



Gilboa-Conesville Central School District Oversight of Portable Devices

Report of Examination

Period Covered:

July 1, 2014 – October 6, 2015

2015M-344



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

April 2016

Dear School District Officials:

A top priority of the Office of the State Comptroller is to help school district officials manage their districts efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support district operations. The Comptroller oversees the fiscal affairs of districts statewide, as well as districts' compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving district operations and Board of Education governance. Audits also can identify strategies to reduce district costs and to strengthen controls intended to safeguard district assets.

Following is a report of our audit of the Gilboa-Conesville Central School District, entitled Oversight of Portable Devices. This audit was conducted 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.

This audit's results and recommendations are resources for district officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*

Introduction

Background

The Gilboa-Conesville Central School District (District) is located in five towns in Schoharie County, three towns in Greene County and one town in Delaware County. The District is governed by the Board of Education (Board), which is composed of five elected members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the District's chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction.

The District operates one school with approximately 332 students and 100 employees. The District's budgeted appropriations for the 2015-16 fiscal year are \$10.3 million, funded primarily with State aid, real property taxes and grants.

The District contracts with an information technology (IT) firm that assists the Superintendent in assessing the District's infrastructure and networking needs. The current IT environment has promoted an increase in portable devices. The District has increased its use of laptops and tablets, which provide advantages over desktop computers in providing educational services to students and staff while at the school. Currently, the District has approximately 500 portable devices reported on its inventory listing, including laptop computers, tablets and cameras.

Objective

The objective of our audit was to determine if portable devices were properly safeguarded. Our audit addressed the following related question:

- Did District officials provide adequate oversight of the portable device inventory and its associated use?

Scope and Methodology

We examined the District's internal controls relating to portable device inventories and use for the period July 1, 2014 through October 6, 2015.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report. 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.

**Comments of
District Officials and
Corrective Action**

The results of our audit and recommendations have been discussed with District officials, and their comments, which appear in Appendix A, have been considered in preparing this report. District officials generally agreed with our findings and recommendations and indicated their plans for corrective action.

The Board has the responsibility to initiate corrective action. 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, 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, with a copy forwarded to 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 Board should make the CAP available for public review in the District Clerk's office.

Oversight of Portable Devices

The District's IT system is a valuable and essential part of its operations. As such, it is imperative that District officials ensure that portable devices are accounted for and used properly. The Board and Superintendent are responsible for establishing and enforcing appropriate policies and procedures to protect these portable devices. The procedures should include periodic physical inventories (i.e., physically locating all District-owned portable devices to ensure they are accounted for); updating inventory lists as additions, deletions and relocations occur; and monitoring portable device use to ensure appropriateness.

Although Board policies require portable devices to be inventoried and used only for educational purposes, the District's procedures used to implement those policies are not working effectively. District officials did not keep their inventory list up-to-date when computers were deployed¹ to various locations or when they were disposed of. Also, they have not established effective procedures to monitor portable device use when taken off-site. Although we found minimal instances of unauthorized usage when we examined a sample of portable devices, the risk remains that the devices could be used for non-District purposes and, if so, introduce threats such as computer viruses to the portable devices.

Inventory

The Board's IT policy requires all assets to be properly inventoried. District officials should update their inventory list as portable devices are purchased, disposed of or moved from one location to another to ensure items are properly inventoried and easily located. Moreover, in order to ensure portable devices are properly accounted for, a designated official should periodically verify the location of all portable devices included on the inventory list. The inventory list should be as accurate as possible to facilitate this periodic inspection.

District officials did not provide adequate oversight of portable device inventory. Our testing² of the devices purchased, disposed of and that remained listed on District's inventory revealed the following results:

- Two laptops designated as surplus, due to their age and lack of significant value, were not disposed of and could not be located otherwise.

¹ Deployment is the term the District uses when a portable device is assigned to a new location or person.

² See Appendix B for additional details on our sample selection and audit testing.

- Thirteen portable devices³ had the wrong location documented on the inventory list.
- Five laptops were properly disposed of, but not removed from the inventory list.
- Two portable devices⁴ were not included on the inventory list.

Although procedures for updating the inventory list were designed properly, they were not always operating effectively. For example, as items were acquired, moved or disposed of, the updated information was not always properly communicated to the individual in charge of maintaining the inventory list. Moreover, District officials have not established adequate procedures to verify the location of all District-owned portable devices on a periodic basis to ensure they are accounted for properly. For example, on an annual basis, a District employee attempts to locate all the assets on the inventory list. However, if she cannot locate a portable device, she relies on assertions from other employees that the device is properly accounted for instead of physically verifying the location of the portable device. Without adequate procedures to update the inventory list and locate portable devices, there is a risk that the portable devices could be stolen, inappropriately removed from the premises or used by an unauthorized user.

Device Use

The District's policies allow staff to use portable devices from home after school hours. However, the portable devices must be used for educational purposes only, and staff members are not allowed to connect the portable devices to non-District networks, download any software or install any peripheral devices (e.g., printers). In addition, District officials are responsible for ensuring the District's portable devices are not used for illicit or illegal activities.

The District provides adequate oversight of Internet use while portable devices are connected to the District's network through the use of Internet filtering software which limits unauthorized use. Although an employee from the IT firm told us that this Internet filtering software is enforced, to some degree, even when devices are off-site, District officials do not periodically review portable devices when they are taken offsite to ensure employees are following the District's policies.

The Board established a policy that delineates what use is appropriate. However, District officials have not established adequate procedures

³ This included 11 laptops and two tablets.

⁴ A tablet was recently purchased and a laptop was being used in the business office, but was not listed in inventory because of confusion with another similar laptop donated to the District several years ago that was never put in use.

to ensure this policy is being followed. Therefore, we reviewed five⁵ portable devices that are allowed to be taken home to determine if District policies were being followed. Although we determined two of the five portable devices reviewed were connected to non-District networks, we did not find any indication of inappropriate software or hardware installations or illegal activities on any of the portable devices reviewed. In addition, we found minor violations of the Board's policy regarding appropriate use which we verbally communicated to District officials. However, connecting District devices to non-District networks increases the risk that District systems could become infected with malware, thus compromising the confidentiality of the District's data.

Without adequate procedures to ensure the District's computer and Internet use policies are being followed, there is a risk that District officials could use portable devices for non-District purposes, which could introduce harmful computer viruses to the portable devices. Moreover, there is a risk that the portable devices could be used for illicit or illegal activities.

Recommendations

The Board and Superintendent should:

1. Ensure information is communicated to the individual responsible for maintaining the inventory list as items are acquired, moved from one location to another or disposed of so that the inventory list is updated in a timely manner.
2. Establish procedures to physically confirm the location of all District-owned portable devices on a periodic basis to ensure they are accounted for properly.
3. Ensure there are adequate procedures in place to monitor portable device use when they are taken off-site.

⁵ Five portable devices equate to 14 percent of all portable devices that are allowed to be taken off-site.

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

The District officials' response to this audit can be found on the following pages.



Gilboa-Conesville Central School

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March 15, 2016

Office of the State Comptroller
State Office Building, Room 409
333 E. Washington Street
Syracuse, New York 13202-1428

Re: Audit report 2015M-344

Dear Office of the State Comptroller:

We are responding to the District's audit of Oversight of Portable Devices for the period July 1, 2014 through October 6, 2015.

There were three recommendations made to us. We have developed a corrective action plan which we understand to the extent practical must be implemented by the end of the next fiscal year or by June of 2017.

Recommendation #1

The Board and Superintendent should: ensure information is communicated to the individual responsible for maintaining the inventory list as items are acquired, moved from one location to another or disposed of so that the inventory list is updated in a timely manner.

Corrective Action Plan #1

- 1) We will work with our IT Department to improve communication.
- 2) We will make a checklist for IT to fill out for any items purchased, disposed of or placed in a location. This checklist will include date, location, device internal inventory number, device model, serial number, date device location verified and signatures of the persons who either disposed of the item, placed it in a location and/or verified its location.
- 3) We will maintain an electronic file and /or a binder with all the checklists.

Recommendation #2

The Board and Superintendent should: establish procedures to physically confirm the location of all District-owned portable devices on a periodic basis to ensure they are accounted for properly.

Corrective Action Plan #2

- 1) Throughout the months of December and January, we will go from room to room to verify that we saw the device(s).
- 2) During the late spring we will go from room to room to verify that we saw the device(s).

Recommendation #3

The Board and Superintendent should: ensure there are adequate procedures in place to monitor portable device use when they are taken off site.

Corrective Action Plan #3

- 1) We will review our policy and update it to our current use and needs.
- 2) We will communicate more frequently with our IT Department to ensure that they are able to safeguard our network with firewalls and security measures in order to keep our network secure.

Conclusion

Overall we were very pleased with the results of the audit. Given the large number of devices that we have, we believe that we do a very good job of controlling our resources. We thank the auditors for their courtesy and professionalism.

Sincerely,

Michael Fleischman
President of the Board of Education

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objective and obtain valid evidence, we performed the following procedures:

- We reviewed the District's existing policies and procedures for acquiring, disposing of and using portable devices and accessing the Internet through the District's network.
- We interviewed District officials, employees and the IT vendor to gain an understanding of the IT environment and how portable devices are used at the District.
- We examined the documentation for all 52 portable devices purchased during our audit period and traced the purchases to the inventory list to determine if it was accurate and up-to-date.
- We randomly selected a sample of 25 out of 498 portable devices from the inventory list to determine if they were in the locations listed.
- We attempted to locate 34 portable devices by randomly selecting three school building locations as documented on the inventory list of 498 portable devices to verify whether they were in the locations listed.
- We examined five portable devices, selected judgmentally based on the assigned users, out of the population of 37 that are allowed to be taken home by staff to determine if the use of the devices was in compliance with the District's use policy.
- We randomly selected a sample of four portable devices from the list of 39 portable devices most recently disposed of to determine if they were disposed of in accordance with the District's policy and were removed from the District's inventory list. Due to the large percentage of discrepancies, we added four portable devices to our sample.

We conducted this performance audit in accordance with 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.

APPENDIX C

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