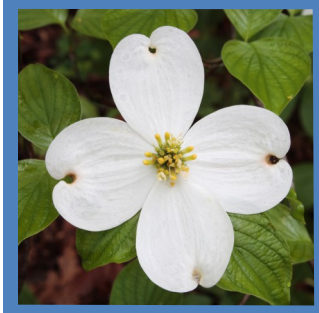

# AGENCIES OF THE
# SECRETARY OF TRANSPORTATION

## REPORT ON AUDIT
## FOR THE YEAR ENDED
## JUNE 30, 2022


Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov
(804) 225-3350

## AUDIT SUMMARY

This report communicates our fiscal year 2022 audit results for the Virginia Department of Transportation (Transportation) and the Department of Motor Vehicles (Motor Vehicles). Collectively, these two agencies spent $7.4 billion or 83 percent of the total expenses and collected 98 percent of revenues for the agencies under the Secretary of Transportation.

Our audits of these agencies support our work on the Commonwealth's Annual Comprehensive Financial Report (ACFR) and Single Audit for the year ended June 30, 2022. Overall, we found the following:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and reporting system, each agency's internal accounting and reporting system, and supplemental information and attachments submitted to the Department of Accounts (Accounts);

- matters involving internal control and its operation necessary to bring to management's attention at both Transportation and Motor Vehicles;

- instances of noncompliance with applicable laws and regulations or other matters at both Transportation and Motor Vehicles that are required to be reported; and

- adequate corrective action with respect to prior audit findings and recommendations identified as resolved in the Findings Summary included in the Appendix.

This report includes a repeat Risk Alert applicable to Motor Vehicles that requires the action and cooperation of management at both Motor Vehicles and the Virginia Information Technologies Agency (VITA). Our separate audit of VITA will address the issue noted in this alert.

# -TABLE OF CONTENTS-

## INTERNAL CONTROL AND COMPLIANCE FINDINGS AND RECOMMENDATIONS

This section groups findings by agency, and each finding includes information about the type and severity of the finding and whether the finding is a repeat finding from a prior year. The section titled "Independent Auditor's Report" includes additional details on the severity classifications.

The recommendations in this section for Transportation and Motor Vehicles relate to the areas of information systems and security, including system access reviews. Both agencies collect, manage, and store significant volumes of financial and personal data within their mission-critical systems. Because of the critical nature of this data, management at both agencies must take the necessary precautions to ensure the availability, integrity, and security of the data within their systems. We compared each agency's practices to those required by the Commonwealth's Information Security Standard, SEC 501 (Security Standard).

## DEPARTMENT OF TRANSPORTATION

**Ensure Timely Removal of Access to the Commonwealth's Accounting and Financial Reporting System**
**Type:** Internal Control and Compliance
**Severity:** Significant Deficiency
**Repeat:** No

Transportation did not take the actions needed to ensure timely removal of access to the Commonwealth's accounting and financial reporting system (accounting system) for 14 users who no longer needed access. Removal of access for these users ranged between three to 61 days after termination from the agency.

The Security Standard, Section PS-4 Personnel Termination, requires that an organization disable an individual's information system access within 24 hours of employment termination. To adopt this requirement, Transportation's Information Technology Cybersecurity Standards Manual states that it must immediately disable all accounts when system access is no longer necessary. Untimely removal of access to information systems can expose the agency to inappropriate activity by individuals that no longer require access for official duties.

During fiscal year 2022, Accounts created an automated process for removing employee access in the accounting system when an agency keys an employee's termination record in the Commonwealth's human resources and payroll system (HR and payroll system). Transportation's Human Resources Division (Human Resources) stated they were unable to key termination records for these employees timely for due to supervisors not notifying Human Resources timely of employee separations and situations where Human Resources was waiting to obtain pertinent documentation necessary for keying terminations from external third parties.

Human Resources should continue to communicate to supervisors that they should timely notify Human Resources of employee separations and transfers. In addition, Transportation should

communicate to Accounts the limitations or issues experienced that impacted the agency's ability to key employee job records timely so that Accounts may use this information to evaluate if agencies should take additional measures to remove employee access to the system outside the automated process.

**Improve Access Controls to the Commonwealth's Purchasing System**

**Type:** Internal Control and Compliance
**Severity:** Significant Deficiency
**Repeat:** No

Transportation's Security Officer for the Commonwealth's purchasing system (purchasing system) did not properly set-up user accounts or deactivate access in a timely manner. The Security Officer granted roles within the Commonwealth's purchasing system for two individuals that they did not need for their job responsibilities, which violates the principle of least privilege. Additionally, for five out of 13 employees that left their positions within Transportation and had access to the Commonwealth's purchasing system during fiscal year 2022, the Security Officer deactivated the employees' access, on average, 48 days after they no longer needed access.

The Security Standard, Section AC-6 Least Privilege, requires organizations to employ the principle of least privilege, allowing only authorized access for users which is necessary to accomplish assigned tasks in accordance with organizational missions and business functions. Additionally, Section PS-4 Personnel Termination requires that an organization disable an individual's information system access within 24 hours of employment termination. To implement this requirement, Section 2.8 of the Commonwealth's purchasing system security standard states that an agency shall deactivate access to the Commonwealth's purchasing system when the requirement for access no longer exists in accordance with the organization's internal system access procedures. Transportation's Information Technology Cybersecurity Standards Manual states that a user's supervisor must immediately disable all accounts for users that leave the agency, transfer positions, or which Transportation suspends for disciplinary purposes. Inadequate controlling of access to the Commonwealth's purchasing system increases the risk of improper or unauthorized activity within the system that will compromise the integrity of the information it stores, processes, and reports.

According to management, the Security Officer mistakenly granted unnecessary roles to two users during set-up of the users' access. Additionally, management informed us that the Security Officer did not deactivate access timely for the terminated employees because they overlooked emails with separation notices for terminated employees. Management should ensure the Security Officer properly grants user access only as authorized and reviews information in a timely manner to appropriately manage and remove user access in accordance with the Security Standard.

**Improve Internal Controls Surrounding Granting and Removing Access for Equipment Systems**
**Type:** Internal Control and Compliance
**Severity:** Significant Deficiency
**Repeat:** No

Transportation's system administrator does not ensure that access levels for the equipment management system agree to the system access request application and does not consistently maintain documentation of access changes. In addition, the system administrator does not timely remove system access for terminated employees. Lastly, the system administrator did not grant access to the major equipment database based on the principle of least privilege. We reviewed access to the equipment management system and major equipment database, and we noted the following deficiencies during our review:

- Five of 67 (7%) equipment management system users tested had access levels that did not agree to the system access request application. The system administrator terminated access to the equipment management system for four of the five users due to inactivity without documentation of why he terminated access.

- Five of five (100%) equipment management system terminated users tested retained access for seven to 123 days after terminating from Transportation due to delays in access removal.

- One of four (25%) major equipment database users tested had system access that their job duties did not require, which violates the principle of least privilege.

The Security Standard, Section AC-6 Least Privilege, requires organizations to employ the principle of least privilege, allowing only authorized access for users that is necessary to accomplish assigned tasks in accordance with organizational missions and business functions. Additionally, Section PS-4 Personnel Termination requires that an organization disable an individual's information system access within 24 hours of employment termination. Transportation's Information Technology Cybersecurity Standards Manual states that a user's supervisor must immediately disable all accounts for users that leave the agency, transfer positions, or which Transportation suspends for disciplinary purposes. Inadequate controlling of access to the equipment management system and the major equipment database increases the risk of unauthorized individuals having access to state systems and improper or unauthorized activity that will compromise the integrity of the information those systems store, process, and report.

The system administrator for the equipment management system, who is new to the role, was unaware of the Security Standard requirements or the need to retain proper documentation when updating system access. While the agency is completing year-end processes and reports, the system administrator locks user accounts for the major equipment database by changing access. Due to oversight, the system administrator improperly granted access when restoring it.

Transportation should retain supporting documentation for access changes and timely remove system access for terminated employees in the equipment management system to ensure compliance

with the Security Standard. Transportation should also ensure that the access levels for the equipment management system agree to the system access request application. Lastly, Transportation should develop and implement a process to properly restore user access to the major equipment database after year-end close.

**Improve Change Control Process**
**Type:** Internal Control and Compliance
**Severity:** Significant Deficiency
**Repeat:** No

Transportation does not implement certain elements in its change and configuration management process as required by the Security Standard. We communicated the specific weaknesses to management in a separate document marked Freedom of Information Act Exempt (FOIAE) under § 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms.

The Security Standard requires change and configuration management controls to appropriately protect sensitive systems. Without implementing certain change and configuration management controls, Transportation may be unable to properly manage changes to its systems to ensure data integrity and system recovery. Transportation should ensure that its change and configuration management process addresses the weaknesses discussed in the communication marked FOIAE to protect the confidentiality, integrity, and availability of sensitive and mission-critical data.

## DEPARTMENT OF MOTOR VEHICLES

**Continue Developing a Process to Annually Review User Access to a Sensitive Information System**
**Type:** Internal Control and Compliance
**Severity:** Significant Deficiency
**Repeat:** No

Motor Vehicles' Internal Audit Division (Internal Audit) performed a review of one of the department's sensitive information systems and issued a report identifying that Motor Vehicles does not provide data owners with access listings to evaluate and certify on an annual basis that users still require access to the system. The Security Standard, Section 8.1. AC-2 Account Management, requires that organizations review access for compliance with account management requirements on an annual basis.

The absence of annual reviews of access by data owners for Motor Vehicles' sensitive information system creates an elevated risk of individuals retaining unreasonable access to sensitive information that they could use for unofficial activity. According to management, it is challenging for Motor Vehicles to develop access reports of users of the Motor Vehicles' sensitive information system, which would allow for annual access reviews by data owners. However, Motor Vehicles is working to develop such reports to address the issue identified in the Internal Audit report. Motor Vehicles should continue developing a process to annually review user access and provide access reports of users of the sensitive information to data owners to review each individual's access for compliance with the account management requirements.

**Improve Database Security**

**Type:** Internal Control and Compliance
**Severity:** Significant Deficiency
**Repeat:** No

Motor Vehicles does not meet some minimum-security controls and configurations to protect a database that supports sensitive and mission critical web applications in accordance with the Security Standard and industry best practices, such as the Center for Internet Security's database Benchmark (CIS Benchmark).

We communicated the weaknesses and recommendations to management in a separate document marked FOIAE under § 2.2-3705.2 of the Code of Virginia, due to it containing descriptions of security mechanisms. The Security Standard requires organizations to implement certain controls that reduce unnecessary risk to the confidentiality, integrity, and availability of information systems and data. Motor Vehicles should take the actions needed to, at least, meet the minimum-security control and configurations to address the weaknesses discussed in the communication marked FOIAE to protect the confidentiality, integrity, and availability of sensitive and mission-critical data.

## STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

This section, which groups findings by agency, provides the status of findings from prior years that each agency has not resolved, but where the agency's management has made reasonable progress in addressing the recommendation. The findings include information on the type and severity of the finding and an update on progress made since the issuance of the prior year's audit report. The section titled "Independent Auditor's Report" includes additional details on the severity classifications.

## DEPARTMENT OF TRANSPORTATION

**Ensure Supervisors are Completing the Separating Employee Checklist**
**Type:** Internal Control
**Severity:** Significant Deficiency
**Repeat:** Yes (first issued in fiscal year 2020)
**Prior Title:** Continue Efforts to Improve the Employee Separation Process

While Transportation's management incorporated additional guidance for the timely completion of separation checklists into internal trainings for supervisors, supervisors at Transportation are not completing and providing the Employee Separation/Transfer Checklist (checklist) to Human Resources. Human Resources could not provide evidence that supervisors completed checklists for nine of the 25 (36%) terminated employees sampled.

Transportation's guidance on the checklist states that it is the supervisor's responsibility to complete the checklist and submit it to Human Resources, either by the employee's last day of work or within three business days of notification that the employee will not be returning to active employment or transferring to another position. Human Resources relies on the completion and submission of this checklist by supervisors to properly complete the separation process. By not completing and submitting the checklist, there is an increased risk of misappropriation of Commonwealth assets and non-employees having the ability to access Transportation's information systems and facilities. Human Resources should take the necessary steps to ensure supervisors perform their responsibilities to complete and submit the checklist to Human Resources and should escalate issues of noncompliance to management.

**Continue Improving Service Provider Oversight**
**Type:** Internal Control and Compliance
**Severity:** Significant Deficiency
**Repeat:** Yes (first issued in fiscal year 2021)
**Prior Title:** Develop a Process to Maintain Oversight of Third-Party Providers

While Transportation formalized a process to maintain oversight of third-party Software as a Service (SaaS) providers that fall under VITA's Enterprise Cloud Oversight Service (ECOS) during fiscal year 2022, Transportation has not yet matured the process to consistently obtain and review monthly performance reports and communicate with ECOS to ensure SaaS providers resolve reported weaknesses. Transportation uses VITA's ECOS to assist the agency with gaining assurance that its SaaS

providers implement the minimum security controls required by the Commonwealth's Hosted Environment Information Security Standard, SEC 525.

Executive branch agencies, such as Transportation, that receive information technology (IT) services from VITA must follow the Hosted Environment Security Standard Section 1.1, which states management remains accountable for maintaining compliance with the Hosted Environment Security Standard through documented agreements and oversight of the services provided. Without consistently reviewing and maintaining VITA ECOS' documentation and ensuring the SaaS providers resolve any weaknesses identified in their reports, Transportation cannot validate that its SaaS providers are implementing security controls that meet the requirements in the Hosted Environment Security Standard to protect sensitive and confidential data.

Transportation should consistently obtain and review reports from ECOS for each SaaS provider and communicate with ECOS regarding control deficiencies identified in the reports to help maintain the confidentiality, integrity, and availability of sensitive and mission-critical data.

## DEPARTMENT OF MOTOR VEHICLES

**Continue to Update End-of-Life Technology**
**Type:** Internal Control and Compliance
**Severity:** Significant Deficiency
**Repeat:** Yes (first issued in fiscal year 2021)
**Prior Title:** Update End-of-Life Technology

Motor Vehicles updated the end-of-life technology specifically identified during the fiscal year 2021 audit; however, Motor Vehicles continues to run end-of-life and end-of-support technologies in its IT environment. Motor Vehicles maintains technologies that support mission-essential and critical applications that run software that its vendors no longer support.

We communicated the control weaknesses to management in a separate document marked FOIAE under § 2.2-3705.2 of the Code of Virginia, due to it containing descriptions of security mechanisms. The Security Standard prohibits agencies from using software that is end-of-life and which the vendor no longer supports to reduce unnecessary risk to the confidentiality, integrity, and availability of information systems and data.

Motor Vehicles should dedicate the necessary resources to update, replace, or decommission the technologies in accordance with the Security Standard as discussed in the communication marked FOIAE to secure its IT environment and systems and protect its sensitive and mission critical data.

## RISK ALERT

During our audit, we encountered internal control and compliance issues that are beyond the corrective action of Motor Vehicles' management alone and require the action and cooperation of management for VITA. The following issue represents such a risk to Motor Vehicles and the Commonwealth during fiscal year 2022.

## DEPARTMENT OF MOTOR VEHICLES

**Unpatched Software**

**Repeat:** Yes (first issued in fiscal year 2021)
**Prior Title:** Unpatched Software

VITA contracts with various IT service providers to create the Commonwealth's Information Technology Infrastructure Services Program (ITISP) to provide agencies with installation, maintenance, operation, and support of IT infrastructure components, such as servers, routers, firewalls, and virtual private networks. Motor Vehicles continues to rely on contractors procured by VITA for the installation of security patches in systems that support Motor Vehicles' operations. Additionally, Motor Vehicles relies on VITA, as the contract administrator, to maintain oversight and enforce the contract agreements with the ITISP contractors. As of November 2022, the ITISP contractors had not applied a significant number of security patches that are critical and highly important to Motor Vehicles' IT infrastructure components, all of which are past the 90 day Security Standard requirement.

The Security Standard requires the installation of security-relevant software updates within 90 days of release. The Security Standard does allow for varying time periods depending on factors such as the criticality of the update, but generally the ITISP uses a 90 day window from the date of release as its standard for determining timely implementation of security patches (Security Standard Section: SI-2 Flaw Remediation). Missing system security updates increase the risk of successful cyberattack, exploitation, and data breach by malicious parties.

While VITA is responsible for enforcing the service level agreement, it has not been able to compel the current ITISP contractors to install certain security patches to Motor Vehicles' IT infrastructure components to remediate vulnerabilities in a timely manner or take actions to obtain these required services from another source. Motor Vehicles is working with VITA and the ITISP contractors to ensure that the ITISP contractors install all critical and highly important security patches on all servers. Additionally, our separate audit of VITA's contract management will also continue to report on this issue.

Commonwealth of Virginia

*Auditor of Public Accounts*

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

December 15, 2022

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

We have audited the financial records, operations, and federal compliance of the **Agencies of the Secretary of Transportation**, for the year ended June 30, 2022. We conducted this audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, in support of the Commonwealth's Annual Comprehensive Financial Report and Single Audit. 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 Objectives

Our audit's primary objectives were to evaluate the accuracy of the Agencies of the Secretary of Transportation's financial transactions as reported in the Annual Comprehensive Financial Report for the Commonwealth of Virginia and test federal compliance in support of the Commonwealth's Single Audit for the year ended June 30, 2022. In support of these objectives, we evaluated the accuracy of recorded financial transactions in the Commonwealth's accounting and financial reporting system, each agency's internal accounting and reporting system, and supplemental information and attachments submitted to the Department of Accounts (Accounts); reviewed the adequacy of the Agencies of the Secretary of Transportation's internal control; tested for compliance with applicable laws, regulations, contracts, and grant agreements; and reviewed corrective actions with respect to audit findings and recommendations from prior year reports.

## Audit Scope and Methodology

Management of the Agencies of the Secretary of Transportation have responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts, and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered materiality and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the following federal grant program, significant cycles, classes of transactions, and account balances.

*Department of Transportation (Transportation)*

Accounts payable and expenses
Accounts receivable and revenues
Capital asset balances
Cash and debt balances
Commonwealth's retirement benefits system
Contract procurement and management
Federal grants management for the Highway Planning and Construction Cluster - Assistance Listing Numbers 20.205, 20.219, and 20.224
Financial reporting
Human resources
Information security and general system controls (including access controls)
Inventory
Payroll and other expenses

*Department of Motor Vehicles, including Department of Motor Vehicles Transfer Payments (Motor Vehicles)*

Accounts payable and transfer payment expenses
Accounts receivable and revenues
Commonwealth's retirement benefits system
Financial reporting
Information security and general system controls (including access controls)

The following agencies under the control of the Secretary of Transportation are not material to the Annual Comprehensive Financial Report for the Commonwealth of Virginia or are audited by other auditors. As a result, these agencies are not included in the scope of this audit:

Department of Aviation
Department of Rail and Public Transportation
Motor Vehicle Dealer Board
Office of Intermodal Planning and Investment

Office of Public-Private Partnerships
Virginia Commercial Space Flight Authority
Virginia Passenger Rail Authority
Virginia Port Authority

We performed audit tests to determine whether the Agencies of the Secretary of Transportation's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of the Agencies of the Secretary of Transportation's operations. We performed analytical procedures, including budgetary and trend analyses, and tested details of transactions to achieve our audit objectives. We also confirmed cash with outside parties.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and, when appropriate, we projected our results to the population.

Our consideration of internal control over financial reporting and federal compliance (internal control) was for the limited purpose described in the section "Audit Objectives" and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be significant deficiencies that are classified as such in the sections titled "Internal Control and Compliance Findings Recommendations" and "Status of Prior Year Findings and Recommendations."

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements or noncompliance on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements or material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Conclusions

We found that the Agencies of the Secretary of Transportation properly stated, in all material respects, the amounts recorded and reported in the Commonwealth's accounting and financial reporting system, each agency's internal accounting and reporting system, and supplemental information and attachments submitted to Accounts.

We noted certain matters involving internal control and its operation and compliance with applicable laws, regulations, contracts, and grant agreements that require management's attention and corrective action. These matters are described in the sections titled "Internal Control and Compliance Findings and Recommendations" and "Status of Prior Year Findings and Recommendations."

Transportation has not completed taking adequate corrective action with respect to a previously reported findings currently titled "Ensure Supervisors are Completing the Separating Employee Checklist" and ''Continue Improving Service Provider Oversight," while Motor Vehicles has not completed taking corrective action with respect to the previously reported finding currently titled "Continue to Update End-of-Life Technology." Accordingly, we included these findings in the section titled "Status of Prior Year Findings and Recommendations." Motor Vehicles has taken adequate corrective action with respect to audit findings identified as resolved in the Findings Summary included in the Appendix.

Since the findings noted above include those that have been identified as significant deficiencies, they will be reported as such in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards," which is included in the Commonwealth of Virginia's Single Audit Report for the year ended June 30, 2022. The Single Audit Report will be available at www.apa.virginia.gov in February 2023.

## Exit Conference and Report Distribution

We provided management of Transportation and Motor Vehicles a draft of this report on January 30, 2023, for review and development of their responses. Government Auditing Standards require the auditor to perform limited procedures on the agencies' responses to the findings identified in our audit, which are included in the accompanying section titled "Agency Responses." The agencies' responses were not subjected to the other auditing procedures applied in the audit and, accordingly, we express no opinion on the responses.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

GDS/clj

COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, P.E.
Commissioner

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940

February 7, 2023

Ms. Staci A. Henshaw
Auditor of Public Accounts
Post Office Box 1295
Richmond, Virginia 23218

Dear Ms. Henshaw:

The Department of Transportation appreciates the opportunity to respond to the Secretary of Transportation's audit report for Fiscal Year 2022. Your review has identified opportunities for the Department to enhance its current processes regarding access to various systems. The Department concurs with your recommendations and we are focused on proactively strengthening the Department's internal controls surrounding these areas. Below are the Department's responses which should address the areas of concern:

**Ensure Timely Removal of Access to the Commonwealth's Accounting and Financial Reporting System**

The Department of Transportation (VDOT) will ensure the expectations for completing this task is a key focus area in all supervisory training, including the importance of early notification of separations through the Agency system of record. VDOT is also proactively looking at ways to enhance available dashboards or create additional dashboards and reports which will be published to Agency leadership to ensure timely removal of access to the Commonwealth's Accounting and Reporting System.

VDOT would also like to note that compliance with timely removal is hindered by the system's inability to accept some future dated transactions. Additionally, when separations occur outside of DOA established keying windows or during freeze periods, VDOT must wait until the system is available to key these transactions.

**Improve Access Controls to the Commonwealth's Purchasing System**

VDOT has taken steps to ensure account deactivation occurs within 24 hours of receipt of notification of the employee's departure from the agency. In addition, staff is proactively reviewing all access requests and the employee's job responsibilities prior to granting access to the Commonwealth's purchasing system known as eVA.

**Improve Internal Controls Surrounding Granting and Removing Access for Equipment Systems**

VDOT will be taking steps to improve promptness of communication when users require a role change in the equipment applications, or when they depart the agency. Communication will specify the need for submission for a removal request within 24 hours of the employee's departure, under those circumstances. In addition, staff will continue to monitor access to these databases and ensure the principle of least privilege is applied appropriately.

**Improve Change Control Process**

VDOT understands the importance of change control processes and will integrate application and database baseline configuration compliance checks into Request for Change (RFC) governance process flow documentation. VDOT will create action steps to incorporate established baseline and processes into agency security policy documentation.

**Ensure Supervisors are Completing the Separating Employee Checklist**

The Department acknowledges improvements are needed in the dissemination and collection of separating employee checklists. With the implementation of MyCareerConnect (MCC), reports are now generated weekly that show the status of each separation notification. Human Resources is to use this report to follow-up in accordance with the SOP that was developed in January 2021. Upon stabilization, the report will be moved to the MCC system and a dashboard created, which will allow leadership to monitor compliance.

The HR Division will work educate leaders at the time of orientation and during leadership training opportunities to ensure their understanding of this supervisory responsibility. Additionally, HR will work with other divisions to develop a communication plan to increase awareness and reiterate the importance of completing separation checklists as a means to safeguard physical and information assets when employees leave the agency.

**Continue Improving Service Provider Oversight**

VDOT established an MOU with VITA in December 2021 and we developed policies and procedures for ECOS compliance reviews in April 2022. In addition, we clarified roles and responsibilities within VDOT, trained staff and will establish quarterly quality assurance reviews. VDOT will also prepare a monthly ECOS compliance status report which will be distributed to all stakeholders on a monthly basis to communicate the outcome of monthly compliance reviews.

Sincerely,

Stephen C. Brich, P.E.
Commissioner of Highways

COMMONWEALTH of VIRGINIA
Department of Motor Vehicles
2300 West Broad Street

Linda B. Ford
Acting Commissioner

Post Office Box 27412
Richmond, VA 23269-0001

February 7, 2023

Ms. Staci A. Henshaw
Auditor of Public Accounts
Post Office Box 1295
Richmond, VA 23218

Dear Ms. Henshaw:

Thank you for this opportunity to respond to your latest audit of the Agencies of the Secretary of Transportation for the fiscal year ended June 30, 2022. We are pleased that you found our financial reporting to be properly stated. We also sincerely appreciate the professionalism and guidance of your staff. The Department of Motor Vehicles' responses to the findings are below.

**Continue Developing a Process to Annually Review User Access to a Sensitive Information System**

The Department of Motor Vehicles agrees that the assigned data owner must review and approve the annual account review for each system dataset and is in the process of updating our workflows to add them as the final approver.

**Improve Database Security**

The Department of Motor Vehicles understands the value of meeting all baseline security controls and has already taken steps to close the gap to meet full compliance.

**Continue to Update End-of-Life Technology**

The Department of Motor Vehicles understands the need for all software to be under active support from the developers to remediate security vulnerabilities as they are disclosed. DMV has several projects underway to aggressively re-platform our applications to vendor managed cloud environments or the VITA provided QTS datacenter.

**Unpatched Software**

The Department of Motor Vehicles recognizes the need for the timely application of security patches and the need for service providers to meet their contractual obligations. DMV will continue our

Phone: (804) 497-7100 TTY: (800) 828-1120 Website: www.dmvNOW.com

oversight of the VITA partners in the delivery of services and take additional steps to address risk when they fail to meet the requirements.

DMV is working diligently to remediate the issues identified in the audit. We look forward to working with you in the future. Please let me know if you have any questions or concerns.

Sincerely,

Linda B. Ford

LBF:vrc

## SECRETARY OF TRANSPORTATION

As of June 30, 2022

W. Sheppard Miller III, Secretary of Transportation

**Department of Transportation**
Stephen C. Brich, Commissioner

**Department of Motor Vehicles**
Linda B. Ford, Acting Commissioner

## FINDINGS SUMMARY

| Current Finding Title | Agency | Follow-Up Status | Year First Issued |
|---|---|---|---|
| Ensure Timely Removal of Access to the Commonwealth's Accounting and Financial Reporting System | Transportation | New[1] | 2022 |
| Improve Access Controls to the Commonwealth's Purchasing System | Transportation | New[1] | 2022 |
| Improve Internal Controls Surrounding Granting and Removing Access for Equipment Systems | Transportation | New[1] | 2022 |
| Improve Change Control Process | Transportation | New[1] | 2022 |
| Ensure Supervisors are Completing the Separating Employee Checklist | Transportation | Corrective Action Ongoing[2] | 2020 |
| Continue Improving Service Provider Oversight | Transportation | Corrective Action Ongoing[2] | 2021 |
| Continue Improving Controls for Processing Access Terminations and Changes | Motor Vehicles | Resolved | 2018 |
| Improve Training on and Monitoring of the Employment Eligibility Process | Motor Vehicles | Resolved | 2018 |
| Continue Efforts to Develop a Schedule of Routine Accounting Adjustments | Motor Vehicles | Resolved | 2020 |
| Continue Developing a Process to Annually Review User Access to a Sensitive Information System | Motor Vehicles | New[1] | 2022 |
| Improve Database Security | Motor Vehicles | New[1] | 2022 |
| Continue to Update End-of-Life Technology | Motor Vehicles | Corrective Action Ongoing[2] | 2021 |

[1] Reported in "Internal Control Findings and Recommendations" section.

[2] Reported in "Status of Prior Year Finding and Recommendation" section.