

**REPORT OF THE AUDIT OF
MOTOR VEHICLE AND MOTORBOAT TAXES
AND REGISTRATION FEES COLLECTED AND REMITTED
TO THE COMMONWEALTH OF KENTUCKY
BY EACH COUNTY CLERK**

**For The Year Ended
December 31, 2025**



**ALLISON BALL
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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

Jim Gray, Secretary, Kentucky Transportation Cabinet
Holly M. Johnson, Secretary, Finance and Administration Cabinet
Ray A. Perry, Secretary, Public Protection Cabinet

Report on the Audit of the Schedules

Opinion

We have audited the accompanying Schedule of Motor Vehicle and Motorboat Taxes and Registration Fees Collected and Paid to the Commonwealth of Kentucky by Each County Clerk – Cash Basis for the year ended December 31, 2025, the accompanying Schedule of Vehicle Registration Fees Payable to the Commonwealth by Each County Clerk – Cash Basis for the year ended December 31, 2025, and the related notes to the schedules.

In our opinion, the accompanying schedules present fairly, in all material respects, the cash basis presentation of the motor vehicle and motorboat taxes and registration fees collected and paid, and the registration fees payable to the Commonwealth of Kentucky by each county clerk as of and for the year ended December 31, 2025, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Kentucky Transportation Cabinet and each county clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the schedules, which describes the basis of accounting. The schedules are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedules

Management of the Kentucky Transportation Cabinet and each respective county clerk is responsible for the preparation and fair presentation of the elements included in the schedules in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the schedules in the circumstances. Management of the Kentucky Transportation Cabinet along with each respective county clerk is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.



Jim Gray, Secretary, Kentucky Transportation Cabinet
Holly M. Johnson, Secretary, Finance and Administration Cabinet
Ray A. Perry, Secretary, Public Protection Cabinet

Auditor's Responsibility for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedules.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Kentucky Transportation Cabinet and each county clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kentucky Transportation Cabinet and each county clerk's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Restriction on Use

This report is intended solely for the information and use of the Kentucky Transportation Cabinet, the Kentucky Finance and Administration Cabinet, and each county clerk, and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2026, on our consideration of the Kentucky Transportation Cabinet's and each respective county clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the Kentucky Transportation Cabinet's and each respective county clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Kentucky Transportation Cabinet's and each respective county clerk's internal control over financial reporting and compliance.

Jim Gray, Secretary, Kentucky Transportation Cabinet
Holly M. Johnson, Secretary, Finance and Administration Cabinet
Ray A. Perry, Secretary, Public Protection Cabinet

Other Reporting Required by *Government Auditing Standards* (Continued)

Based on the results of our audit, we have presented the accompanying Schedule of Findings and Responses, included herein, which discusses the following report finding:

2025-001 The Kentucky Transportation Cabinet Did Not Properly Secure The Kentucky Automated Vehicle Information System

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

April 2, 2026

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SCHEDULE OF MOTOR VEHICLE AND MOTORBOAT TAXES AND
REGISTRATION FEES COLLECTED AND PAID TO THE COMMONWEALTH
OF KENTUCKY BY EACH COUNTY CLERK – CASH BASIS

For The Year Ended December 31, 2025

County	Usage Tax	Ad Valorem Tax	License Fees
Adair	\$ 3,980,576	\$ 849,112	\$ 787,475
Allen	2,135,635	1,108,693	613,741
Anderson	2,670,609	1,335,921	701,710
Ballard	1,136,542	543,892	294,771
Barren	7,011,633	2,142,697	1,313,427
Bath	999,025	541,421	318,990
Bell	2,568,030	783,103	445,995
Boone	22,697,893	8,028,456	3,516,117
Bourbon	7,625,929	1,243,544	780,041
Boyd	7,419,674	2,489,115	1,172,614
Boyle	8,556,336	1,458,873	795,895
Bracken	1,256,869	461,940	248,147
Breathitt	916,445	473,077	273,286
Breckinridge	1,813,737	1,140,880	783,835
Bullitt	10,159,217	4,665,621	2,167,364
Butler	1,270,585	3,543,917	795,921
Caldwell	1,834,841	660,565	435,359
Calloway	5,308,226	1,769,642	1,108,212
Campbell	12,112,152	4,187,480	1,885,274
Carlisle	712,464	333,256	231,399
Carroll	1,981,400	492,287	308,230
Carter	3,482,902	1,418,998	791,016
Casey	931,896	690,296	473,485
Christian	8,373,944	2,271,233	1,528,466
Clark	4,599,022	2,156,967	1,147,790
Clay	924,665	726,198	423,524
Clinton	817,307	487,913	351,010
Crittenden	778,035	410,784	273,272
Cumberland	731,900	343,805	271,543
Daviess	15,710,731	4,673,371	2,764,247
Edmonson	1,127,278	798,147	417,093
Elliott	414,498	255,326	142,230
Estill	1,013,655	619,301	365,405
Fayette	44,345,817	22,183,920	6,603,395
Fleming	2,706,476	804,653	450,309
Floyd	7,946,710	3,104,570	1,193,375
Franklin	8,524,835	2,511,549	1,422,619
Fulton	528,912	241,728	157,893
Gallatin	1,013,811	487,331	236,422
Garrard	1,504,582	1,107,119	504,080
Grant	6,109,739	1,230,422	751,647

SCHEDULE OF MOTOR VEHICLE AND MOTORBOAT TAXES AND
REGISTRATION FEES COLLECTED AND PAID TO THE COMMONWEALTH
OF KENTUCKY BY EACH COUNTY CLERK – CASH BASIS
For The Year Ended December 31, 2025
(Continued)

County	Usage Tax	Ad Valorem Tax	License Fees
Graves	\$ 8,766,839	\$ 2,009,285	\$ 1,357,186
Grayson	2,486,278	1,513,545	965,625
Green	681,466	539,624	363,895
Greenup	4,859,238	1,715,478	846,804
Hancock	607,886	456,798	277,022
Hardin	22,368,915	5,164,079	2,891,334
Harlan	2,169,188	907,800	504,652
Harrison	2,006,288	996,920	520,660
Hart	1,162,124	889,492	572,874
Henderson	5,780,376	2,153,368	1,233,753
Henry	2,367,194	875,914	477,892
Hickman	579,916	296,232	253,174
Hopkins	5,038,682	2,148,049	1,273,646
Jackson	772,510	524,256	326,685
Jefferson	107,293,310	42,731,003	15,836,485
Jessamine	14,508,814	3,300,911	1,696,368
Johnson	3,719,130	1,111,815	548,436
Kenton	22,976,050	7,551,126	3,323,251
Knott	1,632,335	628,772	324,313
Knox	3,916,110	2,039,084	962,377
Larue	832,029	734,351	480,142
Laurel	12,573,284	2,899,020	1,720,276
Lawrence	1,528,682	645,268	331,659
Lee	306,853	235,470	147,027
Leslie	622,976	392,239	226,012
Letcher	2,355,408	905,699	503,247
Lewis	1,490,615	495,706	309,052
Lincoln	1,419,089	1,144,277	650,780
Livingston	1,231,036	554,510	415,876
Logan	3,244,230	1,368,201	1,004,878
Lyon	1,132,394	596,233	331,216
McCracken	10,354,156	3,412,818	1,660,452
McCreary	1,052,169	511,136	385,528
McLean	1,440,303	568,644	427,731
Madison	19,117,896	4,766,548	2,286,338
Magoffin	770,600	480,187	327,290
Marion	1,347,990	965,658	647,250
Marshall	5,450,726	2,145,914	1,142,831
Martin	1,030,739	584,104	219,311
Mason	2,480,424	799,970	431,553
Meade	4,364,895	1,594,470	865,954

SCHEDULE OF MOTOR VEHICLE AND MOTORBOAT TAXES AND
REGISTRATION FEES COLLECTED AND PAID TO THE COMMONWEALTH
OF KENTUCKY BY EACH COUNTY CLERK – CASH BASIS
For The Year Ended December 31, 2025
(Continued)

<u>County</u>	<u>Usage Tax</u>	<u>Ad Valorem Tax</u>	<u>License Fees</u>
Menifee	\$ 420,748	\$ 273,930	\$ 192,727
Mercer	2,071,807	1,307,601	700,496
Metcalfe	732,565	427,081	315,793
Monroe	1,199,210	496,086	376,222
Montgomery	5,899,622	1,448,193	808,938
Morgan	982,772	571,798	391,326
Muhlenberg	3,691,561	1,336,279	884,225
Nelson	7,300,303	2,680,201	1,617,507
Nicholas	685,258	366,461	181,991
Ohio	2,248,202	1,035,861	701,584
Oldham	13,196,190	4,490,114	1,710,398
Owen	1,093,454	627,146	348,071
Owsley	208,602	183,933	111,337
Pendleton	1,666,723	750,062	384,421
Perry	4,458,029	1,313,898	701,635
Pike	6,016,704	3,032,233	1,232,998
Powell	1,283,279	614,860	380,034
Pulaski	16,456,185	3,590,933	2,114,331
Robertson	266,657	147,338	65,062
Rockcastle	1,053,703	742,395	452,467
Rowan	5,558,544	1,263,210	696,091
Russell	1,870,966	903,219	620,515
Scott	12,137,676	3,635,318	1,496,401
Shelby	8,190,542	3,093,358	1,398,576
Simpson	3,950,815	995,405	628,882
Spencer	2,281,176	1,344,809	581,492
Taylor	4,556,240	1,206,873	777,340
Todd	1,532,096	609,900	495,095
Trigg	2,281,117	858,999	526,218
Trimble	618,805	454,430	238,852
Union	1,021,033	861,174	611,783
Warren	25,428,811	6,477,298	3,450,223
Washington	917,950	670,669	431,287
Wayne	1,714,576	841,888	577,633
Webster	1,025,472	674,917	510,639
Whitley	4,466,563	1,797,674	896,346
Wolfe	657,007	346,011	289,414
Woodford	3,664,523	1,610,705	779,102
Totals	<u>\$ 656,399,162</u>	<u>\$ 241,213,357</u>	<u>\$ 116,994,911</u>

SCHEDULE OF VEHICLE REGISTRATION FEES PAYABLE TO
THE COMMONWEALTH BY EACH COUNTY CLERK – CASH BASIS

For The Year Ended December 31, 2025

<u>County</u>	<u>Amount</u>	<u>County</u>	<u>Amount</u>	<u>County</u>	<u>Amount</u>
Adair	\$	Graves	\$	Menifee	\$
Allen		Grayson		Mercer	
Anderson		Green	6,024	Metcalfe	
Ballard		Greenup		Monroe	
Barren		Hancock		Montgomery	
Bath		Hardin		Morgan	
Bell		Harlan		Muhlenberg	
Boone		Harrison		Nelson	
Bourbon		Hart		Nicholas	
Boyd		Henderson		Ohio	
Boyle		Henry		Oldham	
Bracken		Hickman		Owen	
Breathitt		Hopkins		Owsley	849
Breckinridge		Jackson		Pendleton	
Bullitt		Jefferson		Perry	
Butler		Jessamine		Pike	
Caldwell		Johnson		Powell	3,294
Calloway		Kenton		Pulaski	
Campbell		Knott		Robertson	
Carlisle		Knox		Rockcastle	
Carroll		Larue		Rowan	
Carter		Laurel	17,549	Russell	
Casey		Lawrence		Scott	
Christian		Lee		Shelby	
Clark		Leslie		Simpson	
Clay		Letcher		Spencer	10,665
Clinton		Lewis		Taylor	
Crittenden		Lincoln		Todd	
Cumberland		Livingston		Trigg	
Daviess		Logan		Trimble	
Edmonson		Lyon		Union	
Elliott		McCracken		Warren	
Estill		McCreary		Washington	
Fayette		McLean		Wayne	
Fleming		Madison		Webster	
Floyd		Magoffin	62,296	Whitley	
Franklin		Marion		Wolfe	
Fulton		Marshall		Woodford	
Gallatin		Martin			
Garrard		Mason			
Grant		Meade			

NOTE TO SCHEDULES

December 31, 2025

Note 1. Summary of Significant Accounting Policies

A. County Clerk's Fiduciary Duties

Each county clerk acts as a fiduciary agent on behalf of the Commonwealth of Kentucky to collect usage tax, ad valorem tax, and license fees. Each clerk remits 97 percent of usage tax, 96 percent of ad valorem tax, and the applicable state fees collected for license fees collected as required by statute. The remaining amounts collected are maintained by the county clerks as commissions and fees to be used for expenditures related to the operations of the county clerks' offices.

B. Accounting for Vehicle Taxes and License Fees

Receipts of the county clerks for vehicle and boat taxes, and license fees are processed through the state's Kentucky Automated Information System (KAVIS). KAVIS produces daily, weekly, and monthly reports which are used in posting and reconciling to the county clerks' ledgers. Usage tax is remitted daily to a state depository bank account. License and transfer fees are remitted weekly to the Kentucky Transportation Cabinet. State ad valorem taxes are remitted monthly to the Finance and Administration Cabinet Department of Revenue.

C. Basis of Accounting

The schedules have been prepared on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting differs from GAAP primarily because revenues and expenditures of the collections of vehicle taxes and license fees are generally recognized when cash is received or disbursed rather than when incurred. The Schedule of Vehicle Registration Fees Payable is a result of additional usage tax, ad valorem tax, license fees due and inventory exceptions which result in billable items as of the calendar year ended.

The amounts presented in these schedules are included in the county clerks' financial statements, which are audited annually in accordance with KRS 43.070 and 64.810.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULES
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Schedules
Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

Jim Gray, Secretary, Kentucky Transportation Cabinet
Holly M. Johnson, Secretary, Finance and Administration Cabinet
Ray A. Perry, Secretary, Public Protection Cabinet

We have audited, 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, the Schedule of Motor Vehicle and Motorboat Taxes and Registration Fees Collected and Paid to the Commonwealth of Kentucky by Each County Clerk – Cash Basis for the year ended December 31, 2025, and the Schedule of Vehicle Registration Fees Payable to the Commonwealth by Each County Clerk – Cash Basis for the year ended December 31, 2025, and the related note to the schedules and have issued our report thereon dated April 2, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the schedules, we considered the Kentucky Transportation Cabinet's and each respective county clerk's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedules, but not for the purpose of expressing an opinion on the effectiveness of the Kentucky Transportation Cabinet's and each respective county clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kentucky Transportation Cabinet's and each respective county clerk's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 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 statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2025-001 to be a material weakness.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Schedules
Performed In Accordance With *Government Auditing Standards*
(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the schedules are free from material misstatement, we performed tests of its compliance with certain provisions of laws, and regulations and other matters, noncompliance with which could have a direct and material effect on the amounts in the schedules. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Views of Responsible Official and Planned Corrective Action

Government Auditing Standards requires the auditor to perform limited procedures on the Kentucky Transportation Cabinet's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Kentucky Transportation Cabinet's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kentucky Transportation Cabinet's and each respective county clerk's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, Ky

April 2, 2026

SCHEDULE OF FINDINGS AND RESPONSES

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SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2025

INTERNAL CONTROL – MATERIAL WEAKNESS:

2025-001 The Kentucky Transportation Cabinet Did Not Properly Secure The Kentucky Automated Vehicle Information System

Condition and Context

While some controls are in place, the Kentucky Automated Vehicle Information System (KAVIS) during calendar year 2025 lacked adequate access control procedures. KAVIS is the statewide system used by county clerks and other government agencies to manage vehicle and boat titling, registration, and property tax assessment in Kentucky.

KYTC has developed the KAVIS User Management Manual, which was last updated in January 2020. KYTC confirmed that this manual is a ‘how to guide’ and does not require updates for CY 2025. KYTC staff are responsible for granting access to KAVIS. KYTC, County Clerks, Motor Vehicle Licensing and Department of Revenue staff can submit user access requests. The Outside Agency KAVIS Access Request Form was created to gather needed information to support access granted to employees working outside of KYTC. Completion of this form is not discussed in formal procedures or the KAVIS User Management Manual.

The testing population provided by KYTC is not accurate and does not allow auditors to determine if access was properly granted to new users. Auditors were provided a list of 1,397 KAVIS users with an ‘Access Granted Date’ that fell between January 1, 2025 and December 31, 2025. Testing revealed 6 of the 7 sampled users, or 85.7 percent, were not granted access during CY 2025. KYTC confirmed these users had access that was modified or disabled. As a result, auditors could not determine if new users were granted proper access during CY 2025. After fieldwork was completed on March 5, 2026, KYTC provided three new user listings which were broken out to show the granting, modification and disabling of accounts.

In addition, auditors determined there were numerous duplicate accounts and security auditing was not enabled. A total of 18 users were found to have more than one account in KAVIS. Auditors requested support to show the duplicative accounts were disabled. However, KYTC staff stated they do not have the capability to see the disabled dates in KAVIS. As a result, staff cannot view historical changes made to user accounts, see the dates when modifications were made, or the date when an account was disabled. As such, no documentation could be provided to support actions taken with these accounts.

Finally, auditors determined 10 out of 27 users with administrator access to KAVIS, which is 37 percent of the population, were not employed by the Commonwealth of Kentucky during CY 2025. KYTC stated when someone leaves, a user’s access to single sign on is removed, which would prevent them from accessing KAVIS. However, a periodic review of access would have identified these accounts for deletion. In addition, 3 users are internal KYTC audit staff that do not require administrative access to KAVIS.

Cause

KAVIS was not properly secured during CY 2025. KYTC’s KAVIS User Management Manual has not been reviewed or updated since January 2020. It also does not include procedures for completing appropriate forms needed to grant access to KAVIS. Further, it does not address responsibilities associated with the periodic review or auditing of KAVIS user access.

KAVIS has not been properly configured to allow for security auditing. In addition, the reporting functionality does not allow access reports to be broken out to show dates and times associated with access being granted, modified or disabled within KAVIS.

SCHEDULE OF FINDINGS AND RESPONSES
 For The Year Ended December 31, 2025
 (Continued)

INTERNAL CONTROL – MATERIAL WEAKNESS: (Continued)

2025-001 The Kentucky Transportation Cabinet Did Not Properly Secure The Kentucky Automated Vehicle Information System (Continued)

Effect

Without sufficient documentation and review of access requests, KYTC cannot demonstrate that KAVIS users are authorized to access the system or that they are granted privileges commensurate with their roles. These weaknesses increase the risk of excessive or unauthorized access to sensitive system functions, potentially compromising separation of duties.

When security auditing is not enabled, there is an increased risk of data manipulation. Agencies are unable to detect unauthorized activity or the escalation of system privileges. In addition, an audit trail is not available allowing an agency to hold specific users accountable for inappropriate system actions.

Criteria

In accordance with 200 KAR 38:070, titled Internal controls and pre-audit, each agency must develop and document internal controls to prevent and detect abuse, unintentional errors, and the fraudulent disbursement of funds or use of state assets. Additionally, agency personnel shall implement the internal controls and monitor their effectiveness.

According to the National Institute of Standards and Technology Special Publication 800-53 Revision 5:

- Control AC-1, Policy and Procedures, states agencies should develop, document, and disseminate an access control policy that: (a) addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and (b) is consistent with applicable laws, executive orders, directives, regulations, policies, standards, and guidelines.
- Control AC-3, Access Enforcement, states agencies should enforce approved authorizations for logical access to information and system resources in accordance with applicable access control policies.
- Control AU-2, Event Logging, states agencies should identify the types of events that the system is capable of logging in support of the audit function.
- Control AU-12, Audit Record Generation, states agencies should provide audit record generation capability for the event types the system is capable of auditing, allow personnel to select the event types that are to be logged by specific components of the system, and generate audit records for the event types that include the audit record content.

According to the KAVIS Security Plan:

Authorization to access KAVIS:2 Information and KAVIS:2 Information Systems must be reviewed whenever there is a change in an individual's role or business relationship with KYTC, and their access privileges must be modified accordingly.

SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended December 31, 2025
(Continued)

INTERNAL CONTROL – MATERIAL WEAKNESS: (Continued)

2025-001 The Kentucky Transportation Cabinet Did Not Properly Secure The Kentucky Automated Vehicle Information System (Continued)

Recommendation

We recommend KYTC:

- Update the KAVIS User Management Manual or develop formal written procedures to address security forms required for granting, modifying, and disabling access as well as periodic review of user access.
- Perform periodic reviews of KAVIS access to ensure only authorized employees have appropriate access to the system. Actions taken to modify or disable access should be maintained for audit purposes.
- Clean up the user data by deleting administrative accounts for users no longer employed by the Commonwealth of Kentucky or do not require this level of access to complete their job duties.
- Enable security auditing in KAVIS.

Kentucky Transportation Cabinet's Response:

- *KAVIS2 User Management Manual.pdf is a user guide for the KAVIS application and is complete as there have been no changes to User Management in KAVIS resulting in necessary edits. Its purpose is specific to how to perform actions within the application, not for the purpose of documenting MVL procedures and access reviews. MVL will build formal documented procedures to support the business processes followed for access controls.*
- *KAVIS can report when a user has been created, modified and deleted. A detailed KAVIS report was sent as a supporting artifact to APA on 3/5 for 2025.*
- *MVL will determine the frequency and perform periodic reviews of KAVIS access to ensure only authorized employees have appropriate access to the system and to take actions to modify or disable access will be maintained for audit purposes. MVL will formally document the procedures, frequency and reviews and store that information for future audits and assessments. MVL will work with KAVIS on obtaining the report/s needed.*
- *A review and cleanup effort is in progress for users no longer employed or do not require access to KAVIS. An important note is that when a user has left Commonwealth of Kentucky employment, their AD user accounts are disabled; therefore, are unable to authenticate and gain access to KAVIS.*