



# Rochester Prep Charter School 3

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## IT Asset Management

2025M-36 | August 2025

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# Audit Results

## Rochester Prep Charter School 3



### Audit Objective

### Audit Period

Did Rochester Prep Charter School 3 (School) officials appropriately track, inventory and safeguard information technology (IT) assets acquired or in use during the audit period?

July 1, 2023 – March 13, 2025

### Understanding the Program

Schools 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 school's IT asset inventory, in both value and quantity. The cost of the School's IT assets purchased from July 1, 2023 through August 31, 2024 totaled approximately \$248,500.

The School Board (Board) contracted with a management company (Company) to provide management services. The contract states the Company will facilitate the School's procurement of IT assets and services integral to the School's operation.

The Company's Regional Superintendent of Operations (Regional Superintendent) and Senior Director of IT, Operations and Product Management (IT Director) oversee the School's IT operations. The Company contracts with a managed service provider to provide IT support and services to the School. The School's Directors of Operations supervise the special project managers, for the respective middle or elementary school, who can order IT assets and are responsible for receiving the IT assets at the School. The Regional Superintendent, IT Director, managed service provider, Directors of Operations and special project managers maintain inventory records.

## Audit Summary

School officials did not ensure that Company employees maintained complete, accurate and detailed inventory records for all IT assets. The Regional Superintendent, IT Director, managed service provider, Directors of Operations and special project managers maintained inventory records containing incomplete and inconsistent information. The School's written agreement with the Company did not explicitly state who was responsible for the inventory of IT assets. Although the Board adopted a policy that required Company employees and the managed service provider to maintain inventory

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records and an annual inventory for IT assets purchased with federal funds, the Board did not adopt a comprehensive written policy for managing all IT assets. While the Regional Superintendent, a Director of Operations and a special projects manager told us that the School follows the Company's written policies and procedures neither the Board's nor the Company's policy provided detailed guidance for maintaining inventory records for other IT assets, such as those that the Directors of Operations or special project managers purchased directly with other funds.

The School's inventory records did not include all IT assets and no records contained adequate information to sufficiently track or identify the School's IT assets, because the records were incomplete or included inaccurate information and did not contain certain asset-identifying information, such as an asset's serial number, make and model, location, employee or student assigned, acquisition date, cost and disposal date. In addition, School officials did not conduct annual physical inventories of all IT assets or ensure IT assets were stored in areas with adequate physical safeguards.

The lack of adequate inventory records, physical safeguards and comprehensive annual physical inventories exposes IT assets to loss, theft or misuse. During our physical School walkthrough, School officials were unable to locate 22 of 47 IT assets tested, including Chromebooks, laptops and iPads, costing approximately \$12,800.

The report includes six recommendations that, if implemented, will improve the School's IT asset management practices. School officials generally agreed with our recommendations, and their response is included in Appendix B.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the Office of the New York State Comptroller (OSC) authority as set forth in Section 2854 of the New York State Education Law, as amended by Chapter 56 of the Laws of 2014. Our methodology and standards are included in Appendix C.

The Board has the responsibility to initiate corrective action. We encourage the Board to prepare a written corrective action plan (CAP) that addresses the recommendations in this report and forward it to our office within 90 days. 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. We encourage the Board to make the CAP available for public review.

# IT Asset Management Findings and Recommendations

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School boards (board) should adopt comprehensive written policies that set forth guidelines and procedures for establishing and maintaining IT asset inventories. In addition, school officials should verify the accuracy of IT asset inventory records through annual physical inventory counts.

More details on the criteria used in this report, as well as resources/publications we make available to local and school officials that can help them improve operations (Figure 1), are included in Appendix A.

## **Finding 1 – School officials did not ensure that Company employees maintained complete, accurate and up-to-date inventory records or implement adequate physical safeguards for all IT assets.**

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School officials did not ensure that Company employees maintained complete, accurate and up-to-date inventory records to properly account for IT assets. The School's written agreement with the Company did not explicitly state who was responsible for the inventory of IT assets. The Board did not adopt a comprehensive written policy for IT asset management but the Regional Superintendent, a Director of Operations and a special projects manager told us that the School follows the Company's written policies and procedures. Although Board policy required Company employees and the managed service provider to maintain inventory records for IT assets purchased with federal funds, neither Board nor Company policy provided detailed guidance for maintaining inventory records for all IT assets, such as those that the Directors of Operations and special project managers purchased directly with other funds. In addition, Company employees, the managed service provider, the Directors of Operations and special project managers maintained inventory records, which did not all contain consistent and complete information. Company employees did not maintain a comprehensive inventory record, but provided four separate inventory records containing 1,058 IT assets. These records did not include all IT assets and none of them (separately or combined) contained adequate information to sufficiently track or identify the School's IT assets, because the records had inconsistent information and did not contain certain asset-identifying information, such as an asset's acquisition date, cost, serial number, make and model, location, employee or student assigned, and disposal date.

While the IT Director and a special projects manager stated that the managed service provider performed annual inventories, these physical inventories were not performed for all IT assets. Instead, they were limited to the IT assets purchased through and supported by the managed service provider. We selected 47 IT assets for testing<sup>1</sup> and during our physical School walkthrough, School officials were unable to locate 22 of these assets including Chromebooks, laptops and iPads, costing approximately \$12,800. In addition, 15 of the 47 assets were not recorded on the inventory records, and one asset awaiting disposal was marked as disposed in the inventory records. The special projects manager for the middle school, who is responsible for receiving middle school IT assets, told us that for 10 of the

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<sup>1</sup> See Appendix C for sample selection information.

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22 assets unable to be located (iPads costing \$3,690) “we believe were stolen by an employee who is no longer employed here.” However, upon our inquiry, the Regional Superintendent who was unaware of the missing items, later told us that “a member of our cleaning crew from an outside company was suspected of taking these iPads and was terminated from their employment with their cleaning company.”

Six of the 22 IT assets unable to be located were Chromebooks, and the Regional Superintendent told us that they did their best, but it was a challenge getting equipment back when students left. However, the Chromebooks had not been used since the prior school year and should have been identified as inactive and reviewed to determine whether they were missing, lost or stolen. The Regional Superintendent did not provide specific explanations for all of the remaining IT assets not located, but told us they believed the reason some IT assets were unable to be located was because of recording errors while inventorying and not adding the asset’s location.

During our walkthrough and inspection, we also observed IT assets, such as Chromebooks and laptops, stored in areas that lacked adequate physical safeguards such as open and unattended rooms and unlocked storage areas.

Without comprehensive, accurate and up-to-date inventory records and adequate safeguards and annual physical inventories, School officials cannot identify, track, locate and safeguard IT assets and confidential data from loss, theft or misuse. Additionally, certain information is useful for determining overall cost or age of assets, which in turn, could help ensure officials maintain appropriate insurance coverage and assist officials in planning for IT asset end-of-life replacement. Also, officials have limited assurance that assets were or will be properly disposed.

## Recommendations

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The Board should:

1. Amend the written agreement with the Company to explicitly state who is responsible for inventorying IT assets.
2. Adopt a comprehensive written IT asset policy to help ensure all IT assets are properly inventoried, disposed of and safeguarded and ensure compliance with the adopted policy. Specifically, the policy should include guidance for:
  - Centralizing the physical IT inventory process and updating inventory records to include all IT assets; with
    - Relevant purchase or lease information including the acquisition date, cost and estimated useful life;
    - An asset description including the make, model and serial number;

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- The employee name or other user the equipment is assigned to, if applicable;
  - The asset's physical location; and
  - Relevant disposal information including the date and method of disposal.
- Performing and documenting annual physical inventories for all IT assets.
  - Reporting lost and stolen IT assets.
3. Consult with legal counsel and take appropriate action to address the remaining unaccounted-for IT assets, which could include filing an insurance claim.

School officials, in conjunction with the Company and managed service provider as appropriate, should:

4. Maintain complete, accurate and up-to-date inventory records to properly account for IT assets.
5. Conduct annual physical inventories for all IT assets.
6. Ensure IT assets are stored in areas with adequate physical safeguards.

# Appendix A: Profile, Criteria and Resources

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## Profile

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The School, located in the City of Rochester in Monroe County, is governed by a nine-member Board. The Board contracted with the Company that provided support for the procurement and management of the School's IT assets and services. The Company contracts with a managed service provider to provide IT support and services to the School.

The School consists of an elementary and middle school, located in the same building at St. Jacob Campus, with approximately 820 students and 100 staff. The School has a Director of Operations and a Principal for each school who are responsible for the day-to-day building management under the Regional Superintendent's direct supervision.

## Criteria – IT Asset Management

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

- Adding new equipment to the inventory,
- Notifying the IT staff when equipment is reassigned, lost or stolen,
- Documenting and updating the inventory for equipment disposal, and
- Annually conducting a complete physical inventory and reviewing the inventory records for accuracy and completeness.

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

Board policy required Company employees and the managed service provider to maintain an inventory for all IT assets purchased with federal funds. The Company's staff laptop end-of-life policy assigns the Director of Operations the responsibility of verifying that the inventory records are correct. School officials should ensure the written policies are monitored for compliance and the Company is fulfilling the obligations outlined in the contract.

In addition, Board policy required Company employees or their delegate to conduct annual inventory audits for IT assets purchased with federal funds. During these audits, School 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 School







officials develop and implement an effective IT equipment replacement plan, including ensuring that IT assets are properly insured, tracked through their useful life cycle and replaced as necessary. To safeguard IT assets from loss, theft or misuse, they should be stored in a locked and secure area.

## Additional IT Asset Management Resources

Figure 1: OSC Publications

OSC *Local Government Management Guides* (LGMG) and other informational resources are available on our website to help officials understand and perform their responsibilities.

LGMG: Information Technology Governance	LGMG: Capital Assets
<div><div>LOCAL GOVERNMENT MANAGEMENT GUIDE</div><div>Information Technology Governance</div><div></div><div><div>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</div><div>Local Government and School Accountability</div></div><div>INFORMATION TECHNOLOGY SERIES</div></div> <div><a href="https://www.osc.ny.gov/files/local-government/publications/pdf/information-technology-governance.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/information-technology-governance.pdf</a></div>	<div><div>LOCAL GOVERNMENT MANAGEMENT GUIDE</div><div>Capital Assets</div><div></div><div><div>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</div><div>Local Government and School Accountability</div></div><div>OPERATIONS SERIES</div></div> <div><a href="https://www.osc.ny.gov/files/local-government/publications/pdf/capital-assets.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/capital-assets.pdf</a></div>

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

# Appendix B: Response From School Officials

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CHANGE HISTORY

**August 14, 2025**

Langston McFadden  
Chair, Board of Trustees  
Rochester Prep Charter School 3  
400 Andrews St., Suite 610  
Rochester, NY 14604

Attention: Stephanie Howes, Chief Examiner  
State of New York  
Office of the State Comptroller  
Division of Local Government and School Accountability  
Rochester Region  
16 W Main St- Suite 522, Rochester NY 14614

Re: IT Asset Management Report of Examination

This letter is in response to the above referenced draft findings of the above examination. The Corrective Action Plan (“CAP”) for the recommendations will be submitted within the required 90 days.

I would like to thank the Office of the State Comptroller for the detailed assessment of Rochester Prep Charter School 3’s IT Asset Inventory practices. The Comptroller’s Office’s recommendations will support our endeavors to continue to operate in a manner that best serves the students and families of Rochester. Given the role of technology in our curriculum, Rochester Prep has prioritized access to technology devices for our students. For example, our Chromebook fleet represents more than half the IT assets at our schools. Our low-cost Chromebooks and break fix programs ensure we are fiscally responsible, while our process to store and inventory devices ensures that students have technology when they need it.

Thank you to the auditors for providing a list of the twenty-two missing assets. I would like to clarify the status of three of the devices:

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- One laptop that could not be located on-site during testing was with an employee on leave. As is our practice, we allow employees to keep their laptops during leave. That employee has returned to work.
  - One HP Color LaserJet Pro color printer was identified during the walkthrough, but auditors could not match the serial number of the printer pulled for testing. The printer with serial number pulled for testing was located in the basement.
  - One Eiki projector was listed on the inventory, however with the wrong model type. The projector is not missing. The updated inventory best practices and checks will ensure we catch such typos in the future.

Beyond these clarifications, we agree with the auditors' recommendations and will provide a CAP that addresses them all.

Sincerely,

Langston McFadden

Chair, Rochester Prep Board of Trustees

# Appendix C: Audit Methodology and Standards

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We obtained an understanding of internal controls that we deemed significant within the context of the audit objective 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 School officials and Company employees and reviewed policies, procedures, Board resolutions and the Company management agreement to gain an understanding of IT asset management.
- We reviewed the four IT asset inventory records provided by Company employees to determine whether the records contained sufficient information to identify, track and safeguard IT assets.
- We used our professional judgment to select a sample of 47 IT assets for testing that included portable items that were at greater risk for theft or loss. This included an initial sample of 25 IT assets to include varying types of assets used by staff and students, with 10 selected from School invoices and 15 selected from inventory records, to determine whether IT assets were properly recorded in the School's inventory records. We performed a walkthrough of School facilities on October 21, 2024 to determine whether the IT assets were in the School's possession and observed IT asset storage areas. Based on the walkthrough and discussions with School officials, we added an additional 10 assets from one invoice to our sample. During the walkthrough, we also used our professional judgment to select an additional 12 assets easily viewable and moveable, that included two assets a special projects manager said were awaiting disposal, to determine whether the assets were accurately recorded on the School's inventory records.

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 relevant population size and the sample selected for examination.

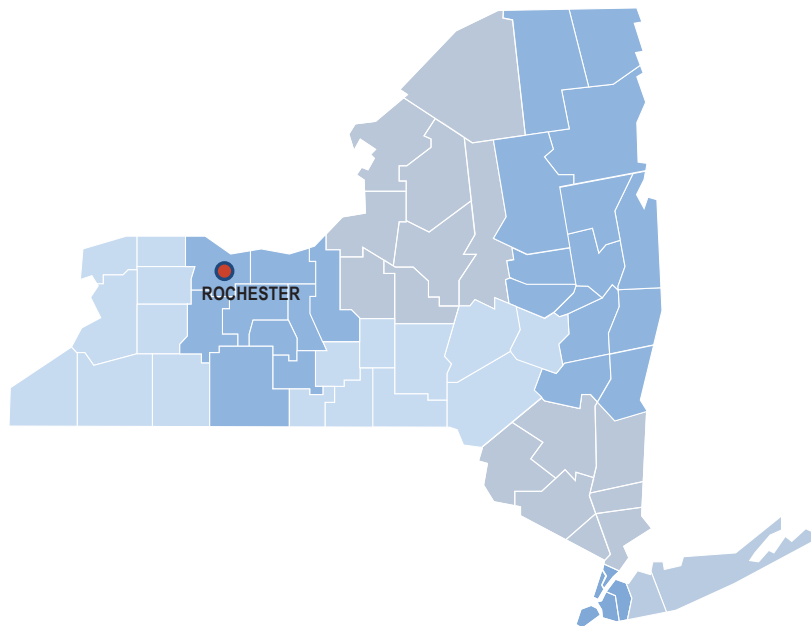
## Contact

**ROCHESTER REGIONAL OFFICE** – Stephanie Howes, Chief of Municipal Audits

The Powers Building • 16 West Main Street – Suite 522 • Rochester, New York 14614-1608

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