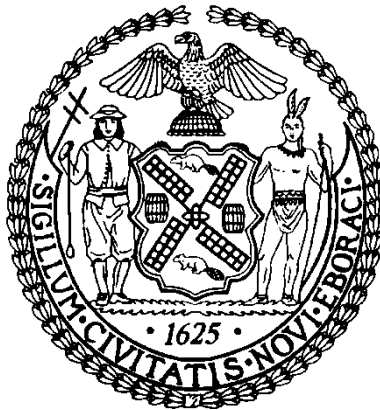


**CITY OF NEW YORK
OFFICE OF THE COMPTROLLER**

**John C. Liu
COMPTROLLER**

MANAGEMENT AUDIT

**Tina Kim
Deputy Comptroller for Audit**



**Audit Report on Queens District Attorney's
Office Controls over Its Inventory of Computer
and Computer-related Equipment**

ME11-125A

May 4, 2012

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

John C. Liu
COMPTROLLER

May 4, 2012

To the Residents of the City of New York

My office has audited the Queens District Attorney's Office (the Office) to determine whether it maintains adequate controls over its inventory of computer and computer-related equipment. We audit programs such as this to determine whether City agencies are adequately maintaining and safeguarding their resources.

The audit concluded that the Office had adequate controls over its inventory of computer and computer-related equipment. Specifically, the audit determined that the Office's inventory policies and procedures were appropriate and that the sampled computers and computer-related items were properly identified on the inventory records, were appropriately tagged, and were at their assigned locations.

However, the Office's written procedures on the relinquishment of its computer-related equipment were not current. To address this issue, the audit recommended that the Office update and clarify these written procedures.

The results of this audit have been discussed with Office officials, and their comments have been considered in preparing this report. Their complete written response is attached to this report.

If you have any questions concerning this report, please e-mail my audit bureau at audit@Comptroller.nyc.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "JCL", written over a light blue rectangular background.

John C. Liu

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*The City of New York
Office of the Comptroller
Management Audit*

**Audit Report on Queens District Attorney's
Office Controls over Its Inventory of Computer and
Computer-related Equipment**

ME11-125A

AUDIT REPORT IN BRIEF

This audit determined whether the Queens District Attorney's Office (the Office) maintains adequate controls over its inventory of computer and computer-related equipment. The primary scope of the audit was July 1 through December 31, 2011.

The Office is responsible for the investigation and prosecution of criminal cases within Queens County, the City's second most populous borough. The Office's Systems Management and Information Services unit is responsible for the Office's information technology, including its computer hardware and networking equipment. During Fiscal Year 2011, the Office's expenditure for computers and computer-related items was approximately \$110,900.

Audit Findings and Conclusions

The Office had adequate controls over its inventory of computer and computer-related equipment. Specifically, we determined that its inventory policies and procedures were appropriate and that the computers and computer-related items in our samples were properly identified on the inventory records, were appropriately tagged, and were at their assigned locations. However, the Office's written procedures on the relinquishment of its computer-related equipment need to be updated.

Audit Recommendation

To address this issue, the audit recommends that the Office update and clarify its written procedures on the entire relinquishment process, including how the Office plans to safeguard any data that remains in stored computer-related equipment designated for disposal and how it plans to render any such data permanently unreadable prior to the item actually being relinquished.

Agency Response

In its response, Queens District Attorney's Office agreed to implement the audit's recommendation.

INTRODUCTION

Background

The Office is responsible for the investigation and prosecution of criminal cases within Queens County, the City's second most populous borough.

The Office's Administration Division is responsible for administrative management and includes the Fiscal Services and Budget, Personnel and Payroll Services, and Systems Management and Information Services units. The Systems Management and Information Services unit is responsible for the Office's information technology, including its computer hardware and networking equipment, which is located in six separate facilities in Queens.

During Fiscal Year 2011, the Office's expenditure for computers and computer-related items was approximately \$110,900.

Objective

The objective of this audit was to determine whether the Office maintains adequate controls over its inventory of computer and computer-related equipment.

Scope and Methodology Statement

We conducted this performance audit in accordance with 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, except for computer-related inventory items identified as being located in the "Plant." We were denied physical access to these items as noted in the subsequent paragraph. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The Office did not grant us access to the 148 computers and computer-related items that were identified on the inventory records as being located in the "Plant." Office officials stated that the "Plant" is an off-site location that is a center for ongoing investigations, including court-ordered electronic surveillance, and, as such, is a highly sensitive, confidential location. Accordingly, the Office's computers and computer-related items at this location were not reviewed during this audit.

The audit scope period was July 1 through December 31, 2011. Please refer to the Detailed Scope and Methodology section at the end of this report for a discussion of the specific procedures followed and the tests conducted during this audit.

Discussion of Audit Results

The matters covered in this report were discussed with officials of the Queens District Attorney's Office during and at the conclusion of this audit. A preliminary draft report was sent to Office officials on January 30, 2012. On April 3, 2012, we submitted a draft report to Office officials with a request for comments. We received a written response from the Office on April 16, 2012. In its response, the Office agreed to implement the audit's recommendation.

The Office's written response is included as an addendum to this report.

FINDINGS AND RECOMMENDATIONS

The Office had adequate controls over its inventory of computer and computer-related equipment. Specifically, we determined that its inventory policies and procedures were appropriate and that the computers and computer-related items in our samples were properly identified on the inventory records, were appropriately tagged, and were at their assigned locations.

However, the Office's written procedures on the relinquishment of its computer-related equipment need to be updated.

Office Had Adequate Controls over Its Inventory of Computer and Computer-related Equipment

Comptroller's Directive #1 states that some assets are particularly susceptible to theft and misuse and, as such, require strong controls to ensure that they are properly safeguarded. Our physical inventory of computers and computer-related items determined that the Office has adequate controls over these assets. The Office provided the inventory records on its computers and computer-related items on August 22, 2011. We randomly selected a total of 120 of the 2,954 computers, monitors, printers, scanners, speakers, servers, laptops, and blackberries identified on these records. On October 24, 2011, and October 25, 2011, we conducted a physical inventory and found all 120 items. These computers and computer-related items were at their assigned locations and were appropriately tagged as being the property of the Office.

We also randomly selected three of the 33 locations identified in the inventory records and conducted walk-throughs on October 25, 2011, to determine whether a sample of 52 judgmentally selected computers and computer-related items were included on the Office's inventory records. During our walk-throughs of the three locations, we found that all 52 items were included in the Office's inventory records and were appropriately tagged as being the property of the Office.

Finally, from a list of the Office's 44 payment vouchers for computer and computer-related purchases made during Fiscal Years 2009, 2010, and 2011, we selected for review the 11 payment vouchers that showed the serial numbers of at least some of the computer assets purchased. These 11 vouchers showed the serial numbers for a total of 78 computers and computer-related items. These serial numbers allowed us to compare these assets to the August 22, 2011, inventory records we received from the Office. We determined that all 78 items were appropriately identified in the inventory records.

Relinquishment Procedures Have Not Been Updated

The Office's August 22, 2007 relinquishment procedures explained the process to be followed when the Office relinquished computer-related equipment through the Department of Citywide Administrative Services (DCAS). However, on August 15, 2011, DCAS informed the Office that unless a computer item has a "reuse or sale value," non-mayoral agencies (such as the Office) must dispose of the item via a third-party vendor they select. Due to the fact that under

the 2007 procedures DCAS had the authority to approve the Office's equipment disposal requests and that this authority now rests with the Office, the procedures should be updated to clarify the current approval process for the disposal of computer equipment. These procedures should clearly explain the entire relinquishment process, including how the Office plans to safeguard any data that remains in stored computer-related equipment designated for disposal and how it plans to render any such data permanently unreadable prior to the item actually being relinquished.

Recommendation

1. The Office should update and clarify its written procedures on the relinquishment of its computer-related equipment. These procedures should clearly explain the entire relinquishment process, including how the Office plans to safeguard any data that remains in stored computer-related equipment designated for disposal and how it plans to render any such data permanently unreadable prior to the item actually being relinquished.

Office Response: “As to your recommendation that we review and update our relinquishment procedures related to computer and computer-related equipment, we agree to review our existing relinquishment policies and procedures and modify them, where needed, to reflect our ongoing use of City guidelines and procedures as well as the change of our access to the DCAS relinquishment contract, which is no longer open to non-mayoral agencies under the current City contract. We specifically will confirm the Office's ongoing policies to safeguard data in any stored computer-related equipment designated for disposal and to handle any relinquishment of computer and computer-related equipment in accord with City guidelines, using approved vendors by type of equipment, following all Department of Sanitation mandates for safe handling, and maintaining records of all computer and computer-related equipment relinquishments.”

Auditor Comment: We also suggest that the updated relinquishment procedures refer to the approved methods for data destruction outlined in the Department of Information Technology and Telecommunications' *Digital Media Re-use and Disposal Policy*.

DETAILED SCOPE AND METHODOLOGY

We conducted this performance audit in accordance with 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, except for computer-related inventory items identified as being located in the “Plant.” We were denied physical access to these items as noted in the subsequent paragraph. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The Queens District Attorney’s Office did not grant us access to the 148 computers and computer-related items that were identified on the inventory records as being located in the “Plant.” Office officials stated that the “Plant” is an off-site location that is a center for ongoing investigations, including court-ordered electronic surveillance, and, as such, is a highly sensitive, confidential location. Accordingly, the Office’s computers and computer-related items at this location were not reviewed during this audit.

The audit scope period was July 1 through December 31, 2011.

To obtain an understanding of the inventory procedures and regulations with which the Queens District Attorney’s Office is required to comply, we reviewed its inventory policies and procedures, relevant provisions of the Department of Investigation’s Standards for Inventory Control and Management, Comptroller’s Directive #1 (Principles of Internal Control), and Comptroller’s Directive #18 (Guidelines for the Management, Protection and Control of Agency Information and Information Processing Systems).

To obtain an understanding of the Office’s inventory controls and to determine how physical assets are safeguarded, we interviewed various agency officials, including the Executive Assistant District Attorney and the Director of Systems Management. In addition, to understand the purchasing procedures, we interviewed the Fiscal and Purchasing Directors of the Office.

To assess inventory controls, we conducted a physical inventory of a sample of the computers and computer-related items listed on the Office’s August 22, 2011, inventory records. The inventory list identified 3,746 computers and computer-related items. As stated above, the Office did not grant us access to the 148 computers and computer-related items that were identified on the inventory records as being located at the “Plant.” In addition, we decided to exclude small items, such as flash drives, wireless USB cards, switches, and hubs from the population. After excluding the items located at the “Plant” and the indicated small items, we arrived at a population of 2,962 computers and computer-related items. We evaluated the inventory list for any duplicate entries and found eight duplicate items, which we removed from the population. (Office officials explained that the duplicate entries were due to a variety of mistakes, including data-entry errors.) From the remaining population of 2,954 computers, monitors, printers, scanners, speakers, servers, laptops, and blackberries, we randomly selected 120 of these assets and determined whether they were present at the office. We also randomly

selected three of the 33 locations identified in the inventory records and conducted walk-throughs to determine whether a sample of 52 judgmentally selected computers and computer-related items were included on the Office's inventory records. In addition, we checked whether the 172 items in these two samples were properly tagged as being the property of the Office.

Finally, we obtained a list of the Office's payment vouchers for computer and computer-related purchases made during Fiscal Years 2009, 2010, and 2011. From this list of 44 payment vouchers, we selected for review the 11 payment vouchers that showed the serial numbers of at least some of the computer assets purchased. These 11 vouchers showed the serial numbers for a total of 78 computers and computer-related items. These serial numbers allowed us to compare these assets to the August 22, 2011, inventory records received from the Office to determine whether they had been appropriately listed on the inventory records.

We did not evaluate the reliability and integrity of the Office's computer-processed purchasing data generated by the City's Financial Management System because the City's external auditors review this system as part of the annual audit of the City's financial statements.

The results of the above tests, while not projectable to all of the Office's computers and computer-related items, provided a reasonable basis to assess the Office's computer inventory controls.



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April 16, 2012

Ms. Tina Kim
Deputy Comptroller for Audits
Office of the New York City Comptroller
1 Centre Street, Room 1100
New York, New York 10007-2341

**Re: Response to Audit Report on Queens District Attorney's Office Controls Over its
Inventory of Computer and Computer-Related Equipment
Report # ME-11-125A**

Dear Ms. Kim:

We are in receipt of the above-captioned draft report on this Office's controls over its inventory of computer and computer-related equipment and have reviewed your findings and recommendations. We are pleased with your positive findings and your conclusions that this office maintains adequate controls over its inventory of computer and computer-related equipment, that our policies and procedures are appropriate, and that all items sampled were properly identified in our inventory records, were appropriately tagged, and were at their assigned locations.

As to your recommendation that we review and update our relinquishment procedures related to computer and computer-related equipment, we agree to review our existing relinquishment policies and procedures and modify them, where needed, to reflect our ongoing use of City guidelines and procedures as well as the change of our access to the DCAS relinquishment contract, which is no longer open to non-mayoral agencies under the current City contract. We specifically will confirm the Office's ongoing policies to safeguard data in any stored computer-related equipment designated for disposal and to handle any relinquishment of computer and computer-related equipment in accord with City guidelines, using approved vendors by type of equipment, following all Department of Sanitation mandates for safe handling, and maintaining records of all computer and computer-related equipment relinquishments.

We thank you and your audit staff led by Assistant Director James Bradley, Audit Manager Jennifer Murrell, and Guytele Lubin-Marsan.

Sincerely,

A handwritten signature in black ink, appearing to read "Eileen M. Sullivan". The signature is fluid and cursive, with the first name being the most prominent.

Eileen M. Sullivan

Executive Assistant District Attorney