TO: Pam Dubov, CFA, CAE  
Pinellas County Property Appraiser

FROM: Ken Burke, CPA  
Clerk of the Circuit Court  
Ex Officio County Auditor

SUBJECT: Examination of Property Appraiser Internal Controls Over DAVE Information

DATE: December 15, 2011

For your review and filing with the Department of Highway Safety and Motor Vehicles (DHSMV), I am enclosing a copy of the report dated December 15, 2011 on the above-referenced examination.

cc: Erin Moore, Deputy for Assessment Admin, Property Appraiser  
Amanda Coffey, Administrative Secretary, Property Appraiser  
Jim Bennett, County Attorney  
Ernst & Young
EXAMINATION OF
PROPERTY APPRAISER
INTERNAL CONTROLS
OVER DAVE INFORMATION

Audit Services
Division of Inspector General

Ken Burke, CPA*
Clerk of the Circuit Court
Ex Officio County Auditor

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DECEMBER 15, 2011
REPORT NO. 2011-21

*Regulated by the State of Florida
**Accredited Office of Inspector General
By the Commission of Florida Law Enforcement Accreditation
December 15, 2011

Pam Dubov, CFA, CAE
Pinellas County Property Appraiser

The Property Appraiser entered into a Memorandum of Understanding (MOU) with the Florida Department of Highway Safety and Motor Vehicles (DHSMV) to access the Drivers License and/or Motor Vehicle Record Data Exchange (DAVE) system. On July 27, 2011, the DHSMV requested the Property Appraiser to submit an attestation ensuring DAVE data is used in an appropriate manner per the MOU. The attestation must be submitted to the DHSMV by January 27, 2012. The Pinellas County Property Appraiser requested the Clerk of the Circuit Court’s Division of Inspector General to perform the attestation engagement.

We have conducted an examination of the Property Appraiser - Internal Controls Over Driver and Vehicle Express (DAVE) Information. The objectives of the attestation engagement were to:

1. Determine if adequate policies and procedures are in place addressing DAVE access, distribution, use, modification, and disclosure.

2. Determine if access to the DAVE system is adequately managed.

3. Determine if appropriate logging and monitoring tools are used to manage DAVE access and use.

4. Determine if adequate physical security exists to protect confidential DAVE data from unauthorized access and use.

The internal controls over DAVE personal data have been examined and in our opinion are adequate to protect the personal data from unauthorized access, distribution, use, modification, or disclosure. Opportunities for Improvement are presented in this report.
We appreciate the cooperation shown by the staff of the Property Appraiser's Office during the course of this examination. We commend management for their responses to our recommendations.

Respectfully Submitted,

Hector Collazo, Jr., Director
Division of Inspector General

Approved:

Ken Burke, CPA*
Clerk of the Circuit Court
Ex Officio County Auditor
*Regulated by the State of Florida
<table>
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<th>Opportunities for Improvement</th>
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<td>1. Property Appraiser Office Policies And Procedures Related To The DAVE System Need To Be Expanded To Include The Detailed MOU Requirements.</td>
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<td>2. The On-Going Monitoring Of The Property Appraiser’s Use Of The DAVE System Is Not Covered By A Formal Procedure.</td>
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INTRODUCTION

Synopsis

The internal controls over Driver and Vehicle Express (DAVE) personal data have been evaluated and in our opinion are adequate to protect the personal data from unauthorized access, distribution, use, modification, or discloser. The Property Appraiser’s Office is utilizing the DAVE information for appropriate business functions. All recommendations have been implemented.

Scope and Methodology

We have examined the internal controls used to protect personal data in the DAVE information portal from:

- Unauthorized access,
- Distribution,
- Use,
- Modification, or
- Disclosure

The Pinellas County Property Appraiser’s management is responsible for establishing adequate internal controls for compliance to the Data Exchange Memorandum of Understanding (MOU) dated June 13, 2011. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the auditing standards established by the International Standards for the Professional Practice of Internal Auditing and the Principles and Standards for Offices of Inspector General and, accordingly, included examining, on a test basis, evidence supporting compliance with the MOU and performing such other procedures as we considered necessary in the circumstances. The engagement period was September 1, 2011 through November 18, 2011. We believe that our examination provides a reasonable basis for our opinion.

The objectives of the attestation engagement were to:

1. Determine if adequate policies and procedures are in place addressing DAVE access, distribution, use, modification, and disclosure.

2. Determine if access to the DAVE system is adequately managed.
3. Determine if appropriate logging and monitoring tools are used to manage DAVE access and use.

4. Determine if adequate physical security exists to protect confidential DAVE data from unauthorized access and use.

In order to meet the objectives of our engagement, we interviewed individuals responsible for administering DAVE to obtain a clear understanding of how DAVE is accessed and used. We reviewed and evaluated policies and procedures addressing DAVE access, distribution, use, modification, and disclosure. We examined logging and monitoring tools employed for DAVE and physical security of DAVE data. We tested, on a sample basis, internal controls to protect personal DAVE data from unauthorized access, distribution, use, modification, and disclosure to ensure they are functioning appropriately.

**Overall Conclusion**

In our opinion the internal controls over DAVE personal data are adequate to protect the personal data from unauthorized access, distribution, use, modification, or disclosure.

The Property Appraiser’s Office (PAO):

1. Internal policies and procedures are sufficient to assure compliance to Sections V and VI of the MOU, *Safeguarding Information*, and *Compliance and Control Measures* requirements.

2. The access rights of the Property Appraiser’s DAVE users are controlled and updated timely.

3. All Property Appraiser personnel with access to DAVE are aware of the confidential nature of the information and understand the consequences for unauthorized use.

4. Our testing utilizing the Department of Highway Safety and Motor Vehicle (DHSMV) access transaction reports found that use of DAVE information was for legitimate Property Appraiser business purposes.

5. Adequate physical and logical security exists to protect confidential DAVE information from unauthorized access and use.
# Action Plan

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<tr>
<th>FINDING NO.</th>
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<th>MANAGEMENT RESPONSES</th>
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<tr>
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<td>Concur</td>
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<td>Finalize the Employee Separation Checklist to be used when an employee leaves Property Appraiser employment.</td>
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<td>Update PAO policies and procedures to include a statement that user access permissions be updated immediately upon discovery of misuse. As an alternative, include a statement in the PAO policies and procedures that requires compliance with MOU DAVE internal control requirements.</td>
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<td>Update PAO policies and procedures to address printing of DAVE information and include a statement that any printed DAVE information be stored in a place physically secure from access by unauthorized persons and disposed of by shredding or placed in the burn-bin.</td>
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<td>PAO management update their policies and procedures to add the process of requesting DAVE access reports from the DHSMV for their review on a periodic basis. The timing and frequency for the review is at the option of the PAO. The DHSMV does not require a specific number of times to check DAVE usage reports, but they suggest a couple times a year. The Division of Inspector General can perform the testing services by setting this process up as a continuous audit and reporting the results to the PAO.</td>
<td>Concur</td>
<td>Implemented</td>
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Background

The Property Appraiser is an elected official who has autonomy to direct his or her office in compliance with the laws and guidelines set forth by the Florida Constitution and the Rules and Regulations of the Florida Department of Revenue.

The Property Appraiser has the legal responsibility to discover the market value set by activity in the real estate marketplace and to appraise property accordingly. The Property Appraiser serves the public by providing taxing authorities with accurate and uniform property valuations for tax purposes. The taxing authorities determine a tax rate according to how much money they need to fund their budgets.

In addition to interpreting values, the Appraiser's office administers homestead, tangible personal property, religious, charitable, education, veteran, widow, widower, disability and other exemptions. Mapping is also an essential function performed by the Property Appraiser's office. An up-to-date set of maps is an integral part of the assessment process. New subdivisions, annexations, and changes in the size of parcels are all entered into the system.

The Property Appraiser has entered into a Memorandum of Understanding (MOU) with the Florida Department of Highway Safety and Motor Vehicles (DHSMV) to access the Drivers License and/or Motor Vehicle Record Data Exchange (DAVE) system. DAVE is a multifaceted database that affords retrieval of driver information such as information about driver licenses, driver records, and vehicle title and registration data. Property Appraiser staff access the DAVE system to obtain pertinent information to carry out duties related to homestead exemptions and mobile homes. The DAVE system contains confidential personal information protected by Chapter 119 Florida Statutes and the Driver Privacy Protection Act.

On July 27, 2011 the DHSMV requested that a Data Exchange MOU audit be performed for the Pinellas County Property Appraiser. The agency was selected randomly to submit an attestation ensuring DAVE data is used in an appropriate manner. The attestation must be submitted to the DHSMV by January 27, 2012. The Pinellas County Property Appraiser requested the Clerk of the Circuit Court’s Division of Inspector General to perform the attestation engagement.
OPPORTUNITIES FOR IMPROVEMENT

Our examination disclosed certain policies, procedures, and practices that could be improved. Our examination was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Property Appraiser Office Policies And Procedures Related To The DAVE System Need To Be Expanded To Include The Detailed MOU Requirements.

The following Property Appraiser Office (PAO) internal policies, procedures, and related supporting documentation should be updated to reflect the detailed Memorandum of Understanding (MOU) internal control requirements for the Driver and Vehicle Express System (DAVE).

A. The PAO Employee Separation Checklist used when an employee leaves employment does not include the requirement that user access permissions be updated within five working days of termination or reassignment.

The MOU states in IV. Statement of Work, B. The Requesting Party agrees to:

9. "Update user access permissions upon termination or reassignment of users within 5 working days and immediately update user access permissions upon discovery of negligent, improper, or unauthorized use or dissemination of information."

The checklist also does not include a field to record the user termination/reassignment date and the date the user access permissions were updated. During fieldwork, management developed a draft of the checklist that includes these two requirements.

B. The PAO internal policies and procedures do not state that user access permissions are updated immediately upon discovery of misuse as required by MOU IV.B.9 referenced above.

C. The printing of DAVE information needs clarification.

The MOU states in V. Safeguarding Information:

B. "Information exchanged by electronic means will be stored in a place physically secure from access by unauthorized persons."
C. "Access to the information exchanged will be protected in such a way that unauthorized persons cannot review or retrieve the information."
In an access duties and reminder email distributed to all DAVE users on a regular basis, section two states that printed data from DAVE should be shredded or disposed in the burn-bin after use. In our interviews with DAVE users from the Appraiser area, staff stated that printing from DAVE was not allowed, the Homestead area staff stated they print from DAVE to complete their work responsibilities. The homestead exemption investigation function requires printing of DAVE information. The output control of printed DAVE information was found to be proper and the investigation files secured.

The detailed MOU DAVE internal control requirements not present in the PAO policies and procedures did not impact the current effectiveness of information security.

We recommend PAO management:

A. Finalize the Employee Separation Checklist to be used when an employee leaves Property Appraiser employment.

B. Update PAO policies and procedures to include a statement that user access permissions be updated immediately upon discovery of misuse. As an alternative, include a statement in the PAO policies and procedures that requires compliance with MOU DAVE internal control requirements.

C. Update PAO policies and procedures to address printing of DAVE information and include a statement that any printed DAVE information be stored in a place physically secure from access by unauthorized persons and disposed of by shredding or placed in the burn-bin.

Management Response:

A. Agreed. We have finalized and implemented use of an Employee Separation Checklist to be used when an employee leaves employment with our office for any reason. The checklist includes verification of the removal of DAVE access, along with a date, to ensure that DAVE access is removed within 5 days of departure.

B. Agreed. We have updated our policies concerning records management and public records to explicitly require compliance with the DAVE MOU internal control requirements and safeguarding information provisions.

C. Agreed. In conjunction with (B), we clarified that any DAVE information that is printed must be retained in a way that is secure from access by unauthorized persons, and disposed of in an appropriate manner to retain confidentiality.
2. The On-Going Monitoring Of The Property Appraiser’s Use Of The DAVE System Is Not Covered By A Formal Procedure.

The PAO does not have a process in place to perform on-going monitoring that checks electronic usage of the DAVE system by PAO users. The DHSMV offers the service of rendering reports by user that details the access information for a selected one week period for up to 20 users. This analysis will support MOU requirement V. Safeguarding Information:

F. "All access to the information must be monitored on an on-going basis by the Requesting Party."

We requested an access report for all PAO DAVE users for a one week time frame from the DHSMV for our examination. We reviewed the report and verified that PAO user access was within PAO business hours and the type of inquiry was for legitimate business purposes. No improper queries were found in our testing.

The PAO was not aware that DHSMV offered the ability to obtain reports for DAVE usage. PAO management was relying on their internal policies and procedures and management oversight for monitoring DAVE use.

We recommend PAO management update their policies and procedures to add the process of requesting DAVE access reports from the DHSMV for their review on a periodic basis. The timing and frequency for the review is at the option of the PAO. The DHSMV does not require a specific number of times to check DAVE usage reports, but they suggest a couple times a year. At the request of the PAO, the Division of Inspector General can perform the testing services by setting this process up as a continuous audit and reporting the results to the PAO.

Management Response:

Agreed. We have updated our policies to reflect that we will enlist the assistance of the Division of Inspector General to periodically request DAVE access reports from the DHSMV for review and monitoring of our DAVE use, per the MOU. Since the frequency for this monitoring is not explicit, we will plan to do it twice annually.
DIVISION OF INSPECTOR GENERAL

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