

Audit of RMV Title Division Unit

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Background

- Audit Operations completed a performance audit of the RMV Title Division Unit for fiscal years 2019, 2020 and 2021.
- The audit focused on evaluating and improving internal controls, standards and operating procedures covering the RMV Title Division.
- During Fiscal Year 2019, total title revenue was \$98,616,026. In Fiscal Year 2020, total title fee revenue was \$88,038,030. The drop in revenue coincided with the Covid-19 pandemic.
- Code of Massachusetts Regulations (CMR) 540, Section 2.05, " requires a Certificate of Title for a motor vehicle. A Title is defined as a legal document issued by a state to certify the vehicle's ownership and to indicate the lienholder that financed the purchase of the vehicle (if applicable)." Massachusetts Title Law went into effect on September 1, 1972, requiring all motor vehicles and trailers to be titled within ten (10) days of purchase. Passenger vehicles with a model year of 1980 and older, and purchased before November 26, 1990, are exempt from titling. Trailers weighing 3,000 pounds or less are also exempt.
- The Code of Massachusetts Regulations (CMR) 540, section 2.05, requires that all vehicles must have a certificate of title issued by the RMV and must be properly endorsed at the time of sale. Each buyer of a vehicle is required by law to properly fill out the vehicle's title. Leaving the title open is illegal and is known as title jumping or skipping. Title jumping is the act of buying a vehicle and selling it without registering the vehicle in your name to avoid paying sales tax, registration and title fees.

Scope & Objectives

- This audit was selected because the Title Division ranked as a high-risk area in the Audit Operations annual risk assessment, given the volume and sensitive nature of the transactions and data processed.
- The Audit focused on evaluating and improving internal controls, standards, and operating procedures covering the RMV Title Division.
- The audit objectives were to review and evaluate the management and operations of the RMV Title Division to determine whether it is meeting its objectives and complying with Commonwealth law, including Mass General Law, Chapter 90D, Section 4, “Applications for certificate of title required”, and procedures included:
 - * Policies and procedures for the RMV Title Division are documented and adhered to by employees.
 - * Training is required for Title Division employees on the ATLAS system including Title processing and fee payment functions.
 - * The Electronic Lien & Title (ELT) Program accurately stores lienholders’ electronic records, including lienholders’ codes, to ensure that titles are sent to the correct party.
 - * Effective controls are in place and functioning to ensure completion of title transactions for Massachusetts licensed drivers, including processing all fees through ATLAS.
 - * Mail received from customers is organized so that all title payments are processed daily and deposited to Bank of America.
 - * All methods of payment are available to customers including online processing.

Audit Findings

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- Audit Operations is pleased to report that this performance audit went very well. Internal controls, policies, and procedures are in place and operating effectively.
- We identified seven (7) issues, two (2) are High Risk. The High-Risk issues are as follows:
 - The auditee did not maintain sufficient, updated written of policies and procedures.
 - Several instances of opportunities to improve safeguarding customer personal information and RMV assets.
- RMV management has since implemented corrective action plans for all the audit findings.
- RMV Title Division Unit personnel were very helpful and cooperative throughout the audit.

Thank You

