

THOMAS P. DINAPOLI  
COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

December 12, 2019

Sister Denise A. Roche  
Chair  
Niagara Frontier Transportation Authority  
181 Ellicott Street  
Buffalo, NY 14203

Re: Use of Vendor-Supported  
Technology  
Report 2019-S-40

Dear Sister Denise:

Pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law, we conducted an audit of Niagara Frontier Transportation Authority's compliance with requirements to maintain its systems at vendor-supported levels. The audit covered the period June 24, 2019 through August 29, 2019.

**Background**

Niagara Frontier Transportation Authority (NFTA) is a New York State public benefit corporation responsible for public transportation in Erie and Niagara counties, including operation of the Metro Bus and Rail System, Buffalo Niagara International Airport, and Niagara Falls International Airport. NFTA has approximately 1,500 employees, including an information technology (IT) department that operates out of its main office. To help carry out its mission, NFTA owns IT resources, including desktops/workstations, servers, and databases.

As a public benefit corporation, NFTA must adhere to the State Information Security Policy (Policy) established by the Office of Information Technology Services (ITS). The Policy defines the minimum information security requirements that all State entities (including public benefit corporations) must follow to secure and protect the confidentiality, integrity, and availability of information. This includes requirements for ensuring systems are maintained at vendor-supported levels (i.e., systems continue to be updated and patched by the system's vendor). The Policy defines systems as including, but not limited to, servers, platforms, networks, communications, databases, and software applications.

## **Results of Audit**

We evaluated selected systems and determined that, generally, NFTA maintained its systems at vendor-supported levels. However, we did identify unsupported systems used by NFTA on 66 devices. We found that NFTA officials did not develop policies and procedures to ensure that their systems are regularly reviewed and kept up to date, nor did they maintain a single clear inventory of IT assets to aid in tracking their systems. NFTA officials indicated they were in the process of or had plans to upgrade certain systems identified as no longer supported by the vendors. We recommend NFTA officials ensure those actions and plans are completed and take actions to find solutions for those systems that remain unaddressed.

Due to their confidential nature, we communicated the details of the unsupported systems we identified to NFTA officials in a separate report and do not address those details in this report. Generally, NFTA officials agreed with our recommendations and indicated they will take actions to implement them.

## **Recommendations**

1. Take steps to ensure that systems are maintained at vendor-supported levels such as developing policies and procedures related to software updates and vulnerability analysis.
2. Implement the remaining recommendations detailed in the preliminary report.

## **Audit Scope, Objective, and Methodology**

The objective of the audit was to determine whether NFTA was complying with requirements to maintain its systems at vendor-supported levels. The audit covered the period June 24, 2019 through August 29, 2019.

To accomplish our objective and assess related internal controls, we reviewed applicable ITS policies and met with NFTA officials to understand their management of IT resources. We performed scans of the NFTA network and compared the results with inventories of systems provided by NFTA. We compared the NFTA systems identified with the last supported date for those systems and followed up with NFTA officials to determine the reasons for the outdated systems and the actions planned to address those systems.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's

financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions, and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

### **Reporting Requirements**

We provided a draft copy of this report to NFTA officials for their review and formal comment. We considered their comments in preparing this final report and have included them in their entirety at the end of it. In their response, NFTA officials stated they will take actions to implement the recommendations contained in the report.

Within 180 days of the final release of this report, as required by Section 170 of the Executive Law, the chair of NFTA shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Major contributors to this report were Nadine Morrell, Brian Krawiecki, Melissa Davie, Christopher Bott, Nicole Tommasone, and Renee Boel.

We would like to thank NFTA management and staff for the courtesies and cooperation extended to our auditors during this audit.

Sincerely,

Brian Reilly, CFE, CGFM  
Audit Director

cc: Kimberley Minkel, Executive Director  
Patrick Dalton, Director of Internal Audit

# Agency Comments



Niagara Frontier Transportation Authority  
*Serving the Niagara Region*

181 Ellicott Street  
Buffalo, New York 14203  
www.nfta.com

**Kimberley Minkel**  
Executive Director  
716-855-7470  
Fax: 716-855-6655  
E-mail: kim\_minkel@nfta.com

December 2, 2019

## VIA E-MAIL AND U.S. MAIL

Brian Reilly  
Office of the State Comptroller  
110 State Street, 11<sup>th</sup> Floor  
Albany, New York 12236-0001

Re: NFTA Response: Use of Vendor Supported Technology Report 2019-S-040

Dear Mr. Reilly:

Thank you for giving the Niagara Frontier Transportation Authority ("NFTA") the opportunity to provide you with its comments on the above-referenced draft report. We appreciate the time invested in preparing the report and the effort expended to ensure that the NFTA is managing its resources effectively and efficiently.

Below are the NFTA's responses to your specific recommendations:

### Recommendation #1

Take steps to ensure that systems are maintained at vendor supported levels such as developing policies and procedures related to software updates and vulnerability analysis.

**NFTA Response:** The NFTA will ensure that all systems are maintained at vendor supported levels and enhance our policies and procedures related to software updates and vulnerability analysis.

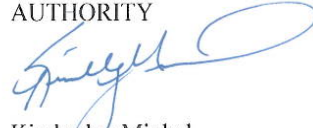
### Recommendation #2

Implement the remaining recommendations detailed in the preliminary report.

**NFTA Response:** The NFTA will implement the remaining recommendation detailed in the preliminary report.

Sincerely,

NIAGARA FRONTIER TRANSPORTATION  
AUTHORITY



Kimberley Minkel  
Executive Director

Enclosure

cc: Sister Denise Roche  
S. Duquette  
P. Dalton  
D. State  
C. D'Aloise