

New York State Comptroller
THOMAS P. DiNAPOLI

Palmyra-Macedon Central School District

Information Technology Asset Management

October 2026 | 2026M-83

Prepared by the Division of Local Government and School Accountability

Table of Contents

Audit Results	1
IT Asset Management: Finding and Recommendations	3
Finding 1 – District officials did not maintain complete, accurate and up-to-date IT asset inventory records.	3
Recommendations	4
Appendix A: Profile, Criteria and Resources	5
Profile	5
Criteria	5
Additional Resources	5
Appendix B: Response From District Officials	6
Appendix C: Audit Methodology and Standards	7

Audit Results

Palmyra-Macedon Central School District

Audit Objective

Did Palmyra-Macedon Central School District (District) officials appropriately inventory, track and safeguard information technology (IT) assets?

Audit Period

July 1, 2024 – June 18, 2026

Understanding the Audit Area

District officials are responsible for establishing procedures to appropriately inventory, track and safeguard IT assets and ensuring those procedures are followed because maintaining complete and accurate inventory records and appropriately tracking and safeguarding IT assets helps officials account for district resources and reduces the risk that assets and the information they contain are lost, stolen, misused or accessed by unauthorized individuals.

From July 1, 2024 through April 30, 2026, the District purchased IT assets totaling approximately \$655,100.

Audit Summary

District officials did not appropriately inventory, track and safeguard IT assets. Because the Board of Education (Board) did not adopt an IT asset inventory policy, District officials lacked detailed guidance for the maintenance of IT asset inventory records. As a result, the Director of Instructional Technology (Director) did not maintain complete, accurate and up-to-date inventory records to properly account for IT assets. Specifically:

- The District's IT asset inventory records did not include all IT assets and none of the IT asset inventory records contained adequate information to sufficiently track or identify the District's IT assets.
- 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 or student assigned, acquisition date, cost and disposal date.
- Although the Director and an IT Department employee told us that they conducted annual physical inventory counts, these were not documented to support that IT assets were properly accounted for and safeguarded.

The lack of adequate IT asset inventory records exposes IT assets to loss, theft or misuse. During our physical inventory walkthrough, and subsequent Director follow-up, District officials were unable to locate one of the 50 IT assets we selected for testing, which was a printer costing approximately \$400.

The report includes three recommendations that, if implemented, will improve the District's processes for inventorying, tracking and safeguarding IT assets and help ensure IT assets are properly accounted for and protected from loss, theft or misuse.

This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the Office of the New York State Comptroller's (OSC's) authority as set forth in Article 3 of the New York State General Municipal Law (GML). The audit's methodology and standards are included in Appendix C.

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 OSC within 90 days, pursuant to Section 35 of GML, Section 2116-a (3)(c) of the 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 the CAP,

please refer to the OSC brochure, *Responding to an OSC Audit Report*, which was provided with the draft audit report. The CAP should be posted on the District's website for public review.

IT Asset Management: Finding and Recommendations

The Director is responsible for overseeing the IT Department and works in conjunction with IT Department employees to maintain IT asset inventory records.

A school district board of education (board) should adopt a comprehensive written policy that sets forth guidelines and procedures for establishing and maintaining IT asset inventory records. In addition, school district 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 OSC makes available to local officials that can help them improve operations, are included in Appendix A.

Finding 1 – District officials did not maintain complete, accurate and up-to-date IT asset inventory records.

District officials did not maintain complete, accurate and up-to-date IT asset inventory records to properly account for and safeguard IT assets because the Board did not adopt an IT asset inventory policy that provided detailed guidance to District officials for maintaining IT asset inventory records and safeguarding all IT assets.

The Director maintains four IT asset inventory records containing approximately 5,000 IT assets. One record includes the IT assets from the other three records. However, these records did not include all IT assets and did not contain adequate information to sufficiently track or identify the IT assets. Specifically, 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. The Director told us that the IT Department did not have a consolidated IT asset inventory record and that they typically did not track serial numbers for IT assets that were not tablets, laptops or computers.

While the Director and an IT Department employee told us they performed annual physical inventory counts of IT assets, the Director did not document the annual physical inventory counts to support that IT assets were properly accounted for and safeguarded. We selected 50 IT assets for testing.¹ During our physical walkthrough of District buildings, and subsequent Director follow-up, we determined that 49 of the 50 IT assets were in the District's possession. The Director could not locate one printer with an approximate cost of \$400 and told us that the printer was previously removed from service because it no longer worked but it was not removed from the inventory list.

Furthermore, we determined that two of 10 IT assets selected during the walkthrough were not recorded in the IT asset inventory records. The Director told us that one IT asset was being held for disposal and one was acquired after the prior annual physical inventory and would be inventoried during the next physical inventory count. We also were unable to determine whether 14 of the 50 IT assets were recorded in the IT asset inventory records because the records did not have adequate detail to identify the IT assets. It is essential to include all IT assets on the inventory records, including those acquired during the year, those awaiting disposal and those disposed of because of IT assets' portability and access to the District's network and confidential data, increasing 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 inventory counts, District 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 could in turn

¹ See Appendix C for sample selection information

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 IT assets were or will be properly disposed of.

Recommendations

The Director should:

1. Consolidate IT asset inventory records and maintain complete, accurate and up-to-date IT asset inventory records to properly account for IT assets.
2. Perform and document annual physical inventory counts and investigate any discrepancies.

The Board should:

3. 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:
 - Consolidating the IT asset inventory records and regularly updating IT asset 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;
 - 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 inventory counts for all IT assets.
 - Reporting lost and stolen IT assets.

Appendix A: Profile, Criteria and Resources

Profile

The District, with boundaries including the Towns of Farmington and Manchester in Ontario County and Macedon, Palmyra and Walworth in Wayne County, is governed by the nine-member Board responsible for the general management of the District.

The Director is responsible for the District's IT management and is overseen by the Superintendent and Deputy Superintendent. The IT Department has four employees that assist with the IT asset inventory records. The District operates six buildings with approximately 1,600 students and 400 employees. The District maintains approximately 5,000 IT assets including laptops, tablets, computers, printers, and monitors.

Criteria

A board should adopt a comprehensive written policy that sets forth guidelines and procedures for establishing and maintaining an IT asset inventory. 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, the board should establish a well-defined policy that includes guidance for district officials to maintain detailed, up-to-date IT asset inventory records 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 count and comparing it to IT asset inventory records.

IT asset 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, useful life and acquisition date. It is essential to include all IT assets on the inventory records, including those awaiting disposal and those disposed of because of IT assets' portability and access to a district's network and confidential data increasing the need to manage these assets.

In addition, 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 IT asset inventory records. IT assets may contain sensitive and confidential information or software that needs to be cleared before disposal. Maintaining complete and up-to-date IT asset inventory records also helps a 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 Resources

OSC's *Local Government Management Guides*, and other informational resources that are available on OSC's website to help officials understand and perform their responsibilities, include:

- Information Technology Governance: <https://www.osc.ny.gov/files/local-government/publications/pdf/information-technology-governance.pdf>
- Capital Assets: <https://www.osc.ny.gov/files/local-government/publications/pdf/capital-assets.pdf>

In addition, local officials can use OSC's website to search for audits, resources, publications and training for officials at: <https://www.osc.ny.gov/local-government>

Appendix B: Response From District Officials

The content below is a reproduced copy of the original response letter issued by District officials, is reformatted to meet the Americans with Disabilities Act *Web Content Accessibility Guidelines (WCAG)*,² and may have included changes to spelling and grammar. The substance of the content was not changed.

Palmyra-Macedon Central School District

District Office
127 Cuyler Street
Palmyra, NY 14522
(315) 597-3400

September 28, 2026

Stephanie Howes, Chief of Municipal Audits
Rochester Regional Office of the New York State Comptroller
The Powers Building
16 West Main Street - Suite 522
Rochester, New York 14614-1608

Re: Response to Information Technology Asset Management Draft Audit Report (2026M-83)

Dear Ms. Howes:

The Palmyra-Macedon Central School District acknowledges receipt of the Office of the State Comptroller's (OSC) draft audit report, Information Technology Asset Management (2026M-83), covering the period of July 1, 2024 through June 18, 2026. The District agrees with the importance of accounting for and safeguarding IT assets, and will develop an action plan to address the OSC's specific recommendations.

We appreciate the professionalism of the Rochester Regional Office staff throughout the audit process, and the District values opportunities to strengthen operational procedures.

Sincerely,

Robert R. Ike, Ed.D.
Superintendent

Laura Arrington
President, Board of Education

C: Board of Education

² <https://www.ada.gov/resources/2024-03-08-web-rule/#highlights-of-the-requirements-in-the-rule>

Appendix C: Audit Methodology and Standards

OSC auditors obtained an understanding of internal controls that were deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of the work on internal controls, as well as the work performed in the audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and IT Department employees and reviewed District policies and procedures to gain an understanding of IT asset management.
- We reviewed the four IT asset inventory records to determine whether the records contained sufficient information to identify, track and safeguard all IT assets.
- We used our professional judgment to select a sample of 40 IT assets to include various types of IT assets used by employees and students to determine whether IT assets were properly recorded in the District's IT asset inventory records.
- We performed a walkthrough of District buildings on June 5, 2026 to determine whether the 40 IT assets were in the District's possession. We followed up with the Director for the IT assets not initially located during the walkthrough to determine whether they were in the District's possession.
- During the walkthrough, we also used our professional judgment to select an additional 10 assets easily viewable and moveable to determine whether the assets were accurately recorded on the District's inventory records.

OSC auditors conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. Auditors believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on the 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.

Questions?

ROCHESTER REGIONAL OFFICE

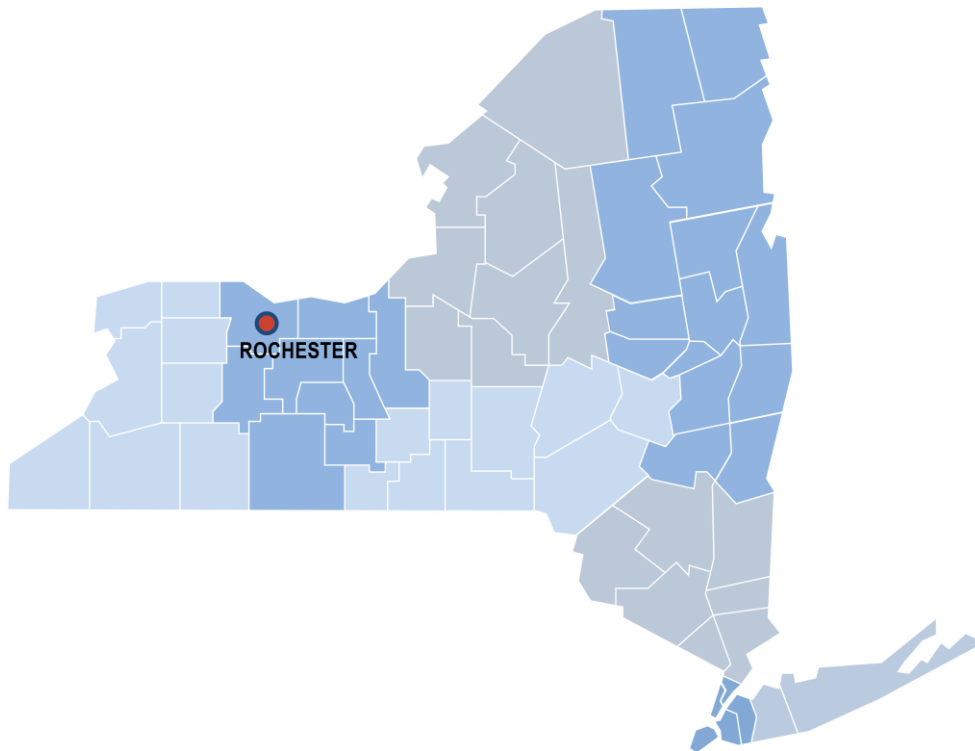
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Prepared by the Division of Local Government and School Accountability



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