



Kentucky Automobile Dealers Association
The Voice of Automobile Dealers in Kentucky



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Winter is Coming Part 9: Finally some R&R - Reporting Requirements

DISCLAIMER: The information in this document may change over time with new information and developments. All content and materials are for general information purposes only. It does not provide, and is not intended to constitute, legal advice. Important: As necessary, dealers should consult an attorney familiar with dealership operations, Federal, State and/or local laws at issue.

This article is the FINAL in a series of materials to help your dealership with the appropriate planning and implementation of the necessary policies and procedures required by the FTC's amended Safeguards Rule, the vast majority of which require dealer compliance by December 9, 2022.

Annual written reports to your board of directors are required to be provided by your Qualified Individual pursuant to the Amended Safeguards Rule. If your business does not have a board of directors, your Qualified Individual must submit the written annual report to a senior company official, preferably one with responsibility for oversight of your information security program. In a limited liability company, this could be an individual designated as manager or president. In addition to the status of your information security programs in general and your compliance with the Amended Safeguards rule, the annual report should address:

1. Your risk assessments
2. Risk management and control decisions
3. Service provider contracts
4. Penetration testing results
5. Security events and violations, along with responses
6. Recommended changes to security programs

The annual report does not have to be certified by the board of directors, but if a security event occurs or there is a system breach, it is likely that the annual report will be scrutinized, so it should serve as a memorialization of the basis for your information security decisions and should be reflected in your formal minutes. Of course, there is no harm in your board issuing a formal resolution that the annual report was considered and approved.

In the event your dealership maintains records on fewer than 5,000 customers, you are NOT required to conduct this annual reporting.

Once again, as a vetted KADA Preferred Partner, we recommend the vendor resources and services that ComplyAuto offers. You can find their contact information below.

To see all of the articles in this series, [click here](#).

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