

Roslyn Union Free School District

Information Technology Equipment Inventory Records

2024M-91 | February 2025

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Report Highlights

Roslyn Union Free School District

Audit Objective

Determine whether Roslyn Union Free School District (District) officials appropriately tracked, inventoried and safeguarded information technology (IT) equipment.

Key Findings

While District officials generally tracked IT equipment in an appropriate manner, they did not always appropriately inventory and safeguard IT equipment or maintain sufficiently detailed, up-to-date inventory records.

- The IT inventory list included at least 400 active IT devices that were missing either a serial number or tag number.
- The fixed asset report did not contain serial numbers for 435 devices; complete descriptions, including manufacturer name, for 175 devices; and model information for 201 devices.

Without recording device serial numbers and asset tag numbers, officials cannot ensure that asset tags were properly recorded for each device.

We reviewed 60 IT devices to confirm the devices were properly inventoried and physically located at the District and determined that six devices totaling \$2,136 and one inkjet printer with an unknown cost were not recorded in the IT inventory list.

Key Recommendations

- Periodically reconcile the fixed asset report to the IT inventory list, follow up on any discrepancies and update inventory records accordingly.
- Maintain detailed, up-to-date records for all IT equipment.

District officials disagreed with certain aspects of our findings and recommendations, but indicated they have initiated corrective action. Appendix B includes our comments on issues raised in the District's response letter.

Audit Period

July 1, 2022 – December 31, 2023.

We expanded our audit period through May 15, 2024 to observe inventory practices at the District.

Background

The District is located in the Towns of North Hempstead and Oyster Bay in Nassau County and has three elementary schools, one middle school and one high school.

The District is governed by an elected seven-member Board of Education (Board), which is responsible for the District's general management. The Superintendent serves at the Board's discretion and is responsible for the District's day-to-day management.

The Assistant to the Superintendent for Technology and Security Infrastructure (AST) is responsible for overseeing the IT Department and, along with IT Department staff, is responsible for tracking, inventorying and safeguarding IT equipment.

Quick Facts

During Audit Period

Student Enrollment	3,301
Employees	646
Value of IT Equipment Purchased	\$1.2 million

Information Technology Equipment Inventory Records

Education methods have evolved to include remote and hybrid learning, which has required school districts (districts) to acquire a significant amount of IT equipment. This influx of new and often highly portable IT devices highlights the importance of districts' tracking and inventorying practices to ensure that taxpayer funds are properly spent and safeguarded.

IT equipment includes items such as interactive displays and desktop computers and highly portable items, such as monitors, laptops and tablets. This equipment represents a substantial investment of districts' resources, and officials are responsible for providing oversight to ensure that equipment is protected from loss, inventory records are current and the equipment can be easily located.

How Should District Officials Inventory, Track and Safeguard IT Equipment?

District officials are responsible for ensuring that IT inventory records are current and accurate and that equipment is tracked and protected from loss, misuse and/or theft. To ensure officials have access to reliable, up-to-date IT equipment information, district officials should maintain a complete, current and perpetual inventory of IT equipment.

Inventory records should include a description of each item, including the make (manufacturer name), model and serial number; name of the individual to whom the device is assigned, if applicable; physical location of each device; and relevant purchase or lease information, including the initial cost and acquisition date. Officials also should comply with the District's inventory/capitalization policy (inventory policy), which requires all items that cost more than \$500 to be inventoried. The inventory policy also requires the following information for IT equipment to be included in the equipment/fixed asset inventory (equipment inventory):

- Item name
- Description
- Titleholder name
- Serial or other identification number
- Item cost
- Acquisition date
- Purpose
- Item location
- Disposal date and method.

While some of these attributes do not necessarily aid in tracking and inventorying IT equipment, they are important for other operational needs. For example, cost and acquisition date information do not aid in tracking an asset but are useful for determining overall cost or age of assets. Cost and acquisition date information also can help officials maintain appropriate insurance coverage for IT equipment and plan for replacing devices as they reached the end of their useful life.

In addition, District officials should verify the accuracy of IT equipment inventory records through annual physical inventory counts. Devices should be periodically examined to assess their condition and verify accurate location information in the inventory records. Finally, sensitive and confidential information should be cleared from IT devices before disposal.

District Officials Did Not Always Inventory IT Equipment Properly

While District officials generally tracked IT equipment in an appropriate manner, they did not always appropriately inventory and safeguard IT equipment or maintain sufficiently detailed, up-to-date inventory records.

Inventory Records – The District’s Business Office maintained a fixed asset report, which is considered the District’s official inventory record, and the IT Department maintained an overall IT inventory list. The fixed asset report is updated annually, used for accounting and insurance purposes and includes all fixed assets that cost more than \$500, including IT equipment. The IT inventory list includes all IT equipment, not just items that cost more than \$500, which enables the IT Department to track all IT devices on a daily basis.

The IT Department began using its IT inventory software in March 2017 to maintain the IT inventory list and track all IT devices on the District’s network. When an IT device was purchased, IT staff tagged the item and recorded the tag number, serial number, model and location (if known) in a spreadsheet. The AST was responsible for importing the spreadsheet into the IT inventory software to generate the IT inventory list. The IT Department then provided the inventory data for all IT devices that cost more than \$500 to the Business Office where the data also were entered into the District’s fixed asset report.

Because the two inventory lists were used for different purposes, we reviewed the IT inventory list maintained by the IT Department and the fixed asset report maintained by the Business Office and found that the information recorded in both the IT inventory list and fixed asset report was not always accurate and/or contained incomplete and missing information, as follows:

IT Inventory List – The IT Department’s IT inventory list included some assets recorded with blank values for serial numbers, tag numbers, locations, manufacturers and model names.

In addition, officials generated the IT inventory list by using a software application that captured all devices that were connected to the District’s network at the time the list was generated. As a result, the IT inventory list provided by the District included laptops and cell phone devices that were privately owned by faculty and students, as well as District-owned devices. Consequently, District officials could not determine which of the 3,387 active IT devices without serial numbers and/or tag numbers were District owned and which were privately owned.

At our exit conference, District officials told us that the IT inventory list they had given us mistakenly included extraneous information from the network security module of the software used to generate the inventory. However, the corrected list that they provided to us, which had only District-owned devices, still included 297 active IT devices that did not have a tag number and 105 IT devices that did not have a serial number. District officials told us that these missing tag and serial numbers were not an issue

because the District’s inventory policy required that they record either a tag number or a serial number, but not both.

Furthermore, 93 asset tags and 19 serial numbers were duplicated in the IT inventory list. The AST said that 91 of the duplicated tags were due to a batch of tags that were printed twice and two were due to human error. The AST also said that the 19 duplicated serial numbers were due to human error.

Fixed Asset Report – Although the Business Office’s fixed asset report contained asset tag numbers for certain assets, the report did not contain serial numbers for 435 devices or complete descriptions, including manufacturer name for 175 devices and model for 201 devices. While the Assistant Administrator for Business (AAB) could not explain why this information was missing, the Superintendent told us that the inventory policy required a “serial number or other identification number” and that the IT inventory list included an asset tag number for 403 of the 435 devices.

Although an asset tag number was documented, without recording both device serial numbers and asset tag numbers, officials cannot ensure that asset tags were properly recorded for each device. Also, they may not be able to properly identify devices where asset tags have become illegible or removed.

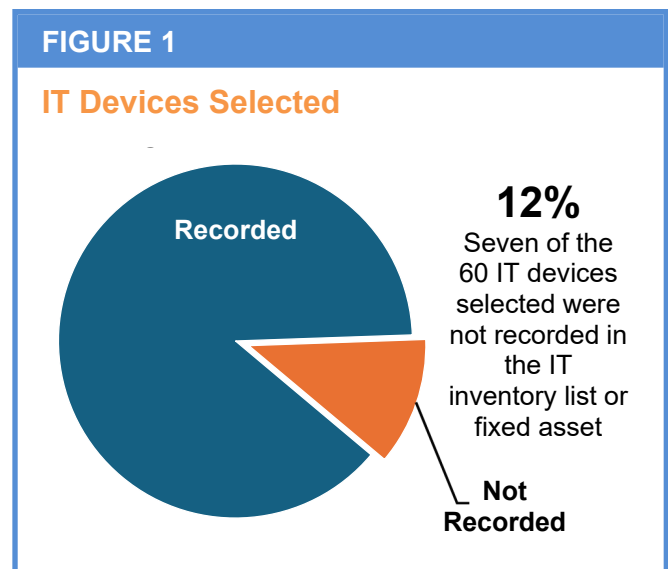
We selected and reviewed 50 devices¹ to determine whether the assets were physically located at the District. In addition, we reviewed the IT inventory list and fixed asset report for these 50 devices, and an additional 10 IT devices that we identified during our walk-through of the District, to determine whether the assets were properly inventoried. We determined that seven of the devices were not inventoried (Figure 1), which included:

- Four laser printers and two inkjet printers that cost a total of \$2,136
- One inkjet printer with an unknown cost.

The six devices totaling \$2,136 were not included in the fixed asset report because they each cost less than \$500. However, the AST could not explain why they also were not included in the IT inventory, which should include all IT devices. He pointed out that the printer with an unknown cost was tagged and had been added to a separate spreadsheet. However, that spreadsheet was not imported into the IT inventory software.

The IT Department did not maintain sufficiently detailed, up-to-date inventory records.

Consequently, District officials cannot ensure that IT equipment is adequately accounted for and would be detected if lost, stolen or misused. Furthermore, complete, accurate and up-to-date inventory records help District officials ensure that IT equipment is properly insured, tracked through its life cycle



¹ Refer to Appendix C for further information on our sample selection.

and replaced when necessary. When inventory records are incomplete and assets are not properly accounted for, District officials cannot assure taxpayers that IT equipment is properly safeguarded.

IT Equipment Disposals – From the Board’s meeting minutes, we selected 10 disposed IT devices and determined whether officials tracked the disposal date and disposal method in the IT inventory list and whether employees cleared all personal private and sensitive information and other District data from the devices before disposal.

The IT inventory list did not contain the disposal date and disposal method for any of the 10 disposed devices. Also, seven of the devices (three Chromebooks, two MacBooks, one iPad and one desktop computer) contained data that should have been removed before disposal. The AST told us that those data fields are not included in the IT inventory list because the main function of the software (used to develop the list) is to aid the IT Department in making decisions regarding the need to purchase, dispose of and/or service devices using the application’s automated analytical tools. The AST also stated that the IT Department removed and drill pressed hard drives for these seven devices before disposal, but he could not provide any documentation to support this assertion.

The fixed asset report did not contain the disposal date and disposal method for six of the 10 devices. The AAB told us that these six were under the \$500 threshold and, therefore, were not required to be recorded in the fixed asset report.

Although required by the inventory policy (for devices costing \$500 or more), the IT inventory list did not include the disposal date and disposal method for all disposed IT equipment. Furthermore, District officials cannot ensure that District-related data and information – which could include sensitive, personal or confidential data – were removed before disposing seven IT devices. Without adequate records for asset disposals, officials cannot ensure that District data is properly protected and assets are properly disposed of in the District’s best interest.

What Do We Recommend?

The Board should:

1. Require the Business Office and IT Department to periodically reconcile the fixed asset report to the IT inventory list, follow up on any discrepancies and update inventory records accordingly.

The AST and IT Department staff should:

2. Maintain complete, accurate and up-to-date inventory records for IT equipment.
3. Record the disposal date and disposal method for all disposed IT equipment.
4. Ensure District-related data – including sensitive, personal or confidential information – is removed before disposing of IT equipment and maintain sufficient documentation of these actions.

Appendix A: Response From District Officials



Roslyn Public Schools

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Allison Brown
Superintendent of Schools

January 30, 2025

Ira McCracken
Chief of Municipal Audits
Division of Local Government and School Accountability
Office of the New York State Comptroller
New York State Office Building, Room 3A10
250 Veterans Memorial Highway
Hauppauge, New York 11788

Re: Public Response to the Comptroller's Office
Unit Name: Roslyn UFSD
Audit Report Title: Information Technology Equipment Inventory Records
Audit Report Number: 2024M-91

Dear Mr. McCracken:

This letter is sent in connection with the above-referenced audit. Please let this letter serve as the Roslyn Union Free School District's written audit response to the Information Technology Equipment Inventory Records Audit Report issued on January 15, 2025. The Roslyn Union Free School District (the "District") has received and reviewed the preliminary draft findings of the recent audit of the District's Information Technology Equipment Inventory Records, Report of Examination 2024M-91 issued by the Office of the State Comptroller ("OSC") (the "Draft Audit Report"). The audit period initially spanned July 1, 2022 through December 31, 2023 and was subsequently extended through May 15, 2024. The District wishes to express its thanks to the OSC staff for the opportunity to respond to the Draft Audit Report. The District is pleased with the overall confirmation from the Draft Audit Report, that our IT Inventory system's protocols, practices and procedures have been largely successful and indeed work as intended. This report clearly confirms that the District safeguarded its assets from theft and misuse as we were able to locate and account for all items requested by the auditors during the scope of the audit.

See
Note 1
Page 10

See
Note 2
Page 10

The District would also like to express its appreciation to the OSC's Audit Teams assigned to us for their professionalism during their fieldwork, the exit interview and follow-up

communications subsequent to the exit interview. We also appreciate the additional time that the Audit Team took to meet with us after the exit interview and the opportunity afforded to the District to share its concerns regarding the audit, the audit process, and the OSC's initial preliminary findings. During those subsequent communications, the District shared with the Audit Team several inaccuracies or misapprehensions in the initial findings that we believed may be misconstrued by the public. The District appreciates the open dialogue promoted by the OSC and its willingness to evaluate the District's concerns within the context of the audit process.

The District acknowledges and shares the audit's goal in identifying areas in which the District's oversight and controls can be improved. Upon review of the Draft Audit Report, the District maintains that the Draft Audit Report draws conclusions that may be misconstrued and/or misleading as to the District's protection of its IT assets and its compliance with its own inventory and asset policies.

The School District is committed to not only investing in technology aimed at supporting and enhancing student education but also to protecting that investment. The District's recordkeeping and reconciliation processes are robust and ongoing. One of the notable inaccuracies in the Draft Audit Report is the implication that the District "did not always appropriately inventory and safeguard IT equipment or maintain sufficiently detailed, up-to-date inventory records." The District has consistently complied with District policy requirements and has effective procedures to safeguard equipment, as demonstrated by our ability to locate 100% of the assets selected for review by the Audit Team.

See
Note 2
Page 10

The "key findings" suggest non-compliance with the District's inventory record policy, but this is not true. The report states that 435 devices lack a serial number, 175 lack a manufacturer and 201 lack model information. Board Policy #6645 requires *either* a serial number *or* a unique identifier. To be sure, all 435 devices had a unique identifier and were easily located ensuring compliance and efficiency. Please note that the District's policy does **not** require manufacturer information and model detail in inventory records. The District acknowledges that the OSC's observation may be considered for future modifications to the District's policy.

See
Note 2
Page 10

Similarly, the report claims that our IT inventory list included at least 400 active devices without a serial number or tag number. Notwithstanding, based on the requirements of Board Policy #6645, the absence of a serial number or tag does not demonstrate non-compliance with policy or an inability to locate or track these devices. Indeed, the Policy requires only one identifier. The Draft Audit Report notes that all 400 devices mentioned in the report did indeed have one identifier making them easily tracked. As mentioned above, the District appreciates the OSC's recommendation concerning the use of a serial number and asset tag as one for consideration in policy updates.

See
Note 2
Page 10

Key Recommendations included in the Draft Audit Report provide that the District should "periodically reconcile the fixed asset report to the IT inventory list, follow up on any discrepancies and update inventory records accordingly "maintain detailed, up-to-date records for all IT equipment." The District acknowledges the OSC's recommendation; however, the inclusion of these recommendations ignores the District's efforts to maintain complete and current records of its fixed assets and suggests that the District has failed in this regard. The District disagrees with that sort of suggestion.

The District takes a pragmatic and integrated approach to tracking its IT assets. Using the unique asset identifier across both applications, allows the District to seamlessly transfer and reconcile the fixed asset inventory record to the IT software. In fact, the District was able to physically demonstrate this capability to the OSC team and which was acknowledged by the OSC team.

The District developed procedures to protect all District property, including its IT equipment, and employs these procedures toward that end. The Draft Audit Report states: “The IT Department did not maintain sufficiently detailed, up-to-date inventory records. Consequently, District officials cannot ensure that IT equipment is adequately accounted for and would be detected if lost, stolen or misused.” The District disagrees with this statement. As part of the procedures implemented in the School District to ensure fiscal responsibility and protect District assets, the District employs a chain of custody process. As an overview, once an IT order is received, it is put under lock and key and video surveillance in a designated space. IT items are tagged and recorded on an excel spreadsheet within 1-5 days of arrival to be uploaded into the IT inventory system. The District has strong controls in order to safeguard items from theft or misuse. Further, all items can be remotely tracked.

See
Note 2
Page 10

The District maintains the security of all District-related data when IT equipment is in use and once such assets are no longer needed and discarded. The District ensures that even when disposed of, sensitive information cannot be accessed from the District’s IT devices by utilizing appropriate disposal methods to prevent such access. Notwithstanding, utilizing a small sample size of ten devices, the OSC noted that disposal dates and methods were not recorded in the District’s IT inventory list. Additionally, of the sample size, the OSC mentioned that seven of those devices contained data that should have been removed before disposal. The Draft Audit Report states: “Furthermore, District officials cannot ensure that District-related data and information – which could include sensitive, personal or confidential data – were removed before disposing of the seven devices. Without adequate records for asset disposals, officials cannot ensure that District-related data is properly protected and assets are properly disposed of in the District’s best interest.” The District disagrees with this assessment. The District is extremely cognizant of the sensitive nature of the information stored on IT assets and takes care to ensure that such information is not mishandled when assets are declared unneeded for District purposes or put at risk for misappropriation, once identified for disposal or destruction. The hard drives for the seven devices identified in the Draft Report were removed, drill pressed and secured prior to disposal. The devices are secured until ultimately disposed of. A third party disposes of these items, on a cyclical basis and issues a certificate of destruction that specifically states they have been destroyed.

See
Note 3
Page 10

In conclusion, the District recognizes the OSC’s role in guiding school districts towards prudent fiscal management and appreciates the Draft Audit Report’s observations and recommendations. As the OSC and the Audit Teams are acutely aware, the District is particularly sensitive to matters of financial oversight and committed to sound fiscal management and safeguarding of our assets. The District strives for the highest level of excellence and care in our operations. The District takes pride in the fact that OSC recognized the District’s work toward that end and in particular, in the management and security of the District’s IT assets. The District welcomes any recommendations that would help us improve even further. As noted above, the District will review the observations and recommendations made by the OSC as part of its overall policy review process. Further, the District intends to review existing processes, procedures and practices and codify them

as part of an IT Inventory Policy. We again thank you for your efforts and professionalism and look forward to your continued guidance.

Sincerely,

Allison Brown
Superintendent

Appendix B: OSC Comments on the District's Response

Note 1

The report that we issued to the District on January 15, 2025 was a draft and not our final report.

Note 2

Although officials located all items that we requested to review, our test to locate IT assets was limited to a small sample of IT equipment. Therefore, officials should not draw the conclusion that all District assets are safeguarded from theft and misuse.

In addition, safeguarding IT equipment includes, but is not limited to, ensuring that it is properly inventoried. The District's inventory records were not always current and sufficiently detailed. For example, the inventory record was missing serial numbers, asset tag numbers and/or complete descriptions (i.e., manufacturer name or model information). Furthermore, without recording both device serial numbers and asset tag numbers, officials cannot ensure that asset tags are properly recorded for each device and may not be able to properly identify devices whose asset tags have become illegible or removed.

Note 3

District officials did not provide us with documentation, either during our fieldwork or at our exit conference, to support that data was removed from seven IT devices before disposal.

Appendix C: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and reviewed District policies to gain an understanding of the District's IT equipment inventory records.
- We reviewed the IT inventory list, provided by the AST, as of February 7, 2024.
- We reviewed the fixed asset report, provided by the AAB, as of December 31, 2023.
- We used our professional judgment to select and review 50 IT devices (40 devices selected from the highest invoices paid to each of the District's IT equipment vendors and 10 devices from a device management report that had not accessed the District's network since October 30, 2023) to determine whether IT devices were added to the inventory records and physically located at the District.
- During a walk-through of District facilities, we used our professional judgment to review 10 IT devices to determine whether the devices were accurately recorded on the inventory records.
- We used our professional judgment to review 10 IT devices that had been approved as obsolete by the Board to determine whether the devices were properly disposed of and to determine whether the IT inventory list and fixed asset report included the disposal date, disposal method and sale price (if applicable) of these items.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-a (3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The CAP should be posted on the District's website for public review.

Appendix D: Resources and Services

Regional Office Directory

www.osc.ny.gov/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.ny.gov/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.ny.gov/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.ny.gov/local-government/publications

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.ny.gov/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.ny.gov/files/local-government/publications/pdf/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.ny.gov/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.ny.gov/local-government/publications

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.ny.gov/local-government/academy

Contact

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