



**Mecklenburg County
Department of Internal Audit**

Business Support Services Agency
Computer and Equipment Disposal Audit Follow-Up
Report 1810

October 26, 2018

Internal Audit's Mission To support key stakeholders in cultivating an environment of accountability, transparency and good governance.

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Staff Acknowledgements Deborah Caldwell, CIA, CISA, Auditor-in-Charge

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MECKLENBURG COUNTY
Department of Internal Audit

To: Dena Diorio, County Manager

From: Joanne Prakapas, Director, Department of Internal Audit

Date: October 26, 2018

Subject: Business Support Services Agency Computer and Equipment Disposal Audit Follow-Up Report 1810

The Department of Internal Audit completed a follow-up audit on reported issues from the Business Support Services Agency Computer and Equipment Disposal Audit Report 1352 issued June 10, 2014. The follow-up audit objective was to determine with reasonable but not absolute assurance whether management took effective corrective action on the issues presented in the audit report.

Internal Audit staff interviewed key personnel; observed operations; reviewed written policies, procedures, and other documents; and tested specific transactions where applicable. Internal Audit conducted this audit in conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.

FOLLOW-UP SUMMARY

There were three recommendations in the Business Support Services Agency Computer and Equipment Disposal Audit Report 1352. The following table provides the original number of recommendations and summarizes the follow-up audit results performed to date.

Fiscal Year	Audit Report	Implemented	Open	Not Implemented¹	Withdrawn	Total Carryforward
2014	1352 ²	N/A				3
2015	1575	1	2			2
2018	1810		2			2

¹ Management assuming risk for not taking corrective action

² Initial report

The attached **Follow-Up Results** matrix provides details for the most recent follow-up audit. Internal Audit will review any carryforward issues later to verify recommendations are fully implemented and working as intended.

The cooperation and assistance of the Information Technology Services staff are recognized and appreciated.

- c: Deputy County Manager/Chief of Staff
- Assistant County Managers
- Deputy County Attorney
- Senior County Attorney
- Board of County Commissioners
- Audit Review Committee
- Chief Information Officer, Information Technology Services

Follow-Up Results
Business Support Services Agency Computer and Equipment Disposal Audit Report 1352

- **Implemented** – Audit issue has been adequately addressed by implementing the original or alternative corrective action plan (**I**)
- **Open** – Corrective action for audit issue initiated but not completed (**P**); Implemented but not operating as intended (**IO**); Not been addressed but management fully intends to address issue (**O**)
- **Not Implemented** – Audit issue not addressed and management has assumed the risk of not taking corrective action (**NI**)
- **Withdrawn** – Audit issue no longer exist due to operational changes (**W**)

				Implementation Status	
Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
1.1	Internal Audit recommends management develop formal, documented policies and procedures for computer and equipment disposal activities that reflect current and best practices, and train staff as necessary. The policies and procedures should include, at a minimum: <ul style="list-style-type: none"> • Staff roles and responsibilities for computer disposal activities • Computer pre-disposal physical security • Reconciliation between computer intake and destruction • Hard drive sanitation methodology and timing • Annual inventory requirements • Policy application, including exceptions • Periodic review and update of policies and procedures 	Policies and procedures are presently being reviewed and amended to align computer and equipment disposal best practices with our business policies, processes and procedures. The aforementioned review and amendment process will be fully implemented by September 30, 2014. Benchmarked guidelines will be derived from NIST Special Publication-800-88.	09/2014	P	Management indicated the recommendation is partially implemented due to competing priorities and changes in staff and department management. Since the completion of audit fieldwork, management indicated draft policies and procedures are pending review and approval.
2.1	Internal Audit recommends management reconcile computers slated for destruction against the vendor's settlement reports, which denotes computer hard drives that have been destroyed.	Reconciliation between disposal vendor and computer inventory list verifying decommissioning will occur quarterly and exceptions will be reported to information security within one business day. Information security will then work with all interested parties to remediate the discrepancy and provide a detailed report to BSSA-IT senior leadership.	06/2014	p	Management indicated the recommendation is partially implemented due to competing priorities and changes in staff and department management.