
Department of Licensing (DOL)

Agency: 240

Audit Report: 1003818

Finding Number: 001

Finding: The Department of Licensing does not adequately monitor vehicle licensing activities by county auditors and subagents to ensure compliance with established policies and procedures which places public funds at risk.

Resolution: The Department appreciates the work completed by the state auditors. While the Department disagrees with the finding, it acknowledges that there is continually room for improvement to any operation. The Department, through oversight and internal control operations, has not identified loss of public funds. It is also noted the risks stated on the part of the auditor are absent evidence of any actual loss.

As part of its continuous improvement process, the Department implemented the following:

- Ensured all contracts for agents/subagents are appropriately executed and are located in the appropriate file.
- Based upon Assistant Attorney General advice, modified Department policy regarding insurance or bond requirements. Contracts, insurance, bond, certificates of appointment, and other required documentation are maintained centrally.
- Established controls so only certified Department personnel have the ability to change system access levels.
- Verified that system access is restricted to correspond with definition of "least privileged access" so that parties having access are granted privileges only to the level of their job responsibilities.

The Department is in the process of formulating options for oversight of voids that are less labor-intensive than those recommended by the auditors. The Department's goal is to exercise higher level of control within the constraints of diminishing resources. Considering insurance or bonding requirements, the Department views risk in the area of voids to be nominal. Options for managing this concern will be based and implemented on risk-appropriate controls.

The Department is looking for alternative methods to resolve suggested control vulnerabilities in "field auditing" by utilizing technology modeling and data mining, and focusing on indicated high risk operations.

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