



STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

January 9, 2007

Michael J. Moody, Director
Office of Financial Management
Department of Management and Budget
George W. Romney Building
111 South Capitol Avenue
Lansing, Michigan 48933

Re: Performance Audit of Releasing Driver and Vehicle Records

Dear Mr. Moody:

Concerning the above-described audit, I have enclosed the Audit Response Summary and Preliminary Response documents. If you have any questions concerning these documents, please do not hesitate to contact me at (517) 335-4207.

Sincerely,

Signature Redacted

Steve Stier, Director
Bureau of Information Security
Legal and Regulatory Services Administration

SS/mlh
Enclosures
Cc w/att: State Budget Office
Office of the Auditor General

Michigan Department of State
Performance Audit of Releasing Driver and Vehicle Records
Audit Response Summary

1. Citations complied with:
None
2. Citations which the agency agreed with and will comply with:
 - a. Will comply
1 and 2
 - b. Budget consideration
None
3. Citations which the agency disagrees with:
None

PRELIMINARY RESPONSES

PERFORMANCE AUDIT OF RELEASING DRIVER AND VEHICLE RECORDS November 2006

RECOMMENDATION #1

We recommend that BDVR confirm that its customers who purchase driver and vehicle records in bulk have written personnel policies regarding the disciplining of customer employees for inappropriate use or disclosure of personal information.

ANTICIPATED ACTION: Will Comply.

DESCRIPTION OF ANTICIPATED ACTION: The department will comply by revising the contractual agreements for the customers who purchase driver and vehicle records in bulk to attest to the existence of acceptable written personnel policies regarding the disciplining of customer employees for inappropriate use of personal information. The Department will then periodically request selected customers to submit copies for review to verify compliance.

Anticipated Compliance Date: Contractual revisions and process changes to be implemented by September 30, 2007.

RECOMMENDATION #2

We recommend that the Department include provisions for audits of customer controls in all agreements with its customers.

We also recommend that the Department improve its monitoring of authorized customers through audits of customer controls and inspections of customer listings from authorized customers who resell bulk information that includes personal information.

ANTICIPATED ACTION: Will Comply.

DESCRIPTION OF ANTICIPATED ACTION: The Department is revising its provision for audits of customer controls in contractual agreements for these programs. The cost effective strategy that is planned is to require major customers to procure periodic audits, by external reviewers, with resulting reports provided to the Department. These reports will be used to further enhance the Department's ongoing efforts to monitor customers. Also, inspection of customer listings will continue with an emphasis on high-risk customers.

Anticipated Compliance Date: Contractual revisions and process changes to be implemented by September 30, 2007.