA, CFE
Auditor II

Report No. 2018-03

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Executive Summary

Background Information

As part of the Department of Inspector General (IG) annual audit plan for fiscal year 2018, the IG conducted an audit of the Code Enforcement Division's (Code Enforcement) compliance with MOU #HSMV-0444-16. The IG team evaluated the adequacy of internal controls over the Driver and Vehicle Information Database (DAVID) system in an independent, systematic, and disciplined approach. The IG team added value by offering recommendations to improve internal controls, policies, and procedures related to the DAVID system to better uphold the County's values, mission, and vision.

Code Enforcement, a part of the Development Services Branch, was responsible for enforcing the County's Code of Ordinances and the Land Development Code by addressing violations in legal plain view (from the roadway). By enforcing Pasco County (the County) Ordinances and the Land Development Code, Code Enforcement could promote, protect, and improve the health, safety, and welfare of the citizens and visitors of the County.

The DAVID system was a database administered by the Department of Highway Safety and Motor Vehicles (DHSMV). The DAVID system provided authorized users with the immediate retrieval of confidential, personal driver and motor vehicle information. On February 2, 2016, Code Enforcement renewed their contract, and was issued a new Memorandum of Understanding (MOU) (Contract #HSMV-0444-16) with the DHSMV for electronic access to the DAVID database for a three year term. The MOU defines Code Enforcement's responsibilities to ensure that driver's license and motor vehicle data is appropriately used. Code Enforcement Officers used the DAVID system as a tool when enforcing County code.

Some of the MOU requirements were as follows:

- Information from the DAVID system was to be used solely for authorized, business-related purposes. Unauthorized use included, but was 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.
- DAVID information could not be retained by agencies, unless retained for law enforcement purposes. Information was required to be protected from unauthorized users review and retrieval. Unauthorized access, use, or distribution of DAVID information could result in penalties and civil lawsuits, and possible criminal law violations.
- The Requesting Party (Code Enforcement) must ensure that its employees complied with the requirements, and that there were adequate controls in place to protect the personal data from unauthorized access, distribution, use, modification, or disclosure.
- Code Enforcement must submit an Attestation Statement from their Agency's Internal Auditor, Inspector General, Risk Management IT Security Professional, or a currently licensed Certified Public Accountant, on or before the third and sixth anniversary of the agreement or within 180 days from receipt of an Attestation review request from the DHSMV.
- Prior to gaining access into the DAVID system, users were required to complete the initial training which included a DHSMV mandatory online DAVID instructional training and exam.

Objectives

The overall objective of the audit was to evaluate the adequacy of the internal controls over the DAVID information and to determine if Code Enforcement was in compliance with MOU HSMV-0444-16. Specifically the objectives were to:

1. To determine if the Pasco County Code Enforcement division was in full compliance with the terms and provisions of the MOU, Contract #HSMV-0444-16.
2. To determine if internal controls over DAVID information were adequate to protect it from unauthorized access, distribution, use, modification, or disclosure.

Scope and Methodology

The audit period was from March 5, 2017 through March 6, 2018. The nature and scope of the 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 area under review.

During the audit period, Code Enforcement had 33 authorized DAVID users. All users, both active and inactive during the audit period, were included in the test sample. However, a sample of only seven DAVID users was interviewed.

Although the IG team exercised due professional care in the performance of this audit, this did not mean that unreported noncompliance or irregularities did not exist. The deterrence of fraud, and/or employee abuse was the responsibility of management. Audit procedures alone, even when carried out with professional care, did not guarantee that fraud or abuse was detected. The audit was neither designed nor intended, to be a detailed study of every relevant system, procedure, or transaction.

To achieve our objectives, the procedures performed included, but were not limited to, the following:

- Reviewed the MOU between Code Enforcement and the DHSMV, MOU# HSMV-0444-16.
- Reviewed internal policies and procedures related to Code Enforcement's use and oversight of the DAVID system.
- Interviewed key Code Enforcement personnel involved in the DAVID oversight process, and users with access to the DAVID system.
- Reviewed a random sample of DAVID user activity reports for misuse.
- Reviewed documentation the DHSMV required Code Enforcement to maintain to be in compliance with the MOU.
- Reviewed documentation required by Code Enforcement policies and procedures to verify compliance.
- Identified opportunities for improvement.

Statutory Authority and County Guidelines

To conduct this audit, the IG team relied on the following authoritative guidelines to serve as criteria:

- MOU HSMV-0444-16
- 18 U.S.C §2721, the Driver’s Privacy Protection Act
- Chapter 119, Florida Statutes
- 324.242(2), Florida Statutes
- Chapter 501.171, Florida Statutes
- Chapter 768.28, Florida Statutes
- Chapter 775.083, Florida Statutes
- Florida Administrative Code 71A-1.005
- Pasco County Code Enforcement Policies and Procedures for DAVID Access (11/24/2015).

Conclusion

The Department of Inspector General commends the Code Enforcement department on their professionalism and cooperation. The Assistant Manager and his team were easy to work with, and very responsive throughout the entire audit.

The IG team determined the internal controls over access to the DAVID system required some improvement to be in compliance with the requirements stated in MOU HSMV-0444-16 and the Code Enforcement policies and procedures. The recommendations made in this report were offered to strengthen the control environment. All comments, observations, and recommendations were discussed with Code Enforcement management, and their responses were included in this report. The Code Enforcement department implemented all of the IG recommendations and took corrective action immediately.

Audit Findings and Recommendations

Based on the documentation reviewed and audit procedures performed the IG identified the following opportunities for improvement:

No.	Description	Page Reference
Comments (Compliance):		
1.	Agency Head	6
2.	Compliance Measures: Internal Control Attestation Statement & Annual Certification Statement	7
3.	Quarter Quality Control Review Report	7
4.	User Access Permissions	8
5.	List of DAVID Users	9
Comments (Control)		
4.	Authorization Request and Acknowledgement Forms	9
5.	Adequacy of Internal Controls	10

Audit Comments & Recommendations

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

1. The change in Agency Head was not updated in accordance with the MOU requirements.

The MOU agreement (#HSMV-0444-16) provided to the IG team did not have the correct Agency Head listed on page 9. The following was noted:

- According to the POC during the Preliminary Survey interview, the Assistant County Administrator was the new agency head related to the MOU.
- The change of Agency Head was not completed within 10 calendar days nor was it completed in the DAVID system as required by the MOU.
- A letter to the DHSMV was provided by the POC, which stated the Assistant County Administrator for Development Services was the new Agency Head.
 - The letter stated the chain of command changed on 6/30/2017 and the letter was sent to the DHSMV on 11/28/2017; 151 calendar days later.
 - The letter did not provide a phone number or email address for the new Agency Head to the DHSMV.
 - On 5/24/2018, the audit team informed the POC that the DHSMV needed the information; the POC provided the information on 5/29/2018.

Management Response: *Agree*

Corrective Action Plan: *In the future POC will notify DAVID Division of a change of Agency Head within 10 days of any change. SOP updated with this change.*

Target Implementation Date: *Immediately*

2. The Attestation Statement and Annual Certification Statement were not always submitted in compliance with MOU HSMV-0444-16.

During the audit, the following was noted:

- Code Enforcement did not request a licensed CPA or the Department of Inspector General to conduct an audit of the internal controls regarding the MOU prior to submitting the Attestation Statement submitted to the DHSMV on March 8, 2017.
- The Annual Certification Statement for 2018 was not submitted timely. According to the DHSMV, the Annual Certification Statement for 2018 was due to the DHSMV in February 2018, however was not submitted until 4/27/2018 after the IG team notified management of the discrepancy.

Management Response: *Noted*

Corrective Action Plan: *Added yearly reminders via outlook calendar for POC of every February 1st for the next 5 year period. Also notified DHSMV to copy the POC on any and all time sensitive communications in the future to assure deadlines are met.*

Target Implementation Date: *Immediately.*

3. Quarterly Quality Control Review reports (QQCR) were not always completed in compliance with MOU HSMV-0444-16.

- The date of completion was not documented on the QQCRs provided.
- The QQCRs did not appear to be completed by utilizing Attachment II (the Quarterly Quality Control Review Report) of the MOU.
 - It did not appear the DAVID Users from the Agency report were compared to the Agency User List.
 - If new users were added and/or if users were deleted this was noted on the POC Quarterly Audit Log. However, a reason was not provided for the change.

Management Response: *Quarterly Audit form will be updated to comply with the above statement of conditions.*

Corrective Action Plan: *The Quarterly Audit form has been updated with the following fields added. A date completed, date and who has been added to the new user field, date and who has been added to the deleted user field. Current User List has been created and will be maintained as required. Copy of updated Quarterly form and User list attached.*

Target Implementation Date: *Immediately.*

4. Access permissions were not always updated in accordance with the MOU requirements.

Of the 33 DAVID users, the following was noted:

- Four DAVID users' access permissions were not updated within 5 working days upon termination or reassignment.
 - One user was deactivated 15 days after termination.
 - One user was deactivated 96 days after termination.
 - One user was deactivated 388 days after termination.
 - One user was deactivated 1,242 days after reassignment.

One Code Enforcement officer had two DAVID user ID profiles. One account had incorrect spelling of the user's last name. The account with the incorrect spelling was active for 888 days, and was deactivated after the IG team notified management on 5/9/2018. There was no activity for the two DAVID user ID profiles during the random week tested, 9/17/2017 – 9/23/2017.

Management Response: *Agree*

Corrective Action Plan: *POC will terminate access of all users no longer authorized or in need of use of the system within 5 days. Also POC will conduct quarterly audits of all active users by using the "User by Agency Field report" in the DAVID system to assure this area of the system is being maintained. SOP updated to reflect same.*

Target Implementation Date: *Immediately*

5. A list of all persons authorized within the agency to access DAVID information was not maintained by the POC.

- When a list of authorized persons was requested, a PDF file containing Access Authorization Request Forms and Acknowledgement forms was provided.

Management Response: *User list will be created.*

Corrective Action Plan: *Create user list alphabetical by users' last name.*

Target Implementation Date: *Immediately list has been created.*

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

6. Authorization Request and Acknowledgement forms were not always maintained or reflected the correct status.

Of the 33 users in the test sample, the following was noted:

- Six users did not have an Authorization Request Form maintained on file.
- Sixteen users did not have an Acknowledgement of Penalties for Misuse Form maintained on file.
- For one user, the Authorization Request Form was not maintained in a current status. The user was inactive in the DAVID system, but the form reflected an active status.

Management Response: *A review of active user forms performed on 6-4-18 found 7 current Code Enforcement staff missing the Acknowledgement of penalties form.*

Corrective Action Plan: *All Code Enforcement staff with missing forms have been signed and added to the file. A line for activation date and deactivation date has been added to the request form for all new users. POC will cross reference user forms quarterly with the active user list. SOP has been updated to reflect this change.*

Target Implementation Date: *Immediately*

7. The standard Operating Procedures (SOPs) related to sections IV(B), V, and VI of the Memorandum of Understanding (MOU) HSMV-0444-16 were not always adequate to protect the DAVID data.

Section IV, subsection B - There was no written language within the provided SOPs that:

- Stated the Emergency Contract Information (ECI) requirements reflected in the MOU nor the departmental guidelines related to ECI.
- Stated Code Enforcement would refrain from assigning, sub-contracting, or otherwise transfer its rights, duties, or obligations under the MOU without the prior written consent of the DHSMV.
- Reflected all MOU requirements defined in Section II (K).
 - The SOPs referred to the “DAVID Audit” document instead of the Quarterly Quality Control Review Report document (Attachment II of the MOU) which expands on the requirements of Section II (K).).
- Stated the Requesting Party must update any changes to the name of the Requesting Party, Agency Head, POC, address, telephone number, and/or email address within 10 calendar days of occurrence.
- Stated the requirement to immediately comply with any restriction, limitation, or condition enacted by the Florida Legislature following the date of signature of the MOU, affecting any of the provisions herein stated.
- Related to timely submitting the Attestation and Certification Statements as required in Section VI, Subsections B and C.

Section V - There was no written language within the provided SOPs that:

- Reflect the MOU requirement that information obtained under the MOU shall only be disclosed to persons to whom disclosure is authorized under Florida Law and Federal Law.
- Reflect that any person willfully and knowingly violating any of the provisions of Section V was guilty of a misdemeanor of the first degree punishable as provided in Section 755.083, Florida Statutes.
- Related to the Requesting Agency complying with Rule 71a-1.005, Florida Administrative Code nor the Providing Party’s security policies as required in Section V, subsection D.
- Related to maintaining a list of all persons authorized within the agency to access DAVID as required in Section V, subsection F.

Section VI - There was no written language within the provided SOPs that:

- The SOPs regarding Quarterly Quality Review reports did not provide clear guidance on the requirements of Section VI, subsection A of the MOU.
- There was no language within the provided SOPs related to the Attestation Statement requirement as required in Section VI, subsection B.
- There was no language within the provided SOPs related to the Annual Certification Statement requirement as required in Section VI, subsection C.
- The provided SOPs did not clearly reflect requirements or they did not include written language regarding all requirements of Section VI, subsection D, Misuse of Personal Information. The following requirements were not noted within the SOPs: See below
 - Timeframe
 - Date of Occurrence
 - If termination took place

Management Responses (to each bullet above):

- *Emergency Contact Information and Divers License information is only authorized for Law Enforcement use. The Code Enforcement division does not have access to this information.*
- *Addressed in Access form that all authorized users must sign, Supervisor must review and sign before access is given. Access form is part of the current SOP.*
- *Correction made to Quarterly audit.*
- *Already addressed on Agency Head. SOP updated.*
- *SOP updated to reflect this area.*
- *Covered on current access form, Attachment A-1 Penalties of misuse form, and attachment II computer crimes act of the current SOP.*
- *User access request form updated to reflect above.*
- *This rule was repealed on 6-5-16 no update to the SOP is required.*
- *Corrected addressed on QQCR form.*
- *Corrected addressed on QQCR form.*
- *Language added*
- *Language added.*
- *The current SOP timeframe date of occurrence covered under summary of incident and outcome of review.*

DAVID MONITORING – SUSPICIOUS ACTIVITY AND VIOLATIONS

- *Upon identification of any Suspicious Activity involving the DAVID system, the POC shall immediately terminate the account of the suspected violator.*
- *Upon the identification of any Suspicious Activity the POC shall notify the Human Resources Department, County Attorney, Inspector General of the Clerk's Office and the Providing Agency.*
- *Immediately upon determining that personal information has been compromised by any unauthorized access, distribution, use, modification or disclosure the POC will contact the Providing Agency and the affected individual.*

- *The following information will be sent to DHSMV on Department letterhead:*
 - *Summary of incident*
 - *Outcome of review*

- *The POC shall notify the Human Resources Department, County Attorney, Inspector General of the Clerk's Office and the Providing Agency of the final results of the investigation.*
- *If violations are found, disciplinary action, up to and including termination will be made in consultation with the Human Resources Department.*
- *The POC will determine notification methods to owners and how to prevent a reoccurrence.*
 - *Number of records compromised*
 - *Verification that the owners of the compromised information were notified. If not yet notified, identification of when notification will take place.*
 - *Disciplinary action was taken, if any.*
 - *Plans to prevent DAVID misuse from re-occurring.*

- *Within two days of the discovery of a potential violation, the POC shall complete an investigation and make a recommendation as to final action*

Corrective Action Plan: *Update SOP and attachments.*

Target Implementation Date: *Immediately.*

References

Association of Certified Fraud Examiners: *2018 Report to the Nations on Occupational Fraud and Abuse.*