



**To:** Jane Schroter, VP & CIO

**CC:** Randy Clarke, President/CEO  
Kerri Butcher, EVP, Chief of Staff, General Counsel  
Dottie Watkins, COO & Chief Customer Officer  
Reinet Marneweck, EVP & CFO  
Donna Simmons, EVP, Administration & EEO Officer  
Capital Metro Board of Directors

**From:** Terry Follmer, VP of Internal Audit

**Date:** October 29, 2019

**Subject:** Audit Memorandum – IT Vendor Risk Management & Policy Review

During Fiscal Year 2019 an additional audit was added to the Audit Plan to review IT Vendor Risk Management and perform a review of all IT Policies. The addition of this audit was reviewed and approved by the FAA Committee. The detailed results of this review are considered Sensitive Security Information under Texas Public Information Act and therefore is not available to the public. (Section 552.139: Confidentiality of Government Information Related to Security or Infrastructure Issues for Computers)

Capital Metro contracted with Dell Secureworks to perform a review of the following areas:

1. Review draft contract with MV Transportation with a focus on IT security terms and conditions in order to provide feedback and suggested changes.
2. SaaS Vendor Management Security Assessment Report for two vendors: Ultimate Software Ultipro service; and Swiftly real-time fleet analysis.
3. Develop IT Security Questionnaire that can be used for future IT Vendor Risk Management Assessments
4. Review all existing IT Policies and provide missing policies and recommended language.

The overall objective of this engagement was to evaluate from cradle to grave, Capital Metro's approach to managing IT risk related to vendor management. This project was performed by Dell Secureworks with oversight and guidance from the following members of the IT and Internal Audit Departments:

- Terry Follmer, VP of Internal Audit
- Lori Hyde, Program Manager IV, Network Cyber Security
- Steven Salinas, Director of Network Services

Recommendations to strengthen IT vendor risk management program were provided to management by Dell Secureworks. Additionally they provided new IT policies for consideration. Management agrees with their recommendations and is in the process of remediating. Capital Metro's Board of Directors was briefed on the results of this review on October 28, 2019 in a closed session. The recommendations from this review will be included in the semi-annual follow-up audit (i.e. May and November) to ensure management action plans for all issued audit reports are completed timely.

We appreciate the cooperation and assistance provided to us throughout this audit.