Commack Union Free School District

Information Technology Assets Inventory

MAY 2020
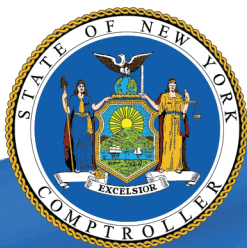
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Report Highlights

Commack Union Free School District

Audit Objective

Determine whether District officials properly monitored and safeguarded information technology (IT) assets.

Key Findings

- At the time of our initial visits to nine District buildings, we were unable to locate 146 of 475 IT assets tested (31 percent).

- It took between 11 and 55 days from our initial visits for officials to locate 80 additional IT assets.

- Because of inaccurate inventory records, District officials were unable to locate the remaining 66 IT assets (14 percent).

Key Recommendations

- Implement policies and procedures to properly account for all electronic devices throughout the District.

- Ensure that all fields previously established on the IT asset inventory system are filled out to properly track purchase order date, cost, and current location of asset.

- Designate staff to be responsible for accounting for inventory, and updating the records to ensure the assets are accurately accounted for.

District officials agreed with our recommendations and have initiated or indicated they planned to initiate corrective action.

Background

The Commack Union Free School District (District) serves the Towns of Smithtown and Huntington in Suffolk County.

The five-member Board of Education (Board) is responsible for managing financial and educational affairs. The School Superintendent is responsible, along with other administrative staff, for the day-to-day management.

The Board delegated its IT responsibility to its Information Systems Management Department (Department). The Department administrator and staff are stationed at buildings located throughout the District. The Department is responsible for maintaining the IT assets inventory.

Quick Facts	
Enrollment	6,144
2018-19 Expenditures	$188.9 million
IT Purchases for the Audit Period	$1.1 million
District Buildings	11

Audit Period

July 1, 2018 – October 31, 2019

Information Technology

How Should IT Assets Be Safeguarded?

Many school districts invest a considerable amount of resources in IT assets, which include computers and related equipment. Reliable IT inventory records are critical for protecting these assets from theft, loss or misuse. District officials cannot properly track and protect IT assets if they do not know what IT assets they have and where those assets reside.

District officials should maintain detailed, up-to-date, complete inventory records for all computer equipment located throughout all buildings. The information maintained for each piece of computer equipment should include the following: an asset tag number and asset description, a serial number, a model number, the date and cost of purchase and the asset's location (i.e., the specific room and building to which the asset has been assigned).

In May 2019, District officials adopted an IT policy that specifies how IT mechanisms and procedures should be implemented to safeguard technology resources, including computers. The policy specifically requires that officials establish procedures to tag new purchases as they occur, relocate assets, update the inventory list, perform periodic physical inventories and investigate any differences, in an effort to prevent unauthorized or malicious access to these assets.

Officials Did Not Monitor or Properly Safeguard IT Assets

District officials use an inventory management software system to track any IT assets with a value of more than $500 and all tablet and laptop computers. This system records an item's description, tag number and location. Any IT asset disposal must be Board-approved, in accordance with the IT policy.

According to the inventory records, as of September 19, 2019, the District had 4,774 IT assets located throughout 11 District buildings and five non-District buildings.[1] Because District officials did not record the cost of items as part of the inventory records (even though the system had this capability), we were unable to accurately value this inventory. However, our review of purchase orders disclosed that officials spent approximately $1.1 million on IT assets during our audit period.

To test the accuracy of the District's IT assets inventory, we selected 475 items to observe (approximately 10 percent) that according to the inventory records were located in nine District buildings.[2] Collectively, the staff at these buildings were

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1 A parochial school located within the District was assigned 17 District IT assets. In addition, four institutions responsible for educating District students with special needs were assigned five District IT assets for specific students.

2 Refer to Appendix B for information on our sampling methodology.

unable to locate 146 of these items (31 percent) on the date of our initial visit to each building in October and November 2019 (Figure 1).[3]

IT Assets Not Located on Our Initial Visit
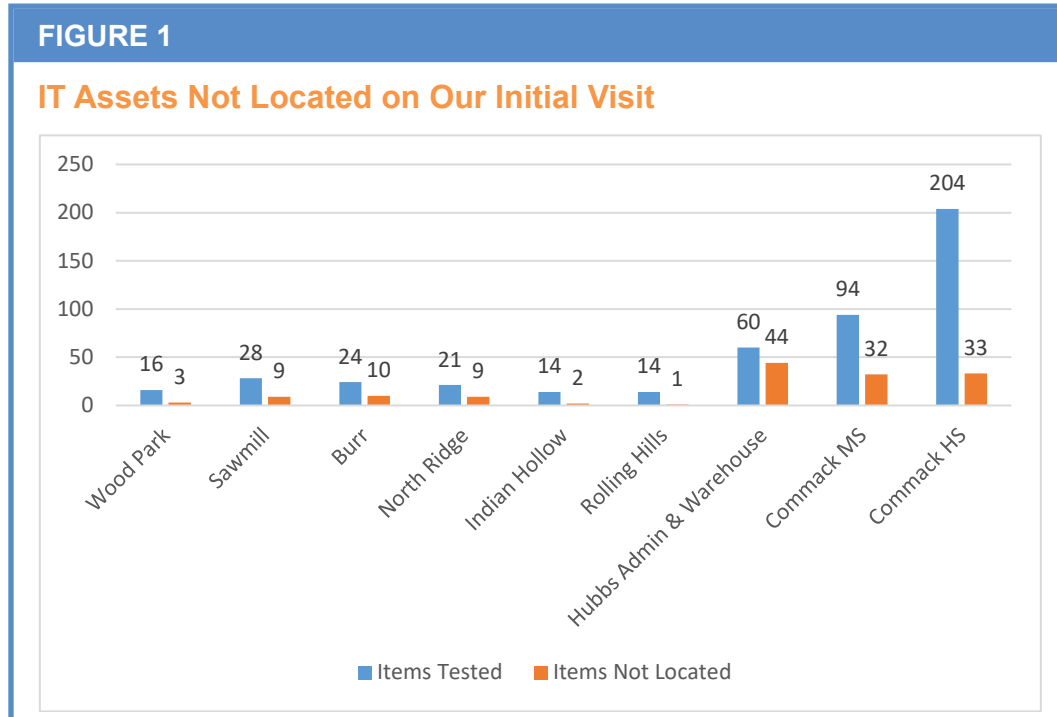
In December 2019, subsequent to our initial visits, we followed up seven times over a two-week period with District staff at the buildings. As a result, staff located an additional 80 items, between 11 and 55 days after our initial visit. Upon our initial request to observe the 475 items, District officials relied on administrative staff and teachers to locate the items.

Even though some Department staff throughout the buildings maintained their own asset records, they were unable to locate 66 of the 475 IT assets (approximately 14 percent) as of December 16, 2019, including laptops, tablet computers and printers. District staff were unable to locate the items we selected because of inaccurate inventory records and because officials did not ensure that staff accurately entered all the necessary information in the IT asset inventory system to properly track the purchase order date, cost and current asset location.

In addition, the inaccurate records were, at least partially, the result of officials not performing periodic IT asset physical inventories, inadequately documenting when items were replaced and failing to update inventory records with changes in an asset's location. For example, if IT assets were removed from a specific building

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3 At buildings where we requested to observe more than 50 items, our initial visit was spread over multiple days. We used the last day on which we requested items at a particular building as the date of our initial visit.

location for any particular reason, staff entered these items into a separate work order system instead of updating the inventory management system. However, the work order system did not include enough tracking information to allow staff to easily locate items.

Without adequate policies and procedures for maintaining complete, accurate and up-to-date records, District officials cannot determine whether all IT assets are properly accounted for. Furthermore, the failure to update relevant information in the inventory records, such as specific locations for each item, item cost and date of purchase, replacement or disposal, officials cannot readily determine asset location, the amount spent or the replacement cost for such items. Moreover, if officials do not maintain accurate IT asset records that include where the assets are located, there is an increased risk that IT asset loss or theft could occur without timely detection.

What Do We Recommend?

District officials should:

1. Implement policies and procedures to properly account for all IT assets.

2. Ensure that all information is entered in the inventory system to properly track purchase order date, cost and current asset location.

3. Adequately document the removal or replacement of IT assets.

4. Designate staff to be responsible for maintaining and updating the IT asset inventory to ensure the assets are accurately accounted for.

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Superintendent of Schools

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April 24, 2020

SENT VIA EMAIL TO: Muni-Hauppauge@osc.ny.gov

Mr. Ira McCracken, Chief Examiner
NYS Office Building, Room 3A10
250 Veterans Memorial Highway
Hauppauge, NY 11788-5533

Dear Mr. McCracken:

Unit Name: Commack Union Free School District
Audit Report Title: Information Technology Assets Inventory
Audit Report Number: 2020-M15

Audit Recommendation:
Implement policies and procedures to properly account for all electronic devices throughout the District.

Implementation Plan of Action:
The District has purchased ████████████████, a Help Desk solution, that will allow us to track our inventory. Through this system, any repairs, moves, or obsolete requests to District devices will be recorded to ensure accurate records.

The District has implemented ██████████ management solution, that will allow us to control District purchased iPads completely, including inventory, updates, and the ability to render the iPad useless in the event of theft.

Implementation Date:
March, 2020

Person Responsible for Implementation:
Paul Giordano, Network/Systems Coordinator

Corrective Action Plan
Information Technology Assets Inventory

Audit Recommendation:
Ensure that all fields previously established on the IT Asset inventory system are filled out to properly track purchase order date, cost, and current location of asset.

Implementation Plan of Action:
The District has added purchase order numbers and costs to the inventory record.

Implementation Date:
November, 2019

Person Responsible for Implementation:
Paul Giordano, Network/Systems Coordinator

Audit Recommendation:
Designate staff to be responsible for accounting for inventory, and updating the records to ensure the assets are accurately accounted for.

Implementation Plan of Action:
The District has designated Laura Rizzo, Computer Support Technician, to maintain and update our inventory on an ongoing basis.

Implementation Date:
November, 2019

Person Responsible for Implementation:
Laura Rizzo, Computer Support Technician

Signed:

_____
Dr. Donald A. James, Superintendent

5/1/2020
Date

Corrective Action Plan
Information Technology Assets Inventory

Appendix B: 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. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District official and staff to gain an understanding over IT assets inventory control.

- We reviewed and evaluated the District's IT policies and procedures.

- We obtained purchase order status reports from the financial system to determine the value of IT purchases made during our audit period.

- We reviewed the IT inventory records and determined that the District had 4,774 IT assets located throughout 11 District buildings, four non-District special education facilities and one parochial school. We randomly selected 475 IT assets (approximately 10 percent) from nine District buildings (four primary schools, two intermediate schools, one middle school, one high school and the Hubbs Administration Building and Warehouse) that each housed more than 20 IT assets. We visited each building over a one to three day period and presented a list of less than 50 items per day for building staff to locate for our observation, based upon the inventory records.

We conducted this performance audit in accordance with GAGAS (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.

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 to the District's website for public review.

Appendix C: Resources and Services

Regional Office Directory
www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas
www.osc.state.ny.us/localgov/costsavings/index.htm

Fiscal Stress Monitoring – Resources for local government officials
experiencing fiscal problems
www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

Local Government Management Guides – Series of publications that include
technical information and suggested practices for local government management
www.osc.state.ny.us/localgov/pubs/listacctg.htm#lgmg

Planning and Budgeting Guides – Resources for developing multiyear financial,
capital, strategic and other plans
www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-
technical cybersecurity guide for local government leaders
www.osc.state.ny.us/localgov/pubs/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.state.ny.us/localgov/finreporting/index.htm

Research Reports/Publications – Reports on major policy issues facing local
governments and State policy-makers
www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online
training opportunities on a wide range of topics
www.osc.state.ny.us/localgov/academy/index.htm

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

www.osc.state.ny.us/localgov/index.htm

Local Government and School Accountability Help Line: (866) 321-8503

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