

**POST AUDIT REPORT
PARKING DEPARTMENT'S DRIVER AND
VEHICLE INFORMATION DATABASE
(DAVID) AUDIT
PAR24-02**



WEST PALM BEACH

Internal Audit

September 25, 2024

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

Beverly Mahaso Esq., CIA, CFE
Chief Internal Auditor

September 25, 2024

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

**RE: POST AUDIT REPORT PARKING DEPARTMENT'S DRIVER AND VEHICLE
INFORMATION DATABASE (DAVID) AUDIT PAR24-02**

Dear Audit Committee Members:

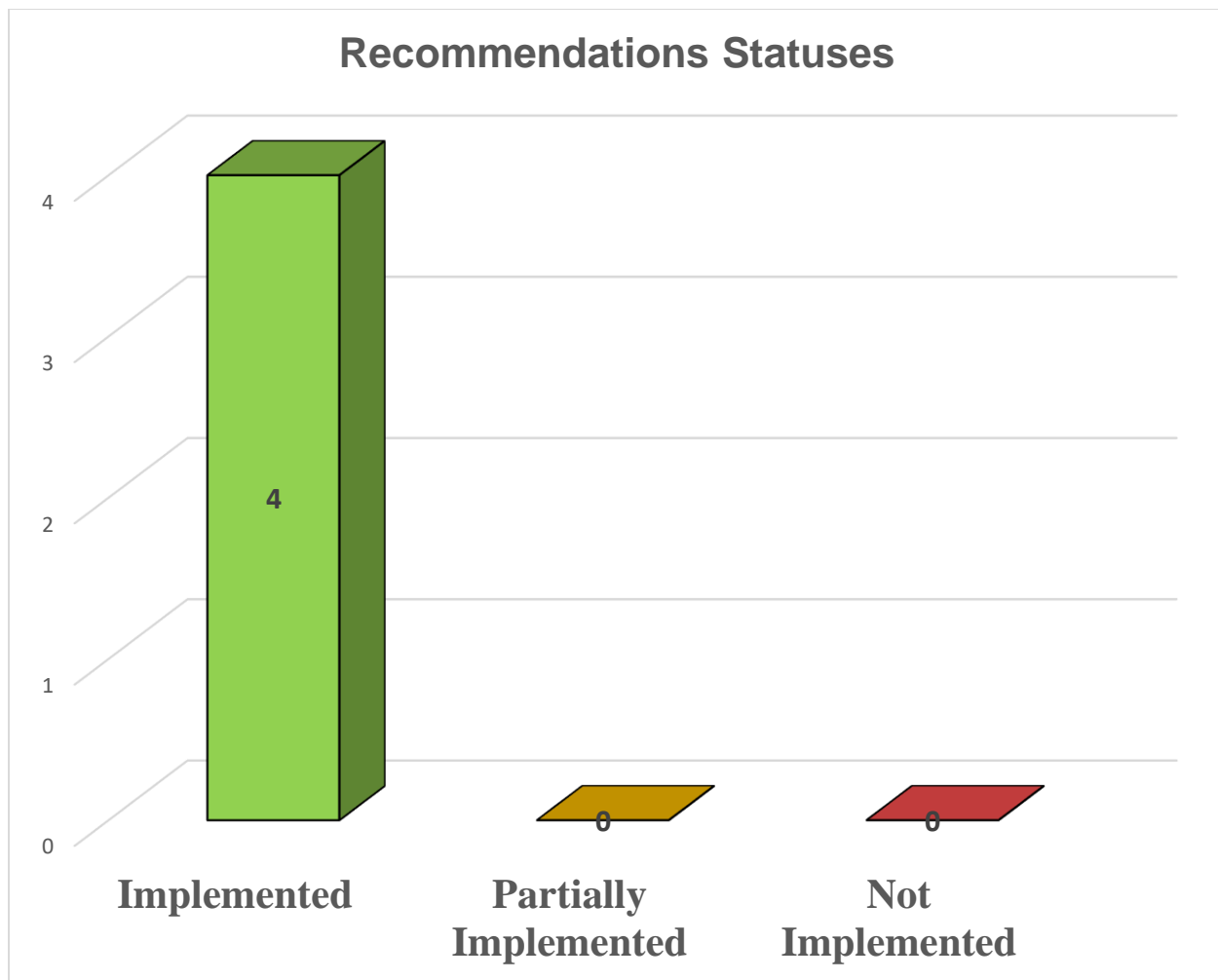
In FY2022, the Internal Auditor's Office released an audit of the Parking Department's Driver and Vehicle Information Database (DAVID) **(AUD22-01)**. Subsequently, we performed certain procedures, as enumerated below, with respect to activities of the audit to render a conclusion on the status of the recommendations made as a result of that review.

This Post Audit Report (PAR) consisted primarily of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards.

The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

The audit contained four (4) recommendations that addressed the audit's findings. Upon completion of this PAR, we concluded that these four (4) recommendations were fully implemented.

We have enclosed a table listing all of the recommendation statuses which includes auditor and management updates.



We thank the personnel from the Parking Department for their assistance in conducting this review and on continuing implementation efforts.

Respectfully Submitted,

s/ Beverly Mahaso
Chief Internal Auditor

cc:

Cathleen Ward, Commission President
Christy Fox, Commissioner
Christina Lambert, Commissioner
Shalonda Warren, Commissioner
Joseph Peduzzi, Commissioner

Keith James, Mayor
Faye Johnson, City Administrator
Armando Fana, Assistant City Administrator
Edward Davis, Parking Administrator

Encl.

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Legend
■ Implemented
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AUDIT RECOMMENDATIONS

Rec. No.	Auditor's Condition and Recommendation	Management's Initial Response	Auditor's Status Update
1 High Priority	<p>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 subcontractor 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.</p> <p>Recommendation: 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</p>	<p>Management's Initial Response – 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.</p> <p>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.</p> <p>Target Implementation Date: August 1, 2022</p>	<p>Implemented December 2022 Based on the review we conducted, we found that sufficient corrective actions were taken to implement this recommendation. The Parking Department has ended the practice of transferring information obtained from DAVID to a third-party collection service until a new vendor is selected and the appropriate controls are in place. Once a new vendor is secured, we will review this area to ensure that controls have been implemented.</p> <p>Update September 2024 Implemented Subsequent to the issuance of the audit (AUD22-01), the Parking Department entered into an agreement with a new third-party collection agency. We confirmed that it is not the practice of the Parking Department to transfer DAVID data to the third-party collection agency. In the future, if the Parking Department changes its practice such that protected DAVID information is provided to a third-party, then an amendment to the agreement(s) between the City and the third-party should be established specifically referencing the MOU and the Driver's Privacy Protection Act.</p>

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	<p>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.</p> <p>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.</p>		
2 High Priority	<p>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 sample 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:</p>	<p>Management's Initial Response – We agree with this recommendation.</p> <p>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.</p> <p>A process has been established to log all information and supporting documentation to justify that all user searches in DAVID are for</p>	<p>Implemented September 2024 Based on the review we conducted, we found that sufficient corrective actions were taken to implement this recommendation.</p> <p>The Parking Department provided training on DAVID system usage and the confidential nature of the information, as evidenced by the DAVID User Training presentation. Further, DAVID users acknowledged their understanding of the confidentiality of information, the criminal sanctions, and agreed to the Parking Department's DAVID Access and Use Policy.</p>

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	<ul style="list-style-type: none"> • 85 of 94 (90%) searches were performed within Parking, and • 9 of 94 (10%) searches were performed within the Code Enforcement Division. <p>It should be noted that while a process for documenting business justifications for DAVID searches exists, 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 to monitor the access and use of the DAVID data.</p> <p>Recommendation 2a: The Parking Department should ensure that documentation is retained to support the business justification of all DAVID searches by:</p> <ul style="list-style-type: none"> • 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 for all DAVID searches, and 	<p>legitimate business purposes. This log will be available during all quarterly reviews and any future audits.</p> <p>The process to obtain approval from City Administration to move Code Enforcement under PD's MOU has begun.</p> <p>Target Implementation Date: July 1, 2022</p>	<p>Although Code Enforcement is still a part of the Parking Department's DAVID Memorandum of Understanding (MOU), the department deactivated Code Enforcement's user access. Currently, Code Enforcement is contacting the Police Department to inquire about vehicle registration information via the Florida Crime Information Center (FCIC). As a result, Code Enforcement does not need access to or information from the DAVID system.</p> <p>We also noted that the current MOU (HSMV-0261-19) is set to expire in November 2024. We reviewed the Parking Department's application to renew its access to DAVID and found that Code Enforcement was not included. The Parking Department should ensure that upon renewal of access, Code Enforcement's access remains deactivated.</p>

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	<ul style="list-style-type: none"> Conducting periodic training for all DAVID users on the process and MOU requirements. <p>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.</p>		
3 High Priority	Fully Implemented	Fully Implemented	Fully Implemented December 2022
4 High Priority	<p>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</p>	<p>Management's Initial Response - 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</p>	<p>Implemented September 2024 Based on the review we conducted, we found that sufficient corrective actions were taken to implement this recommendation.</p> <p>We found that a process was in place related to deactivating users and conducting</p>

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	<p>timely manner for 4 (28%) employees with a terminated or transferred status. Their access remained active for 8 to 886 days.</p> <p>Recommendation 4a</p> <p>The Parking Department should ensure timely deactivation of DAVID user access by:</p> <ul style="list-style-type: none"> - 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. <p>Recommendation 4b</p> <p>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</p>	<p>placed as a sub-user to PD's MOU and be removed from Parking's MOU as soon as possible.</p> <p>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.</p> <p>Removal of terminated employees within 5 days will be effective immediately.</p> <p>The process to obtain approval from City Administration to move Code Enforcement under PD's MOU has begun.</p> <p>Target Implementation Date: July 1, 2022</p>	<p>reconciliations. Users were deactivated in the DAVID system after the issuance of the post audit review report from December 21, 2022.</p> <p>As mentioned in the status update for Recommendation 2, evidence of training and acknowledgement by DAVID users on the uses, criminal sanctions, and policies exists. Additionally, a new process was established such that Code Enforcement does not have access to the Parking Department's DAVID system. Finally, Code Enforcement has not been included in the Parking Department's application to renew its access to the DAVID system.</p>

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	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.		