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October 19, 2023

FINAL REPORT TRANSMITTAL LETTER

Wayne County Commission:

Enclosed is our final copy of the Corrective Action Plan (CAP) and Auditor General's Assessment for the Wayne County Department of Information Technology (DoIT) – Controls Over Computer Assets, Performance Audit Report. The report is dated September 28, 2023; DAP No. 2023-57-001. The report was accepted by the Committee on Audit at its meeting held on October 11, 2023 and formally received by the Wayne County Commission on October 19, 2023.
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We are pleased to inform you that management and staff from the Wayne County Department of Information Technology (DoIT), provided their full cooperation during the engagement. If you have any questions, concerns, or desire to discuss the CAP and summary in greater detail, we would be happy to do so at your convenience. This report is intended for your information and should not be used for any other purpose. Copies of all final reports of the Office of Legislative Auditor General can be found at our website at: https://www.waynecounty.com/elected/commission/office-of-the-legislative.aspx.

Sincerely,

Marcella Cora, CPA, CIA, CGMA, CICA
Auditor General

REPORT DISTRIBUTION

Wayne County Department of Information Technology
Hector Roman, Chief Information Officer
Ryan Hayes, Director, Enterprise Computing & Infrastructure

Department of Management & Budget
John Wallace, Chief Financial Officer
Robert Widigan, Chief Deputy Financial Officer
Yogesh Gusani, Deputy Chief Financial Officer
Arthur Walker, Procurement Director
Shauntika Bullard, Director, Grants, Compliance & Contract Management

Wayne County Executive

Office of Legislative
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September 28, 2023 **DAP No. 2023-57-001**

Honorable Raymond E. Basham, Chairman
Committee on Audit
Wayne County Commission
County of Wayne, Michigan
500 Griswold, Ave., Suite 766
Detroit, MI 48226

Subject: **Corrective Action Plan,** including the Auditor General's Assessment, dated March 1, 2023, for the Department of Information Technology – Controls Over Computer Assets

In accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States as it relates to a performance audit engagement, the Office of Legislative Auditor General (OAG) requested the Department of Information Technology to submit a Corrective Action Plan (CAP) for the recommendations that were identified within the Controls Over Computer Assets-Performance Engagement Report, that was dated April 7, 2022, and received by the Wayne County Commission on April 21, 2022.

The CAP was provided as requested. Attached is a Summary and Assessment of the CAP prepared by the OAG. The summary schedule includes: the recommendations; management's comments on the findings and recommendations; management's action taken or planned; whether management has or intends to implement the recommendations; responsible person(s)/area; implementation or targeted implementation date; and the Auditor General's assessment.

Our assessment of the twenty (20) recommendations found that management took sufficient action to address fifteen (15) recommendations identified within the report; five (5) are considered in-process. A follow-up review may be deemed necessary to determine if the in-process recommendations were implemented.

Respectfully submitted,

Marcella Cora, CPA, CIA, CGMA, CICA
Auditor General

Attachment

CC: Hector Roman, Chief Information Officer, Department of Information Technology
Ryan Hayes, Director, Enterprise Computing & Infrastructure, Department of Information Technology
John Wallace, Chief Financial Officer, Department of Management and Budget
Robert Widigan, Chief Deputy Financial Officer, Department of Management and Budget
Yogesh Gusani, Deputy Chief Financial Officer, Department of Management and Budget
Arthur Walker, Procurement Director, Department of Management and Budget
Shauntika Bullard, Director of Grants and Contracts, Department of Management and Budget

Department of Information Technology (DoIT)
Controls Over Computer Assets
Performance Engagement

Summary and Assessment of
CORRECTIVE ACTION PLAN

Auditor General's Recommendation		Management has or Intends to Implement the Recommendation Yes/No	Management's Comments and Action Taken or Planned	Responsible Person(s)/ Area	Implementation or Targeted Implementation Date	Auditor General's Assessment
2020-01 (A)	To mitigate risks related to the management and oversight of computer asset inventory, we recommend DoIT management perform the following: Establish and adopt comprehensive policies and procedures for the computer asset inventory management processes, including but not limited to, the acquisition, distribution, disposal, physical verification, safeguarding, and recording of computer assets in the Ivanti inventory management system, and stand-alone database repositories.	Yes	DoIT is in the process of updating and publishing the following policies and procedures: • Asset Disposal Procedure • Asset Disposal Policy • Product Intake and Deployment Procedure • Computer Equipment Lifecycle Management Policy	Enterprise Computing and Infrastructure Division	Implemented	We obtained and reviewed the updated policies and procedures for the computer asset inventory management processes. Based on our review, DoIT management has established comprehensive policies and procedures to address the acquisition, distribution, disposal, physical inventory verification, safeguarding, and recording of computer assets in the Ivanti inventory management system. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2020-01 (B)	Develop a periodic review process of DoIT policies and procedures to ensure that current policies and procedures address any changes to current business practices and/or external standards.	Yes	DoIT policies and procedures are reviewed on an annual basis and updated as needed.	Network Security	Implemented	We confirmed with DoIT management that policies and procedures are reviewed on an annual basis and updated if required. The Chief Information Officer (CIO) will review and approve any changes prior to the updated policies and procedures being posted.

Summary and Assessment of
CORRECTIVE ACTION PLAN

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						Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2020-02 (A)	To mitigate risks related to the administration and monitoring of disposal vendor services, we recommend DoIT management: Ensure that a written contractual agreement is established with the new disposal vendor that details the specific services to be performed and reporting requirements.	Yes	DoIT has established a contract with a disposal vendor that meets all the requested requirements.	Enterprise Computing and Infrastructure Division	Implemented	DoIT entered into a contractual agreement with ElectroCycle on 4/6/2022 for a term of three (3) years, with two (2) one-year renewal options. Based on a review of the contract, we confirmed that the written contractual agreement details the specific services to be performed by the disposal vendor, which includes the pick-up, transport, and shredding of Wayne County computer hard drives. The contract also requires the vendor to provide a chain of custody document; a Certificate of Destruction (COD) containing the hard drive serial numbers and asset tag information; and a searchable electronic listing of equipment destroyed in PDF or Excel format. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

Summary and Assessment of
CORRECTIVE ACTION PLAN

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2020-02 (B)	Ensure detailed information (i.e., serial number) on each asset destroyed is provided by the vendor on its destruction certificate for reconciliation with county records.	Yes	DoIT has established a contract with a disposal vendor that meets all the requested requirements.	IT Asset Manager	Implemented	Based on a review of the Certificate of Destruction (COD) for 10 randomly selected computer assets that were destroyed in 2022 and 2023, we determined that the COD provided detailed information (i.e., serial number, asset tag no., etc.) that could be reconciled to DoIT's disposal records. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2020-02 (C)	Monitor and review disposal vendor performance and compliance to all required processes and procedures to perform the services, including annual certification, audits conducted by third party.	Yes	Quarterly meetings have been established with the vendor to review processes and procedures.	IT Asset Manager	Implemented	In response to our fieldwork inquiry, DoIT management has established quarterly meetings with the vendor to address performance objectives. We were provided a copy of a Feb. 2023 meeting agenda and minutes. In addition, DoIT management provided a NAID certificate of audit confirming that the disposal vendor, ElectroCycle, incurred an annual certification in accordance with industry standards. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

Department of Information Technology (DoIT)
Controls Over Computer Assets
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2020-02 (D)	Consider conducting periodic on-site observation of the vendor's destruction process.	Yes	Yes, we will consider conducting periodic on-site observation of the vendor's destruction process.	IT Asset Manager	In Process	DoIT management stated they will consider conducting periodic on-site observation of the disposal vendor's destruction process. Per inquiry, we confirmed that DoIT management has not conducted any on-site observation of the vendor's destruction process as of the date of this report. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary.
2020-03 (A)	To mitigate the risk that sensitive information may be exposed after the vendor picks up county computer assets, we recommend management: Ascertain, on a cost-benefit analysis, if a process can be implemented to destroy the hard drives prior to the disposal vendor pick-up of county computer assets.	No	An established process has been implemented between Wayne County and the disposal vendor to properly pick up and destroy hard drives.	Disposal Vendor	Implemented	Although DoIT did not perform a cost-benefit analysis as recommended, we noted that a compensating control was adopted when DoIT established a contractual agreement with disposal vendor, ElectroCycle, to securely pick-up and destroy Wayne County computer hard drives. We also determined the vendor passed an audit and received an annual certification stating the vendor's destruction process and procedures were in compliance with national industry standards.

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						Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2020-03 (B)	Ensure the disposal vendor provides within its Scope of Services a Certificate of Destruction and includes the successful shredding of County hard drives.	Yes	The disposal vendor provides a Certificate of Destruction for any hard drives that are disposed of.	IT Asset Manager	Implemented	Based on our review of the disposal vendor's Certificate and Hard Drive Destruction Process we noted that computer hard drives are shredded. We also noted that the COD forms are signed by the disposal vendor attesting that the hard drives were destroyed (i.e., shredded) and recycled properly. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2020-03 (C)	Ensure the vendor certificate of destruction includes the computer asset serial number, method of destruction, date of destruction, and the number of hard drives disposed.	Yes	The disposal vendor provides a Certificate of Destruction and Certificate of Recycling that includes detailed asset information of disposed assets.	IT Asset Manager	Implemented	Based on a review of the COD forms obtained in 2020-02(B), we verified that the certificate of destruction forms did include the computer asset serial number, the date of destruction and a listing of assets destroyed. While we found the COD did not include the destruction method, the vendor's Hard Drive Destruction Process specifies that hard drives will be shredded.

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						Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2020-04 (A)	To comply with M&B Policy No. 12000 and strengthen controls over computer assets that cost less than $5,000, we recommend: DoIT management develop a county-wide inventory policy to include, but not limited to, require county business units to perform a physical inventory count of computer assets at least annually, and forward a written report to DoIT for review and reconciliation to their records.	Yes	We have started the process of sending departments asset inventory reports and request to verify assets listed in the report.	IT Asset Manager	In Process	Based upon our review of the DoIT's Computer Equipment Lifecycle Management Procedures, we determined that the procedure requires for DoIT to conduct an annual verification of computer assets that have been distributed to county business units, and to resolve and investigate any discrepancies that are identified during the verification process. In addition, DoIT management indicated that they are still implementing the annual physical inventory process with other departments and elected offices within the county. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary to verify that the described action has occurred.

Summary and Assessment of
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2020-04 (B)	During the distribution process, ensure that every county employee assigned to a computer asset provides a handwritten signature and date on an attestation form adhering to their accountability over the assigned asset and financial responsibility for its loss.	Yes	This procedure is included as a part of the equipment deployment process.	Desktop Services IT Asset Manager	In Process	Based upon our review of the Product Intake and Deployment Policy**,** we determined that the policy requires for county employees to provide a handwritten signature and date on a Work Order Request Form (also known as a deployment form) at the time of deployment. Per discussion with management, DoIT is in the process of revising the policy to state that county employees could be held financially responsible for the loss of a computer asset due to employee negligence or reckless mishandling of the asset. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary to verify that the described action has occurred.
2020-04 (C)	Develop a standard inventory checklist to be used by the business units during their internal inventory process. The checklist should include the computer's asset tag, serial	Yes	We have started the process of sending departments asset inventory reports and request to verify assets listed in the report.	IT Asset Manager	Implemented	In lieu of developing a standard inventory checklist, DoIT is utilizing the Asset Inventory Report to be used by business units during its internal inventory process. We noted that the Asset Inventory Report contains detailed

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	number, custodian name, location, and the date of the inventory validation.					information on computer assets, such as the asset tag number, serial number, custodian, and location of the computer assets. DoIT management stated that the business units are provided with a copy of the Asset Inventory Report during the annual inventory verifications and are requested to validate the accuracy of the information contained in the report. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2020-04 (D)	Perform a comparison of the inventory count/attestation provided from the county departments/business units to the Ivanti inventory file and follow-up on noted exceptions.	Yes	Comparisons are performed during the annual validation process with each department.	IT Asset Manager	Implemented	We noted that the Computer Equipment Lifecycle Management Procedures requires DoIT to conduct an annual verification of computer assets that have been distributed out to business units to validate each computer asset's location and custodian. Based upon review of the Asset Inventory Reports and the email communications that DoIT

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						management received from the Commission and the Treasurer's Office during calendar year 2022, we determined that DoIT performed an inventory verification with the business units on a timely basis and conducted adequate follow-up with the business units to resolve the discrepancies noted. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

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2020-04 (E)	Perform a monthly review of Ivanti to identify computer assets that have not reported to the system for more than two weeks and ascertain the asset's location and custodian.	Yes	Any discrepancies will be identified and validated in the annual computer inventory audit process.	IT Asset Manager	In Process	Although DoIT management stated any computer asset discrepancies will be validated during the annual audit process, we proposed to DoIT management a timelier review, such as quarterly, could be more effective in locating potential missing computer assets. DoIT management stated they will consider conducting a quarterly scan of Ivanti to identify computer assets that have not logged into Ivanti for an extended period. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be necessary to verify that the described action has occurred.
2020-05 (A)	To strengthen the controls and mitigate risks related to the management and storage of computer asset inventory, we recommend DoIT management pursue the following:	Yes	DoIT is in the process of updating and publishing the following policies and procedures: • Product Intake and Deployment Procedure • Computer Equipment Lifecycle Management Policy	Enterprise Computing and Infrastructure Division	Implemented	We reviewed the Product Intake and Deployment Procedures and the Computer Equipment Lifecycle Management Procedures. We determined that both policies require DoIT to store idle and undeployed computers in a secured locked location. DoIT is also required to properly label the

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	Establish policy and procedures to formalize a process for recording and tracking all computer inventory that is stored by DoIT and awaiting distribution, including but not limited to, 1) Ensure all computers are stored within a centralized location. 2) Properly label and identify each computer that is received and placed in storage. 3) Ensure that all idle computers are stored within a secured locked room.					computers at the time of receipt/delivery and update the location of computer assets within a tracking spreadsheet. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2020-05 (B)	Ensure DoIT management maintains a written record of all computer inventory received, its location, and retrieved from storage by DoIT personnel for distribution.	Yes	DoIT is in the process of updating and publishing the following policy. • Product Intake and Deployment Procedure	Enterprise Computing and Infrastructure Division	Implemented	The Product Intake and Deployment Procedures requires DoIT to update the location of stored computer assets within the Locations of POs Spreadsheet. The policy also requires for DoIT staff to update the Locations of POs Spreadsheet when a computer asset is deployed and removed out of storage. In addition, DoIT maintains a Ready to Deploy Spreadsheet to track and account for computer assets that were received and awaiting distribution.

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						We reviewed the Location of POs spreadsheet that is used to track the location and deployment status of computer assets located within the department's storage units. Testing a limited sample of computer assets, we found no exceptions. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
2020-05 (C)	Periodically conduct a physical verification of the computer inventory that is maintained by DoIT in storage to ensure agreement to inventory records and/or reports.	Yes	Physical verification is periodically conducted numerous times throughout the week.	IT Asset Manager	Implemented	Based on our review of the Locations of POs Spreadsheet, we determined that DoIT documented the weekly verifications that were performed for computer assets located within storage beginning the week of 1/3/2022 through current. We noted that DoIT recorded the dates that the verifications were performed and the initials of the personnel who performed the verification within the spreadsheet. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

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Auditor General's Recommendation		Management has or Intends to Implement the Recommendation Yes/No	Management's Comments and Action Taken or Planned	Responsible Person(s)/ Area	Implementation or Targeted Implementation Date	Auditor General's Assessment
2020-06 (A)	To mitigate risks related to the receiving, recording and distribution of computer purchases, we recommend DoIT management establish policies and procedures to: Require a sign-off to be completed by DoIT personnel on receiving (i.e., packing slips) documents for each shipment to verify the quantity received and note exceptions.	Yes	DoIT is in the process of updating and publishing the following policies and procedures: • Product Intake and Deployment Procedure	Enterprise Computing and Infrastructure Division	In Process	According to the Product Intake and Deployment Procedure, DoIT's receiving personnel is required to conduct a physical verification of the orders that are received and to make notations within the DoIT Procurement Database upon completion of their review. We noted DoIT management is currently revising the Product Intake and Deployment Procedure to address the requirement to have DoIT personnel sign and date the packing slips during their shipment verification process. We selected a random sample of three (3) orders from the Audit Procurement 2022 - 2023 Spreadsheet provided by DoIT and determined that DoIT personnel did signed off on the packing slips during the shipment verification process for all three (3) orders. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. However, a follow-up review may be

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						necessary to verify that the described action has occurred.
2020-06 (B)	Ensure that a Deployment Sign-off Form is signed and dated by a representative of DoIT and the requesting department/elected office during the on-site pick-up and/or distribution.	Yes	Deployment work order forms are signed and dated by DoIT personnel and the requesting department during the deployment process.	Desktop Services IT Asset Manager	Implemented	According to the Product Intake and Deployment Policy, county employees are required to provide a handwritten signature and date on the Work Order Request Form (also known as a deployment form) at the time of deployment. We selected a statistical sample of three (3) work orders from the 2022-2023 Deployed Computer Asset Report and determined that the business unit and DoIT management signed the Work Order Request Form at the time of deployment for all three (3) work orders. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

Department of Information Technology (DoIT)
Controls Over Computer Assets
Performance Engagement

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2020-06 (C)	Ensure that all Deployment Sign-off Forms are recorded/stored in a centralized location on SharePoint for third party review.	Yes	All deployment work order forms are stored in a centralized location within SharePoint.	Desktop Services IT Asset Manager Business Services	Implemented	We reviewed the Product Intake and Deployment Procedures and determined that the procedure requires for DoIT personnel to store all signed IT deployment work orders within a centralized location on SharePoint. We selected a random Purchase Order (PO 222000425) from the 2022-2023 Deployed Computer Assts Report provided by DoIT on 4/28/2023 and determined that DoIT personnel properly stored the signed deployment form in the appropriate folder on SharePoint. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.