



# Geneseo Central School District

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## IT Asset Management

S9-22-11 | March 2023

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# Report Highlights

## Geneseo Central School District

### Audit Objective

Determine whether Geneseo Central School District (District) officials appropriately tracked, inventoried and safeguarded information technology (IT) assets acquired or in use during the audit period.

### Key Findings

District officials did not appropriately track or inventory IT assets, maintain complete IT inventory records or establish adequate controls to safeguard IT assets. As a result, officials cannot assure taxpayers that money invested in IT assets has been appropriately spent or safeguarded.

We selected 55 IT assets to confirm their location and that they were inventoried, and 10 additional IT assets to confirm they were inventoried. We found 12 percent of the sampled assets were not properly accounted for. Specifically:

- Five Chromebooks with estimated total costs of \$1,300 based on recent purchases could not be physically located.
- Two interactive displays (one costing \$2,281 and one without a cost recorded) and one printer (no cost recorded) were not inventoried.

In addition, annual inventories were not conducted and officials did not adopt a comprehensive written policy for IT equipment inventory.

### Key Recommendations

- Ensure District inventory records are complete and include the details necessary to adequately track and locate IT assets.
- Perform annual and complete physical inventories and compare results to inventory records.

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

### Background

The District serves the Towns of Geneseo, Groveland, Sparta and West Sparta in Livingston County.

The elected seven-member Board of Education (Board) is responsible for the general management of the District.

The Superintendent serves at the Board's direction and is responsible for day-to-day management.

The Technology Coordinator is responsible for overseeing the IT Department, including IT asset inventory management.

The District purchases and/or leases most of its IT assets through Genesee Valley Board of Cooperative Educational Services (BOCES) as well as Wayne-Finger Lakes BOCES.

#### Quick Facts

District	
Enrollment	849
Staff	354
Approximate Cost of IT Assets Purchased or Leased in Our Scope	\$600,000

### Audit Period

July 1, 2019 – March 31, 2022. We expanded our audit period through June 27, 2022 to observe inventory at the District.

# IT Asset Management

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School districts purchase a wide variety of IT equipment, such as interactive displays and desktop computers, as well as highly portable items, such as monitors, laptops and tablets. These assets can make up a significant portion of a district's IT asset inventory, in both value and number. School district officials are responsible for providing oversight to ensure that assets are protected from loss, inventory records are current, and assets can be easily located.

With the onset of the COVID-19 pandemic, school districts acquired a significant number of IT assets to transition to remote and hybrid learning. This influx of new and often highly portable IT assets highlighted the importance of tracking and inventorying practices to ensure that taxpayer funds are appropriately spent and safeguarded.

## **How Should District Officials Inventory and Safeguard IT Assets?**

A school board should adopt a comprehensive written policy that sets forth guidelines and procedures for establishing and maintaining IT asset inventory. Although some IT assets could be considered fixed assets, IT assets' portability and access to a district's network and/or confidential data poses a distinct risk of loss or misuse. Given this risk, school district officials should establish a separate, well-defined policy that includes guidance for school district officials to maintain detailed, up-to-date inventory records for all IT assets including:

- Adding new equipment to the inventory,
- Notifying the IT Department when equipment is reassigned, lost or stolen,
- Documenting and updating the inventory for equipment disposal, and
- Annually reviewing the physical inventory.

Inventory records should include a description of each item including the make, model and serial number; the name of the individual to whom the device is assigned, if applicable; the physical location of the asset; and relevant purchase or lease information including the initial cost, depreciation and acquisition date.

In addition, school district officials should verify the accuracy of IT asset inventory records through annual physical inventory counts. Devices should be periodically examined to assess their condition and to verify accurate location information in the inventory records. Maintaining complete and up-to-date IT asset inventory records also helps a school board develop and implement an effective IT equipment replacement plan. To safeguard IT assets from loss, theft or misuse, IT assets should be in a locked and secured area with environmental controls such as smoke detectors, fire alarms and extinguishers, and protection from water damage.

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## Officials Did Not Appropriately Inventory or Safeguard IT Assets

Although the Board-adopted Fixed Assets Policy<sup>1</sup> (Policy) requirements provide direction for officials to track and inventory assets, the Board did not adopt a comprehensive written policy specifically for IT equipment inventory. According to the Policy, fixed assets are generally long-term (i.e., lasting more than one year), tangible resources intended to be continuously held or used and may include equipment. Based on this definition, most IT assets would be subject to this policy guidance without a comprehensive policy specifically for IT assets.

The Policy states assets should be labeled and inventory records for each asset should be maintained. These inventory records, where possible, should contain:

- Date of acquisition,
- Description,
- Cost or value,
- Location,
- Asset type,
- Estimated useful life,
- Replacement cost,
- Current value
- Salvage value,
- Date and method of disposition, and
- Responsible official.

The Policy requires certain attributes to be recorded that do not necessarily aid in tracking and inventorying IT assets but are important for other operational needs. For example, cost, acquisition date or condition and useful life information do not aid in tracking an asset but are useful for determining overall cost or age of assets, which in turn, could ensure appropriate insurance coverages are maintained and assist in planning for replacement of assets reaching the end of their useful life. Although the District's accounting records have the cost, acquisition date and vendor information for IT assets, this information is not easily compiled for inclusion in the District's IT asset inventory records and therefore cannot easily aid in planning for future IT asset investments. Therefore, the cost and age of all IT assets currently in use by the District was undetermined at the conclusion of our fieldwork.

Inventory Records – The Technology Coordinator and his staff maintain three inventory records for IT assets: a fixed IT asset list, a mobile devices list and an inventory list for assets assigned to a project office. We reviewed these three lists and found each list did not always contain adequate information to sufficiently track and/or identify the District's IT assets. For example, the fixed asset and mobile devices lists had missing information for individual entries, such as an IT asset's serial number and an assigned user or location.

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<sup>1</sup> Policy 5620, adopted November 20, 2012

Specifically:

- The fixed IT asset list was missing serial numbers for 89 out of 1,400 items and nine devices were missing their assigned physical location and/or responsible official.
- The mobile device list was missing serial numbers for 82 out of 1,615 devices, and 12 devices were missing their assigned user and/or responsible official.

Further, none of the three lists contained all information required by the District's Policy, including date of acquisition, cost or value, condition and useful life, replacement cost, current value, salvage value, or date and method of disposition (Figure 1).

**FIGURE 1: Board-Required Inventory List Attributes**

Inventory Lists	Acquisition Date	Description	Cost or Value	Location	Asset Type	Estimated Useful Life
Fixed IT Asset	X	✓	X	✓	✓	X
Mobile Device	X	✓	X	✓	✓	X
Project Office	X	✓	X	✓	✓	X
	Replacement Cost	Current Value	Salvage Value	Disposal Info	Responsible Official	
Fixed IT Asset	X	X	X	X	✓	
Mobile Device	X	X	X	X	✓	
Project Office	X	X	X	X	✓	

The Technology Coordinator did not have an explanation for why the required information was missing or incomplete on the lists and told us he was not aware of the Board Policy for inventories. Missing or incomplete information could make tracking IT assets more difficult and unnecessarily time consuming.

Further, in our physical inspection test of 55 IT assets, and an additional test of 10 assets identified during our walk-through of the District, we found three assets were not listed in the District's inventory records. These assets included two interactive displays, one costing \$2,281 and the other without an assigned cost, and one printer without a cost assigned to it.

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The Technology Coordinator told us the employee responsible for installing the interactive displays did not provide him with a list of installed devices or their locations, resulting in the inventory records not being updated. However, he should have confirmed what was installed and updated the records accordingly. The Technology Coordinator also told us documentation of installed printer devices is maintained but some devices were not integrated into the fixed asset inventory list.

Annual Inventories – Although the Technology Coordinator said a full inventory of IT assets was completed in the summer of 2018, he was not able to provide documentation to support the inventory was conducted or that the inventory system was updated as a result. During our onsite audit fieldwork in June 2022, the Technology Coordinator told us he expected to conduct an IT asset inventory of the entire District later in the summer of 2022, and at that time the IT Department will update all information on the IT asset inventory lists. Had the IT Department conducted an adequate annual inventory, the three assets we found were not listed in the District’s inventory records should have been identified and subsequently added to their respective inventory records.

Safeguarding Assets – Although we found storage locations for District IT assets were adequately secured, the Technology Coordinator could not locate five Chromebooks of the 55 IT assets we selected to physically confirm they were in the District’s possession. We estimate the total costs of these Chromebooks to be \$1,300 based on other Chromebook purchases made in our audit period.

The Technology Coordinator told us two Chromebooks were initially sent to Genesee Valley BOCES for repair but believed he and the IT Department staff determined the repair was not worth the cost and kept the Chromebooks for use as spare parts. The three remaining Chromebooks were assigned to students, but inactive since September and October 2020. The Technology Coordinator was unsure why the Chromebooks were inactive, but speculated there could have been a technical issue or that the students may have begun using their own devices instead and never returned the Chromebooks. The Technology Coordinator did not have evidence to support his assertions.

The Technology Coordinator did not maintain detailed up-to-date inventory records or a single master inventory list and did not conduct annual inventories. As a result, District officials cannot be assured that IT assets are adequately accounted for and would be detected if lost, stolen, or misused. Further, complete, accurate, and up-to-date inventory records help District officials ensure that IT assets are properly insured, tracked through their life cycle and replaced as necessary. Finally, when inventory records are incomplete, and assets are not properly accounted for, District officials cannot assure taxpayers that money invested in IT assets has been appropriately spent or safeguarded.

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## What Do We Recommend?

The Board should:

1. Adopt a specific comprehensive written policy to appropriately track and inventory IT equipment. This policy should include guidance and processes for:
  - Maintaining detailed, up-to-date inventory records for all IT equipment,
  - Adding new equipment to the inventory,
  - Notifying the IT Department when equipment is reassigned, lost or stolen,
  - Documenting and updating the inventory for equipment disposal, and
  - Annually reviewing the physical inventory.
2. Require the IT Director to perform a physical inventory of all IT equipment, locate missing and unaccounted-for equipment and update inventory records accordingly.
3. Develop a process to retrieve student-assigned devices that are not returned at the end of the school year.

The Technology Coordinator should:

4. Ensure District inventory records include the detail necessary to adequately track and locate an IT asset and that asset records minimally include the make, model and serial number; the name of the individual to whom the device is assigned, if applicable; the physical location of the asset; and relevant purchase or lease information including the initial cost, depreciation and acquisition date.
5. Review and comply with applicable District policies.
6. Update inventory records to track the assets not currently in District records.
7. Perform a complete, annual physical inventory and compare the results to inventory records. Take appropriate action to follow up on any discrepancies.

# Appendix A: Response From District Officials



## Geneseo Central School District

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*Superintendent*

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Division of Local Government & School Accountability  
PSU – CAP Submission  
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Albany, NY 12236

January 2, 2023

To Whom It May Concern:

We are writing in response to the NYS Comptroller Audit regarding our IT Asset inventory from the period from July of 2019 through June of 2022. School officials from Geneseo Central School (Superintendent, Business Administrator, and Technology Coordinator) had a virtual exit conference with auditors from the Comptroller's Office on December 21<sup>st</sup> to discuss the findings and agreed with the recommendations set forth from the audit. The Technology Office has already begun the work in adding the recommended fields in a more comprehensive inventory of IT assets for the district and are already auditing the mobile devices that are issued to both staff members and students.

The audit recommends that the district do the following things to better track our IT Equipment:

The Board should:

1. Adopt a specific comprehensive written policy to appropriately track and inventory IT equipment. This policy should include guidance and processes for:
  - Maintaining detailed, up-to-date inventory records for all IT equipment,
  - Adding new equipment to the inventory,
  - Notifying the IT Department when equipment is reassigned, lost or stolen,
  - Documenting and updating the inventory for equipment disposal, and
  - Annually reviewing the physical inventory.
2. Require the IT Director to perform a physical inventory of all IT equipment, locate missing and unaccounted-for equipment and update inventory records accordingly.
3. Develop a process to retrieve student-assigned devices that are not returned at the end of the school year.

The Technology Coordinator should:

4. Ensure District inventory records include the detail necessary to adequately track and locate an IT asset and that asset records minimally include the make, model and serial number; the name of the individual to whom the device is assigned, if applicable; the physical location of the asset; and relevant purchase or lease information including the initial cost, depreciation and acquisition date.
5. Review and comply with applicable District policies.
6. Update inventory records to track the assets not currently in District records.



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7. Perform a complete, annual physical inventory and compare the results to inventory records. Take appropriate action to follow up on any discrepancies.

Attached you will find the Corrective Action Plan that will correspond with each of these recommendations from our Audit. Please let us know if there are any areas that you have questions about or need to be explained in more detail.

Thank you for your time and suggestions throughout this audit process.

Sincerely,

Cindy Flowers  
Superintendent of Schools

## Appendix B: Audit Methodology and Standards

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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 selected the District for audit from a list of school districts (excluding NYC schools) with enrollment greater than 300 and not currently in the OSC audit process at the time of selection. We classified school districts into four groups by enrollment and, using a random number generator, selected Districts from these groups. The list was broken out by geographic region for an even representation of school districts across the State for this multi-unit audit.
- We interviewed District officials and reviewed District policies and Board minutes to gain an understanding of IT asset management.
- We reviewed IT inventory records provided by the Technology Coordinator to determine if the records contained sufficient information to identify IT assets.
- We selected a sample of 55 IT assets, 37 representing assets acquired through BOCES, 13 representing direct District purchases, and five from a student device report. For the 37 assets acquired through BOCES, we obtained agreements and BOCES inventory lists of assets provided to the District. For 13 District purchases, we obtained an account transaction report that lists vendors IT assets are purchased through and sampled devices from invoices and/or packing slips relating to the largest annual purchase for each vendor. The five student devices were selected based on at least six-months of school access inactivity.
- We performed a walkthrough of District facilities and judgmentally selected 10 assets to determine whether the assets were accurately recorded in the inventory records. During our visual inspection of District IT assets, we assessed the general condition of their locations for the potential risk of damage or loss.

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.

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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 C: Resources and Services

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### **Regional Office Directory**

[www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf](http://www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf)

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

[www.osc.state.ny.us/local-government/publications](http://www.osc.state.ny.us/local-government/publications)

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

[www.osc.state.ny.us/local-government/fiscal-monitoring](http://www.osc.state.ny.us/local-government/fiscal-monitoring)

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

[www.osc.state.ny.us/local-government/publications](http://www.osc.state.ny.us/local-government/publications)

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

[www.osc.state.ny.us/local-government/resources/planning-resources](http://www.osc.state.ny.us/local-government/resources/planning-resources)

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

[www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf](http://www.osc.state.ny.us/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.state.ny.us/local-government/required-reporting](http://www.osc.state.ny.us/local-government/required-reporting)

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

[www.osc.state.ny.us/local-government/publications](http://www.osc.state.ny.us/local-government/publications)

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

[www.osc.state.ny.us/local-government/academy](http://www.osc.state.ny.us/local-government/academy)

## Contact

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