Vertus Charter School

Information Technology Asset Management

Contents

Audit Results

Vertus Charter School

Audit Objective	Audit Period
Did Vertus Charter School (School) officials appropriately track, inventory and safeguard information technology (IT) assets acquired or in use during the audit period?	July 1, 2023 – January 16, 2025

Understanding the Program

Schools purchase a wide variety of IT equipment, such as desktop computers, as well as highly portable items, such as monitors, laptops and tablets and interactive displays. These assets can make up a significant portion of a school's IT asset inventory, both in value and number. While officials were unable to provide the total cost of IT assets in use, the cost of IT assets purchased from July 1, 2023 through August 31, 2024 totaled approximately $222,000.

The Chief Operating Officer (COO) is responsible for overseeing the IT Department, including IT asset inventory management. The COO and IT Department staff are responsible for maintaining detailed inventory records.

Audit Summary

School officials did not appropriately track, inventory and safeguard IT assets acquired or in use during the audit period. Officials did not maintain complete, accurate and up-to-date inventory records to properly account for IT assets. Although the School Board (Board)-adopted financial policies and procedures manual (Policy) required the COO to ensure accurate inventory records were maintained to safeguard all assets, it did not provide detailed guidance for maintaining inventory records for most IT assets because the dollar amount of most IT assets do not individually meet the Policy's inventory record-required threshold of $1,500 for fixed assets (including IT assets). In addition, the IT asset inventory was decentralized with multiple individuals and a service provider maintaining the inventory records which resulted in the records containing inconsistent information.

The School's inventory records did not include all IT assets and none of the records contained adequate or Policy-required information to sufficiently track or identify the School's IT assets. This was 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 assigned, acquisition date, cost and disposal date. In addition, School officials did not conduct annual physical inventories of all IT assets.

The lack of adequate inventory records and comprehensive annual physical inventories exposes IT assets to loss, theft or misuse.

The report includes four recommendations that, if implemented, will improve the School's IT asset management practices. School officials generally agreed with our recommendations and indicated they have initiated corrective action.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's 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

School boards 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 are included in Appendix A.

Finding 1 – School officials did not maintain complete, accurate and up-to-date inventory records of all IT assets

School officials did not maintain complete, accurate and up-to-date inventory records to properly account for IT assets. Although the Board-adopted Policy required the COO to ensure accurate inventories were maintained to safeguard all assets, it did not provide detailed guidance for inventory records for most IT assets because the assets individually would not meet the $1,500 threshold amount of the Policy's inventory record requirement for fixed assets (including IT assets). In addition, the IT asset inventory process was decentralized with multiple individuals maintaining inventory records, which did not all contain consistent information. School officials provided eight inventory records containing 2,892 IT assets, of which one containing records of 94 IT assets was prepared after the start of our audit and School officials had to request another from a service provider. These records did not include all IT assets and none of them contained adequate or Policy-required information to sufficiently track or identify the School's IT assets. This was because the records had incomplete or inaccurate information and did not contain certain asset-identifying information, such as an asset's serial number, make and model, location, employee assigned, acquisition date, cost and disposal date.

While the COO, IT support specialist and blended-learning coordinator stated they performed periodic and annual inventories of student Chromebooks, staff laptops and cell phones, and the IT support specialist provided written guidelines for completing Chromebook inventories, they were unable to support that any periodic and annual inventories were performed. We selected 40 IT assets for testing[1] and during our physical walkthrough of the School determined that all of these IT assets were in the School's possession. However, nine assets were not recorded on the inventory records, and we were unable to determine whether seven assets were recorded on the inventory records because the records did not have adequate detail to identify the assets.

We were also unable to determine whether 39 IT assets School officials disposed of in May 2024 were documented in the inventory records because identifying information was not included on the vendor document listing the equipment they collected. Furthermore, during our physical inventory walkthrough, we noted what officials classified as decommissioned and obsolete IT assets, from as far back as 2018, in the School's possession and not listed on inventory records. The COO and IT support specialist told us that they did not realize that obsolete assets in storage awaiting disposal should be included on the inventory records and did not provide adequate explanations for not inventorying all IT assets. However, it is essential to include all IT assets on the inventory records, including those awaiting

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1   See Appendix C for sample selection information

disposal and those disposed of because of IT assets' portability and access to a School's network and confidential data increases the need to manage these assets. Therefore, these IT assets were not properly inventoried.

Without comprehensive, accurate and up-to-date inventory records and adequate annual physical inventories, School officials cannot identify, track, locate and safeguard IT assets from loss, theft or misuse. Additionally, certain information is 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 IT assets reaching the end of their useful life. Also, officials have limited assurance that assets were or will be properly disposed of.

Recommendations

The COO should:

1. Centralize the physical IT inventory process and update inventory records to include: all IT assets; a description of the asset including the make, model and serial number; the name of the employee or other user the equipment is assigned, if applicable; the physical location of the asset; relevant purchase or lease information including the acquisition date, cost and estimated useful life; and relevant disposal information including the date and method of disposal.

The Board should:

2. Amend the written Policy to ensure all IT assets are properly inventoried and disposed of.

3. Ensure compliance with the adopted Policy.

The Chief Education Officer should:

4. Ensure annual physical inventories are performed and documented for all IT assets.

Appendix A: Profile, Criteria and Resources

Profile

The School, located in the City of Rochester in Monroe County, is governed by the eight-member Board responsible for the general management of the School.

The School's Chief Education Officer is the chief executive officer responsible for the School's day-to-day management. The School operates one building with approximately 330 students and 75 staff.

Criteria – IT Asset Management

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 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 Department 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.

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. The Board-adopted Policy requires these and certain other attributes be recorded for fixed assets meeting the cost threshold of $1,500. School Policy also requires the COO to ensure accurate inventory records are maintained to safeguard all assets. School officials should ensure the policies are monitored for compliance.

In addition, the School's Policy requires annual inventory audits. During these, 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 a school board 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.

Additional IT Asset Management Resources

FIGURE 1: OSC Publications

OSC *Local Government Management Guides* available on our website to help officials understand and perform their responsibilities.

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

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

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June 20, 2025

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RE: Audit 2025M-9

To Whom It May Concern,

On behalf of Vertus Charter School, I would like to formally acknowledge receipt of the findings from the recent technology audit conducted by your office and concur with their results. We appreciate the thorough and professional manner in which the audit was carried out and value the insight it has provided into our current systems, procedures, and practices.

The audit findings offer valuable guidance that will help us strengthen our technology infrastructure, improve asset management, and ensure compliance with best practices and applicable regulations. We recognize the importance of maintaining transparency and accountability in our operations and take your recommendations seriously.

As part of our commitment to continuous improvement, Vertus has already begun reviewing the audit findings with our leadership team and technology staff. We have developed an action plan to address the areas identified, including timelines and designated responsibilities, and have already rectified some of the gaps discovered during the audit.

Thank you again for your work and partnership in supporting the mission of Vertus Charter School. Should you require any additional information or documentation, please do not hesitate to contact me directly.

Sincerely,

Julie A Locey   Victoria Van Voorhis
CEO   Board Chair
Vertus Charter School   Vertus Charter School

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Appendix C: Audit Methodology and Standards

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 reviewed School policies and procedures to gain an understanding of IT asset management.

- We reviewed the eight IT asset inventory records 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 25 IT assets to include varying types of assets used by staff and students, with 21 assets selected from School invoices and four assets selected from the inventory records, to determine whether IT assets were properly recorded in the School's inventory records. We performed a walkthrough of School facilities on November 21, 2024 to determine whether the 25 assets were in the School's possession. During the walkthrough, we also judgmentally selected an additional 15 assets easily viewable and moveable, including five awaiting disposal according to the IT support specialist, to determine whether the assets were accurately recorded on the School's inventory records.

- We reviewed available IT asset disposal records consisting of vendor information for the number of disposed assets in May 2024 and discussed the disposal process with School officials to determine whether disposals were properly documented.

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.
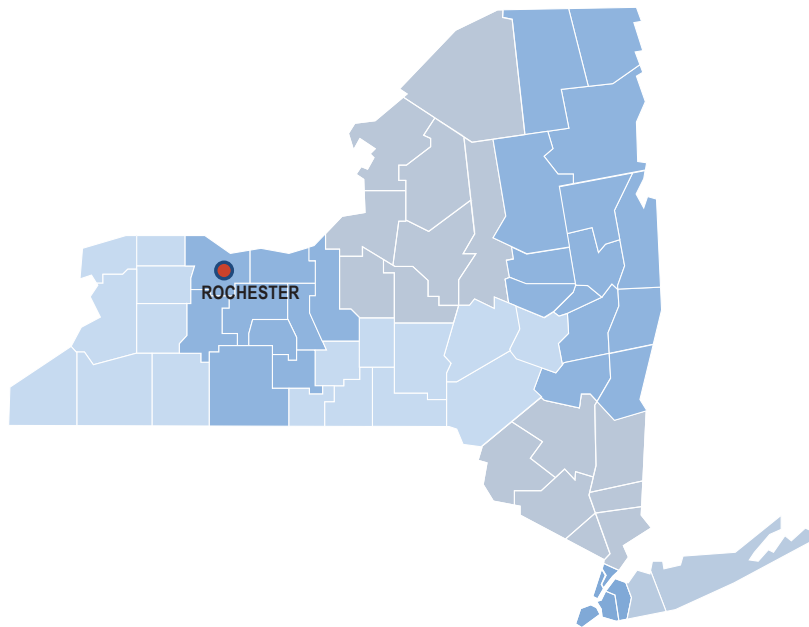
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