



# **Locust Valley Central School District**

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## Information Technology Equipment Management

**2024M-134 | April 2025**

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# Report Highlights

## Locust Valley Central School District

### Audit Objective

Determine whether Locust Valley Central School District (District) officials maintained a complete and accurate inventory of information technology (IT) equipment.

### Key Findings

District officials did not maintain complete and accurate IT inventory records. As a result, officials cannot assure taxpayers that all IT equipment is safeguarded, adequately accounted for and would be detected if lost, stolen or misused.

The Board of Education (Board) did not adopt a comprehensive written policy for IT equipment inventory or perform periodic physical inventories. We determined that 49 of the 72 IT assets we reviewed (68 percent) were not properly accounted for. Specifically:

- 49 IT assets totaling \$56,909, including 37 assets with a total purchase price of \$39,667 and 12 assets with a total estimated purchase price of \$17,242 were not inventoried.
- Four IT assets totaling \$1,646 could not be physically located.

### Key Recommendations

- Develop and adopt a comprehensive policy and procedures to appropriately track and inventory IT equipment.
- Maintain complete, accurate and up-to-date IT inventory records.
- Perform periodic physical inventories.

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

### Audit Period

July 1, 2022 – January 30, 2024

We expanded our audit period through April 3, 2024 to observe inventory at the District.

### Background

The District’s boundaries include the Town of Oyster Bay in Nassau County and is governed by the elected seven-member Board responsible for the District’s general management and control of educational and financial affairs.

District officials are responsible for ensuring that IT inventory records are current and accurate and that assets are protected from loss, misuse and/or theft.

The Superintendent of Schools (Superintendent) is the District’s chief executive officer responsible, along with other administrative staff, for day-to-day management under the Board’s direction.

The Assistant Superintendent for Business (ASB) is responsible for maintaining a system of controls over fixed assets and other inventoried District property and the IT Manager is responsible for overseeing the IT Department and tracking IT equipment.

Quick Facts	
IT Equipment Purchased During the Audit Period	
Number of Items	685
Value of Items	\$444,221

# IT Equipment Management

## How Should District Officials Inventory and Safeguard IT Equipment?

To ensure officials have access to reliable, up-to-date IT asset information, a school district (district) should maintain a complete, accurate and up-to-date inventory record of the district's IT assets. IT 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 information including the initial cost and acquisition date.

Officials should also comply with any district policy that sets forth guidelines and procedures for establishing and maintaining an IT asset inventory. Such a policy should either specify which types of assets to be inventoried or establish a minimum value.

The IT Manager, who is responsible for overseeing the IT Department and tracking IT equipment, should ensure all equipment is marked or labeled as property of the District. For more sensitive items, such as those susceptible to theft, tags with individual serial numbers should be affixed to the equipment and detailed records should be maintained. Equipment should be inventoried as soon as it is received and labeled and/or tagged before it is placed into service.

**FIGURE 1**

### OSC Publication

(LGMG) – *Information Technology Governance*



Access this publication at: <https://www.osc.ny.gov/files/local-government/publications/pdf/information-technology-governance.pdf>

The IT Manager should ensure the accuracy of IT inventory records is verified annually or on a planned schedule, by conducting a physical inventory of equipment assigned to each location. The physical inventory should be documented and compared to the prior physical inventory; discrepancies should be investigated; and the records should be updated accordingly.

Prior to disposing IT assets (including computer hardware), the IT Manager should ensure that District-related data and information is permanently and completely removed. A third-party vendor may be used for this purpose. If such data or information is of a sensitive, personal or confidential nature, and cannot be removed prior to disposal, the asset should be destroyed.

Additional information on how to properly inventory IT equipment can be found in publications offered by the Office of the State Comptroller, including our Local Government Management Guide (LGMG) entitled *Information Technology Governance* (Figure 1).

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## Officials Did Not Properly Inventory or Safeguard IT Equipment

The District's computer resources and data management policy directs the Superintendent and the ASB to establish procedures governing management of computer records and inventorying computer resources (including hardware); however, they never developed such procedures.

Because IT inventory procedures had not been developed, the IT Manager did not have specific guidance detailing the dollar threshold or other criteria to determine which types of IT equipment should be recorded in inventory, or what specific information should be captured in the IT inventory records. In addition, the IT Manager relied primarily on a staff member to import and update information into the inventory system; however, this individual abruptly left the District shortly before we began our fieldwork. The IT Manager stated he is not sufficiently familiar with the IT inventory software and was not familiar with all the records maintained by the staff member. For all these reasons, the IT Department was not maintaining an accurate and up-to-date inventory record and cannot ensure all IT assets are properly accounted for.

IT Inventory Records – We reviewed the IT inventory records as of January 30, 2024, which consisted of 3,993 assets. We determined that they did not always contain information needed to sufficiently track and/or easily locate the District's IT assets. In addition, the inventory was not always accurate and/or contained incomplete information. Specifically, we determined:

- The IT inventory records did not capture acquisition dates or initial costs for any of the 3,993 recorded IT assets. Although Board policy requires certain attributes to be recorded that do not necessarily aid in tracking and inventorying IT assets, cost and acquisition date information is important for other operational needs. Such as determining overall cost or age of assets that, in turn, could assist in planning for replacement of assets reaching the end of their useful life.
- The IT inventory had no record of to whom 1,105 IT assets were assigned. For example, 816 Chromebooks are not assigned to an individual. Not assigning responsibility to a specific employee or student prevents IT staff from holding someone accountable for safeguarding such assets.
- The IT inventory did not have a specific location identifier for 134 assets. For example, 114 printers were inventoried without a building location, room number or owner. Not assigning a specific location in the inventory prevents staff from specifically finding and identifying each asset.
- The IT inventory records did not record the serial numbers for 26 IT assets and recorded duplicate serial numbers for eight other assets. For example, 19 Chromebooks were inventoried without a serial number. Without a serial number, or with duplicate serial numbers in the IT inventory records, it would be more difficult to identify an asset with certainty, especially if it were lost or stolen.

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IT Assets to Inventory List – We selected 52 IT assets purchased during the audit period to determine whether the assets were physically located at the District. We could not physically locate four of the 52 assets (about 8 percent) totaling \$1,646 to confirm they were in the District's possession, including:

- Two charging stations totaling \$701,
- One document camera totaling \$615, and
- One television totaling \$330.

Of the 48 assets, we noted:

- 21 had no asset tag attached to it, and
- Two of the 21 were still sealed in the unopened boxes.

In addition, using our selected 52 IT assets purchased, we added another 20 IT assets identified during our physical walk-through observations to determine whether they were recorded in the District's IT inventory tracking system. We determined that 49 of the 72 IT assets (68 percent) were not recorded in the District's IT inventory tracking system. The 49 IT assets, with an estimated cost<sup>1</sup> of \$56,909 were:

- Seven printers totaling \$8,008,
- Eight desktop computers totaling \$6,819,
- Three Chromebooks totaling \$1,281,
- Eight interactive displays totaling \$28,600,
- Five laptops totaling \$3,839,
- Five charging stations totaling \$2,858,
- Five monitors totaling \$1,100,
- Five televisions totaling \$1,639,
- One document camera totaling \$615,
- One streaming video recorder totaling \$370, and
- One networking appliance totaling \$1,780.

The IT Manager explained that IT staff did not record certain IT equipment, such as the charging stations, monitors or cameras, and only recently started inventorying televisions. The IT Manager wasn't sure why the printers were not inventoried. When IT equipment is not included in inventory records, they are more susceptible to theft without detection. In addition, their high portability poses a distinct risk of loss or misuse.

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<sup>1</sup> We estimated the cost for 12 of the 49 assets based on a similar model equipment for which cost was recorded and/or we determined a current cost on the vendor's website.

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Additionally, of the 20 assets we observed, four assets, including a computer monitor, a television, an inkjet printer and a 3D printer, with a combined estimated value of \$3,486, had no asset tag attached. Also, out of the eight that were recorded in the IT inventory tracking system:

- Two did not capture who they were assigned to,
- Six asset tags did not match the tag numbers recorded in the IT inventory records, and
- One asset was recorded as in a different location from where it was observed.

These inaccuracies occurred because, as he told us, the IT Manager relied on staff to maintain the IT inventory and his understanding of the inventory system software was not sufficient. District officials cannot properly protect their IT assets if they do not know what assets they have and where those assets reside. The failure to maintain detailed, up-to-date IT inventory records exposes these valuable assets to an increased risk of loss, theft or misuse. Because the District continued to update their IT inventory, we reviewed the inventory again near the end of our fieldwork in May 2024 and an additional 31 assets from our test sample (23 assets recently purchased totaling \$33,737 and eight observed assets totaling \$13,756) were recorded in inventory.

Physical Inventory – The IT Department did not have a formal schedule for performing physical inventories, but the IT Manager stated that they try to do one every few years. However, the IT Manager could not identify when they had last completed a District-wide IT asset inventory. In September 2021, a partial physical inventory was conducted because the District switched their inventory system software. In June 2022, another partial physical inventory was conducted because they changed the District's domain name. Most recently, in December 2023, a partial physical inventory was conducted because the Superintendent requested an inventory of all printers. However, as of the start of our fieldwork in April 2024, the IT Department had not reconciled the most recent physical inventory list to the existing IT inventory records.

IT Equipment Disposal – During the audit period, the Board approved the disposal of approximately 1,950 IT assets on August 10, 2023. We selected 10 IT assets, approved as obsolete by the Board, to determine whether the disposal date and method were recorded in the inventory and if District-related data was removed prior to their disposal.

The District hired a third-party vendor through the New York State Office of General Services system for recycling these IT assets. Documentation was provided to support that District-related data and information was or would be eradicated and equipment recycled. Except for minor deficiencies discussed with the Superintendent and other officials, there were no exceptions/issues because IT assets and their data were adequately and safely disposed of.

Because the Board did not adopt an IT equipment policy, the IT Department had no procedures to comply with or follow. Therefore, IT equipment inventory records were not complete or accurate and IT equipment was either missing or could not be located.

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## What Do We Recommend?

The Board should:

1. Adopt a specific, comprehensive, written policy to properly track and inventory IT equipment. This policy should include guidance and processes for:
  - Maintaining detailed, up-to-date IT inventory records for all IT equipment,
  - Reviewing the physical inventory annually or on a planned schedule,
  - Documenting and updating the inventory for equipment disposal and retrievals.
2. Require the IT Department to perform a physical inventory of all IT equipment, locate missing and unaccounted-for equipment and update IT inventory records accordingly.

The IT Manager and IT Department staff should:

3. Review and comply with applicable District policies.
4. Maintain complete, accurate and up-to-date IT inventory records, including detail necessary to adequately track and easily locate an IT asset.
5. Continue to update IT inventory records to correct erroneous information and track assets not currently in District records.
6. Perform a complete physical inventory and compare the results to the IT inventory records. Take appropriate action to follow up on any discrepancies.



# Appendix A: Response From District Officials

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March 20, 2025

Ira McCracken, Chief of Municipal Audits  
NYS Office Building, Room 3A10  
250 Veterans Memorial Highway  
Hauppauge, New York 11788-5533

Subject: Response to IT Equipment Management Audit Report

Dear Mr. McCracken,

This letter is in response to the Report of Examination regarding Information Technology Equipment Management for the Locust Valley Central School District. We have carefully reviewed the findings and recommendations outlined in the report.

We acknowledge the issues identified in the report regarding the maintenance of complete and accurate IT inventory records. We understand the importance of having a comprehensive system to properly track and safeguard IT equipment.

In response to the audit findings, we have taken the following actions:

- **Developed a Comprehensive Inventory Policy:** As a result of the audit, we have documented clear inventory procedures that are in compliance with the board asset policy. These procedures also address items that we have declared to be "high risk," such as laptops and tablets that are portable, bought in high volume, and may be repurposed for personal or commercial use. These procedures provide guidance and processes for maintaining detailed, up-to-date IT inventory records for "high-risk" and IT assets, reviewing the physical asset inventory annually or on a planned schedule, and documenting and updating the asset inventory for equipment disposal and retrievals.
- **Performed Physical Inventory and Updated Records:** The IT Department has performed a physical inventory of all IT equipment, located missing and unaccounted-for assets, and updated IT inventory records accordingly.
- **Ongoing Review and Compliance:** We are committed to maintaining complete, accurate, and up-to-date IT inventory records, including the detail necessary to adequately track and easily locate any IT asset. We have updated IT inventory records to correct any erroneous information and will track assets that were not in District records. We will perform complete physical inventories of assets regularly and compare the results to the IT asset inventory records, taking appropriate action to follow up on any discrepancies.

We believe that these actions will address the concerns raised in the audit report and ensure that IT equipment is properly managed and safeguarded within the District.

Thank you for your time and attention to this matter. We are committed to the responsible management of District assets and appreciate the opportunity to improve our processes.

Sincerely,

Kristen Turnow  
Superintendent

## 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. We obtained an understanding of internal controls that we deemed significant within the context of the audit objective(s) 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 and Board meeting minutes to gain an understanding of IT equipment management.
- We reviewed the IT inventory provided by the IT Department to determine whether the inventory contained sufficient information to identify IT equipment.
- During the audit period, the District purchased 685 IT assets totaling \$444,221 with 39 purchase orders. We reviewed all purchase orders and invoices for IT equipment during our audit period to determine the IT population. We used our professional judgment to select a sample of 52 IT purchases spread out between the 11 different equipment types from the IT population to determine whether they were added to the IT inventory records and physically located in the District.
- We performed a walk-through of District buildings and used our professional judgment to select 20 assets to determine whether they were accurately recorded in the District's IT inventory records.
- We used our professional judgment to select a sample of 10 pieces of equipment, approved as obsolete by the Board, to determine whether they were properly disposed of, and if the inventory tracked the disposal and method.
- We used our professional judgment to select a sample of two former students and two former staff members, who left the District during our audit period, to determine whether the equipment assigned to them was returned to the District inventory.
- Where possible, for IT assets where no cost was recorded, we estimated the cost based on a similar model of equipment for which cost was recorded and/or we determined a current cost on the vendor's website.

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

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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.ny.gov/files/local-government/pdf/regional-directory.pdf](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://www.osc.ny.gov/local-government/academy)

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