Amanda Eveleth   August 12, 2025
Audit Manager
Office of the State Comptroller
110 State Street
Albany, NY 12236

RE: Audit Report 2023-S-17

Dear Ms. Eveleth:

As required by Executive Law §170, the Office of Information Technology Services ("ITS") submits the following 180-day response to the recommendations made in the New York State Office of the State Comptroller's ("OSC") final public audit report on Inventory Control (2023-S-17):

Recommendation 1: Conduct a comprehensive review and cleanup of ITSM data to ensure accuracy and completeness and implement ongoing quality reviews of ITSM data to maintain integrity.

Since our last update in January 2025, ITS has continued to actively improve data quality within ITSM by using inputs from management systems and discovery tools to validate the data quality. ITS has implemented additional quality control measures to ensure data quality within the system of record and anticipates this phase of work will be completed by the end of 2025. Recognizing that data quality review and improvements will remain an ongoing, continuous process, additional measures will be regularly reviewed for updates and enhancements.

Recommendation 2: Improve oversight and monitoring of stockrooms, which may include but not be limited to:

A) **Developing and implementing standardized stockroom policies and procedures to ensure consistent operations and compliance.**

While policies and procedures have long existed as outlined in the ITS January 2025 response, ITS has taken steps to create a consolidated repository of policies and procedures focused on asset management to ensure consistency and compliance across stockroom operations. This new repository will be completed in September 2025.

B) **Enforcing ITSM asset tracking procedures to maintain accurate and complete inventory records.**

Since our initial audit response in January 2025, ITS has taken steps to improve the accuracy of inventory records in ITSM by developing dashboards that use discovery tools to validate asset data, help identify discrepancies and ensure inventory records reflect actual asset status. Beginning in October 2025, ITS will distribute reports to appropriate ITS leadership teams to further aid in monitoring compliance with asset management procedures and confirm asset tracking requirements are being followed.

C) **Conducting periodic security control reviews of all stockrooms to assess their effectiveness and coordinate with the host entity to correct security deficiencies**

identified.

Since the initial audit response in January 2025, ITS conducted physical reviews of all stockrooms and is working with dedicated agency staff to address identified issues. ITS now requires annual stockroom access reviews.

Where stockrooms are in locations owned or managed by another agency, ITS relies on cooperation and support from the host agency for the continued success of this initiative. ITS will continue to work with its client agencies on this issue and provide guidance and recommendations to agencies for enhancing stockroom issues, including security related issues.

D) **Developing an ITSM training curriculum that addresses the specific needs of employees using the system and providing ongoing training and updates to employees as ITSM features and processes evolve.**

Since the initial audit response in January 2025, ITS has taken steps to update the existing training materials, which are targeted for rollout in August 2025. Ongoing training and updates will be provided as ITSM features and processes continue to evolve. In addition, starting in January of 2025, the Asset Management team conducts biweekly meetings with stockroom managers to disseminate pertinent information, discuss emerging issues, update staff on ITSM enhancements and provide a forum for stockroom managers to raise and discuss relevant issues and concerns.

E) **Ensuring compliance with timely completion of quarterly physical inventory audits of stockrooms.**

ITS is completing quarterly physical inventories of all stockrooms, has developed procedures to identify any potential noncompliance, and will escalate issues to appropriate stakeholders for remediation, if necessary.

F) **Performing a thorough network review to identify and remove unauthorized or unknown devices, and implementing ongoing network monitoring and internal controls to detect and mitigate future anomalies.**

ITS incorporates by reference the response submitted in January 2025 and continues to make progress towards finalizing this work.

Recommendation 3: Maintain an accurate and complete inventory of workstations and other equipment available to ensure efficient use of resources and prevent waste of equipment and taxpayer money.

ITS has made significant progress towards completion of the efforts outlined in the January 2025 response. There is an ongoing effort to create new and refine existing processes with all enhancements to be completed by the end of 2025.

Recommendation 4: Conduct a comprehensive review of the effectiveness of COVID-19 related workstation purchases including decision making processes and develop a clear set of guidelines for future emergency workstation procurement.

ITS incorporates by reference the response to this recommendation provided in January 2025.

Recommendation 5: Formally evaluate the current practice of destroying new and lightly used equipment and determine if these devices could be resold or donated.

ITS incorporates by reference the response to this recommendation provided in January 2025.

Recommendation 6: Conduct a review of all offboarding procedures, including equipment recovery to identify and address deficiencies.

Since the initial audit response in January 2025, ITS has begun exploring additional controls to further improve the offboarding and equipment recovery processes.

Recommendation 7: Continue to improve the timeliness of cooperation with authorized State oversight inquiries to ensure transparent and accountable agency operations.

ITS incorporates by reference the response to this recommendation provided in January 2025.

Recommendation 8: Implement the recommendation detailed in our preliminary findings to strengthen technical controls over the selected systems reviewed.

Due to the confidential nature of this finding ITS has provided a private response to address this recommendation.

If you have any other questions or requests, please feel free to reach out to Jerry Nestleroad at Jerry.Nestleroad@its.ny.gov.

Respectfully Submitted,

Jerry Nestleroad
Director of External Audit

CC: Dru Rai, Chief Information Officer
Jenson Jacob, Executive Deputy Chief Information Officer
Chris Desain, Chief Information Security Officer
Marcy S. Stevens, Chief General Counsel