



AUDITOR GENERAL

WILLIAM O. MONROE, CPA



SELECTED STATE AGENCIES' SURPLUS IT PROPERTY CONTROLS

Information Technology Audit

SUMMARY

The final phase of the information systems development life cycle is system disposition. To promote the economic, efficient, and effective operation of State government, and to minimize the risk of inappropriate or illegal disclosure of sensitive or confidential information, information technology (IT) equipment must be disposed of in a well-controlled fashion.

State Technology Office (STO) rules¹ provide that electronic media in all its forms, on all media and devices, must be protected during all phases of its life cycle, from unauthorized or inappropriate access, use, modification, disclosure, or destruction. STO rules² further provide that agencies shall implement procedures for the removal of confidential or exempt information from electronic media prior to transfer or final disposition.

Our audit focused on IT controls applicable to the storage and disposal of IT equipment containing electronic storage media, for the period January 2004 through December 2004, at the following State agencies: the Agency for Health Care Administration (AHCA), Department of Business and Professional Regulation (DBPR), Department of Children and Family Services (DCFS), Department of Elder Affairs (DEA), Department of Highway Safety and Motor Vehicles (DHSMV), Department of Juvenile Justice (DJJ), Department of Corrections (DOC), and Parole

Commission. This audit included a review of the procedures followed by the agencies in erasing the data from electronic media within surplus IT equipment. We also examined the STO's rulemaking role regarding surplus IT equipment.

The results of our audit are summarized below:

Finding No. 1: Our audit disclosed instances where, at certain agencies, computer hard drives within equipment ready for disposal were not completely erased. In addition, some computer hard drives contained confidential or inappropriate data. This deficiency was found only at certain agencies included in our audit; however, the specific agencies and the details of the data are not disclosed in this report to avoid compromising agency information. The appropriate agency personnel have been notified of the deficiencies.

Finding No. 2: Agencies lacked adequate written procedures or performed inadequate procedures in regard to the disposal of IT equipment.

Finding No. 3: Instances were noted at DBPR where computer hard drives within surplus equipment were reloaded, prior to final disposition, with material protected by copyright.

¹ 60DD-2.005, Florida Administrative Code

² 60DD-2.005, Florida Administrative Code

BACKGROUND

Organizations replace their IT equipment on a frequent basis, often on a planned replacement cycle. It is important for organizations to follow an orderly and controlled process for disposing of unneeded IT equipment in an economic, efficient, and effective manner. Most importantly, if IT equipment is to be released by the organization to another entity, for example, by donation to a non-profit organization, measures need to be followed to sanitize the electronic media within the IT equipment to ensure that confidential or sensitive information is not unintentionally disclosed.

Deleting files within IT equipment through normal system means does not physically remove the data; it only removes the operating system's ability to locate the information. Unless appropriate procedures are followed to overwrite, degauss (de-magnetize), or physically destroy the electronic media (such as computer hard drives and memory), the information therein can be easily recovered using specialized software. This creates a risk that sensitive or confidential information, should it reside on the equipment, will be inappropriately disclosed.

Many Federal and State laws exist that limit the disclosure of certain information. For example, Florida law³ provides that all social security numbers held by agencies are confidential and exempt from public disclosure. Consequently, public entities may face legal ramifications if due diligence is not exercised in preparing IT equipment for disposal.

The General Appropriations Act⁴ (GAA), for the 2004-05 fiscal year, required the Department of Management Services (DMS), in cooperation with the STO and the Department of Environmental Protection, to issue a solicitation for recycling,

reuse, or disposition services for surplus IT equipment. As a result of this requirement, DMS established the Recycling Services, End of Life Electronics Equipment State term contract effective July 22, 2004. On August 19, 2004, DMS communicated to agencies informing them of the new State term contract.

Finding No. 1:**Erasure of Computer Hard Drives**

Proper controls over system disposal include provisions for storage devices containing sensitive information to be physically destroyed or securely overwritten prior to disposal, rather than using the standard delete function.

During our audit, we noted instances where computer hard drives were not erased as intended at some agencies. Files that we reconstructed within the hard drives in question contained confidential information such as social security numbers, passwords, personal information, security system data, and other agency specific data identified in Florida law as confidential. In addition, we found inappropriate non-business material on some computer hard drives. Specific details of these deficiencies are not disclosed in this report to avoid any possibility of compromising agency information. However, the appropriate agency personnel have been notified of the deficiencies. Without effective software and practices to facilitate the erasure or destruction of hard drives within surplus IT equipment, agencies increase the risk of releasing confidential and sensitive information to unauthorized parties, including, in part, information about IT security systems.

³ Section 119.0721, Florida Statutes

⁴ Chapter 2004-268 (Section 6 line item 2652), Laws of Florida

Recommendation: The applicable agencies should strengthen procedures to ensure that all sensitive and confidential information is removed from surplus IT equipment prior to its disposal to reduce the possibility of improper disclosure.

The applicable agencies provided responses to the above finding and recommendation. Specific details of the agencies' responses, that include the details of their corrective actions, are not included in this report to avoid any possibility of compromising agency information. However, all of the applicable agencies concurred with our finding and recommendation.

Finding No. 2: IT Equipment Disposal Procedures

IT resource controls dictate that written procedures be developed and implemented to prevent access to sensitive information and software from computers, disks, and other equipment or media when these items are disposed of or transferred to another use. Such procedures would include the erasure of data from computer hard drives, the backing up of data prior to erasure, the verification of the integrity of critical data after it has been backed up, and the recording of information regarding the procedures performed to cleanse IT equipment prior to its disposal. Appropriate monitoring helps ensure that personnel understand and follow established policies and procedures. Our audit disclosed the following deficiencies in agency performance of or written procedures for the performance of IT equipment disposal:

- Written procedures at DHSMV, DJJ, and the Parole Commission did not include the requirement, the current practice, or the specific steps to be taken regarding the cleansing or destruction of electronic media within IT equipment which was to be disposed.

- Written procedures at DCFS, DHSMV, and the Parole Commission did not reflect the agencies' current practice of copying user files from a surplus computer to the replacement computer or to the network server prior to the erasure of files from the surplus IT equipment.
- Written procedures or practices were not in place at DCFS and DJJ for backing up critical data or verifying the integrity of critical data prior to its erasure from the surplus IT equipment.
- Written procedures at DHSMV and the Parole Commission did not reflect the current practice of retaining the old computer for a period of time prior to erasure of the data, thereby allowing the user to verify that all critical data had been transferred to a new computer.
- Written procedures or practices were not in place at DBPR, DCFS, DEA, DHSMV, DJJ, DOC, or the Parole Commission for labeling surplus equipment as erased and maintaining a log indicating which machines were erased and when and by whom the erasure had been performed.
- Written procedures at DBPR and DOC required the use of property disposition forms to transfer surplus IT equipment from the source department to the receiving department. However, these forms were not used.
- As previously noted in this report, DMS, effective July 22, 2004, established a State term contract for Recycling Services, End of Life Electronics Equipment, for IT equipment recycling, reuse, or disposition services. Proviso language within the GAA⁵ for the 2004-05 fiscal year provides that all State agencies must use the contract for disposal of end-of-life electronic equipment. Our audit disclosed that DJJ did not use the State term contract as a means to dispose of IT equipment not accepted for donation by other areas of DJJ, other agencies, or non-profit organizations. Instead, DJJ's practice was to take IT equipment to Leon County

⁵ Chapter 2004-268 (Section 6 line item 2652), Laws of Florida

Waste Management for disposal. According to DJJ, staff members responsible for the disposal were not aware of the recycling contract.

Documented procedures governing the process of sanitizing and releasing surplus IT equipment assist staff in consistently performing such activities and, thus, decrease the risk that confidential and sensitive information may be released to unauthorized individuals or that data might be irreversibly lost. Procedures requiring the logging of information to document that data had been appropriately erased from a machine provide a record that such activities have been performed, should questions subsequently arise regarding the unauthorized release of confidential or sensitive information. Additionally, without appropriate communication and reinforcement of management aims and direction, the risk is increased that employees will be unaware of and fail to comply with internal or external requirements.

Recommendation: The above-listed agencies should develop detailed written procedures regarding the erasure of surplus computer hard drives. Such procedures should also include measures to follow if the hard drive rejects software erasure procedures, a requirement to back up and verify data prior to erasure from the old machines, provisions for labeling machines for which appropriate procedures have been performed, and instructions to log the procedures performed to erase data from the IT equipment identified as surplus. In addition, the aforementioned agencies should communicate and measure compliance with requirements relating to the disposal of surplus IT equipment.

Finding No. 3:

Software Reload Procedures

Computer software is typically acquired with a vendor license that provides the customer with a legal right to use the software. DBPR used a network imaging utility to reload all operational

surplus personal computers with Microsoft Windows 95 before final disposition. However, Microsoft Windows 95 licensing requires the donor to provide documentation when transferring a software license. In addition, the Department had no procedures in place to use its software tracking system to determine which Microsoft Windows operating system was originally licensed for each machine. Consequently, the risk was increased of illegally distributing software that is not properly licensed to the recipients of donated surplus computers.

Recommendation: DBPR should discontinue the practice of loading copyrighted software to surplus IT equipment when no software license exists that can be transferred to the recipient of the software.

STO Rule Development

The GAA Implementing Act⁶ directed the STO to implement Section 282.102 (2), Florida Statutes, which provides that the STO shall adopt rules on best practices for, among other things, the disposition of information technology. As a result, the STO promulgated rules⁷ effective December 26, 2004, to guide agencies on the disposal of surplus IT property. The Implementing Act⁸ also directed the STO to include, within agency and State IT resource inventory lists, the methods used for final disposition of the resources. In response, the STO updated its Instructions for the Agency Annual Enterprise Resource Planning and Management Report as of August 27, 2004, to require agencies to provide information regarding disposal of equipment. Specifically, agencies must state whether equipment was transferred to another agency, donated to a non-profit organization, exchanged, sold, or disposed of by another method. We may review the STO's actions to promote

⁶ Chapter 2004-269 (Section 38), Laws of Florida

⁷ 60DD-7, Florida Administrative Code

⁸ Chapter 2004-269 (Section 38), Laws of Florida

agencies' compliance with the aforementioned STO rules in a future audit.

OBJECTIVES, SCOPE, AND METHODOLOGY

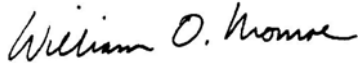
The objectives of this audit were to determine the effectiveness of selected State agencies' procedures for the storage and safeguarding of surplus IT equipment awaiting disposal and procedures for the removal of confidential or exempt information from electronic media prior to disposal. Our audit scope focused on IT controls over the storage and disposal of surplus IT equipment during the period January 1, 2004, through December 31, 2004, at the Agency for Health Care Administration, Department of Business and Professional Regulation, Department of Children and Family

Services, Department of Elder Affairs, Department of Highway Safety and Motor Vehicles, Department of Juvenile Justice, Department of Corrections, and Parole Commission. We also examined the STO's rulemaking role regarding surplus IT equipment.

In conducting this audit at the selected agencies, we interviewed appropriate agency personnel, observed processes and procedures, used computer-assisted audit techniques, and performed various other audit procedures to test selected controls related to the storage and disposal of surplus IT property.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our information technology audit.



William O. Monroe, CPA
Auditor General

AGENCIES' RESPONSES

In letters dated March 30, 2005, through April 19, 2005, the heads of the applicable agencies provided responses to our preliminary and tentative findings. These letters are included at the end of this report.

To promote accountability and improvement in government operations, the Auditor General makes audits of the information technology programs, activities, and functions of governmental entities. This information technology audit was made in accordance with applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. This audit was conducted by Earl Butler, CISA, and supervised by Shelly Posey, CISA. Please address inquiries regarding this report to Jon Ingram, CPA*, CISA, Audit Manager, via e-mail at joningram@aud.state.fl.us or by telephone at (850) 488-0840.

This report and other audit reports prepared by the Auditor General can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone (850 487-9024); or by mail (G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450).

*Regulated by State of Florida.



FLORIDA PAROLE COMMISSION

2601 Blair Stone Road, Building C, Tallahassee, Florida 32399-2450

MONICA DAVID
Commissioner/Chairman

FREDERICK B. DUNPHY
Commissioner/Vice-Chairman

TENA M. PATE
Commissioner/Secretary

March 30, 2005

Mr. William O. Monroe
Auditor General
Office of the Auditor General
Pepper Building, Room 236
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Attached is the response of the Florida Parole Commission to preliminary and tentative audit findings and recommendations of the Information Technology Audit of the Parole Commission, Surplus IT Property Controls, for the period January 1, 2004, through December 31, 2004. We concur with the findings of this audit and are in the process of taking corrective action in the form of new policy and procedures on technology hardware inventory and lifecycle methodology.

Please let me know if you require anything further from the Commission in regards to this audit. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Monica David".

Monica David
Chairman

MD/jd

cc: Mr. Fred Schuknecht
Mr. John Douglas

Attachment: Audit Finding Response

Florida Parole Commission

Preliminary and Tentative Audit Findings Not An Audit Report

SELECTED STATE AGENCIES' SURPLUS IT PROPERTY CONTROLS Information Technology Audit

Finding No. 2: Agencies lacked adequate written procedures or performed inadequate procedures in regard to the disposal of IT equipment.

Recommendation # 2: The above-listed agencies (including the Florida Parole Commission) should develop detailed written procedures regarding the erasure of surplus computer hard drives. Such procedures should also include measures to follow if the hard drive rejects software erasure procedures, a requirement to back up and verify data prior to erasure from the old machines, provisions for labeling machines for which appropriate procedures have been performed, and instructions to log the procedures performed to erase data from the IT equipment identified as surplus. In addition, the aforementioned agencies should communicate and measure compliance with requirements relating to the disposal of surplus IT equipment.

Response: The Florida Parole Commission had developed a draft policy for technology hardware inventory and lifecycle methodology prior to the advent of the audit. It was decided that it would be most prudent to set this draft aside until we had the results of the audit in order that we could incorporate recommendations from the audit into the proposed policy. That has been done and the policy has been forwarded for management review at this time. We expect to have this policy in place in the near future.

DEPARTMENT OF

April 6, 2005

**ELDER
AFFAIRS**
STATE OF FLORIDA

Jonathan E. Ingram, CPA, CISA
Audit Manager
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Ingram:

JEB BUSH
GOVERNOR

This explanation is in response to the Auditor General's report, dated March 15, 2005, regarding the Information Technology Audit of the Department of Elder Affairs, Surplus IT Property Controls, for the period of January 1, 2004, through December 31, 2004.

The Auditor General's recommendation is that the Department should strengthen its procedures to ensure that all sensitive and confidential information is removed from surplus IT equipment prior to its disposal to reduce the possibility of improper disclosure.

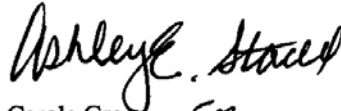
The Department wishes to thank the Auditor General for identifying a weakness that the Department will start addressing immediately. The Department's procedure will be strengthened through the following:

CAROLE GREEN
SECRETARY

- Update the computer disposal procedures for labeling surplus equipment as erased and maintain a log indicating which machines were erased, when they were erased, and who had performed the erasure.

As always, if you feel that the Department of Elder Affairs can be of any assistance to you or your staff, please do not hesitate to contact me at (850) 414-2000.

Sincerely,



Carole Green *For*
Secretary

4040 ESPLANADE WAY
TALLAHASSEE,
FLORIDA 32399-7000

phone 850.414.2000
fax 850.414.2004
TDD 850.414.2001

cc: Stanley Behmke, Elder Affairs Inspector General

<http://elderaffairs.state.fl.us>



Jeb Bush
Governor

Lucy D. Hadi
Secretary

April 13, 2005

Mr. William O. Monroe
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Thank you for your recent letter providing the preliminary findings and recommendations which may be included in your audit of the Department of Children and Family Services, Surplus IT Property Controls for the period January 1, 2004, through December 31, 2004.

Enclosed is our response to the finding and recommendation. If your staff has any additional questions, please have them call Ms. Lori Schultz, Director of Strategic Planning and Performance, at (850) 487-8902.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Hadi", written over the typed name and title.

Lucy D. Hadi
Secretary

Enclosure

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

The Department of Children and Families is committed to working in partnership with local communities to ensure safety, well-being and self-sufficiency for the people we serve.

Auditor General's Preliminary and Tentative Information Technology Audit of the Surplus IT Property Controls for the period January 1, 2004 through December 31, 2004

Finding #2 Agencies lacked adequate written procedures or performed inadequate procedures in regard to the disposal of IT equipment.

Recommendation The above-listed agencies should develop detailed written procedures regarding the erasure of surplus computer hard drives. Such procedures should also include measures to follow if the hard drive rejects software erasure procedures, a requirement to back up and verify data prior to erasure from the old machines, provisions for labeling machines for which appropriate procedures have been performed, and instructions to log the procedures performed to erase data from the IT equipment identified as surplus. In addition, the aforementioned agencies should communicate and measure compliance with requirements relating to the disposal of surplus IT equipment.

Response The department concurs with the findings and recommendations and has made the following additions to existing policy and practices.

CFOP 50-2 (5.a.4) details the procedures for removal of sensitive data prior to the disposal, off-site repair, or reuse by another agency or reuse by another system within the same agency. It also requires security officers or end users of stand-alone PCs to provide security measures (including adequate backups and verification). Additional requirements are also published on-line in CFOP 50-18 (pamphlet).

CFOP 50-2 has been enhanced to reference CFOP 50-7 for approved data cleansing software and procedures

CFOP 50-2 also requires completion of a log to document the procedures performed to erase data and that each PC has been appropriately cleaned. A desktop procedure has been put in place to require staff to mark each disk with the date cleaned and by whom, and label each machine that has been prepared for surplus or redistribution.

Tier 2 support staff at Northwood is now required to submit a spreadsheet to the property section stating what was done with equipment to be surplus to meet requirements for disposal. Property staff reviews the spreadsheet to confirm requirements for disposal have been met and requests certification for disposal of equipment through General Services.



**State of Florida
DEPARTMENT OF
HIGHWAY SAFETY AND MOTOR VEHICLES**

FRED O. DICKINSON
Executive Director

JEB BUSH
Governor

CHARLIE CRIST
Attorney General

TOM GALLAGHER
Chief Financial Officer

CHARLES H. BRONSON
Commissioner of Agriculture

April 14, 2005

Honorable William O. Monroe
Auditor General
State of Florida
111 West Madison Street
Tallahassee, Florida 32302-1735

Dear Mr. Monroe:

Enclosed is a copy of this agency's response to the preliminary and tentative audit findings from your Information Technology Audit of the Department of Highway Safety and Motor Vehicles, Surplus IT Property Control, for the period January 1, 2004, through December 31, 2004. If you need additional information, please contact Mr. John R. Davis, Inspector General, at 488-1407.

Sincerely,

Fred O. Dickinson
Executive Director

FOD/gc
Enclosure

Auditor General's
Preliminary and Tentative Audit Findings and Recommendations
Information Technology Audit
of the Department of Highway Safety and Motor Vehicles
Surplus IT Property Controls for the period January 1, 2004, through December 31, 2004

Finding No. 1 – Not applicable

Finding No. 2:
IT Equipment Disposal Procedures

Recommendation: The above-listed agencies should develop detailed written procedures regarding the erasure of surplus computer hard drives. Such procedures should also include measures to follow if the hard drive rejects software erasure procedures, a requirement to back up and verify data prior to erasure from the old machines, provisions for labeling machines for which appropriate procedures have been performed, and instructions to log the procedures performed to erase data from the IT equipment identified as surplus. In addition, the aforementioned agencies should communicate and measure compliance with requirements relating to the disposal of surplus IT equipment.

Action Taken:

The DHSMV performed all the necessary activities related to the appropriate disposal of IT equipment. However, written procedures for these activities have not yet been finalized. The DHSMV will comply with the recently promulgated 60DD-7.013 Florida Administrative Code.

Finding No. 3 – Not applicable



FLORIDA DEPARTMENT OF JUVENILE JUSTICE
Jeb Bush, Governor Anthony J. Schembri, Secretary

April 15, 2005

William O. Monroe, Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

Pursuant to Section 11.45(4)(d), Florida Statutes, enclosed is a written response concerning the preliminary and tentative audit findings, including a proposed corrective action for the Information Technology Audit of the Department of Juvenile Justice, Surplus IT Property Controls, for the period of January 1, 2004, through December 31, 2004.

Finding 2: IT Equipment Disposal Procedures

AG Recommendation: "...agencies should develop detailed written procedures regarding the erasure of surplus computer hard drives. Such procedures should also include measures to follow if the hard drive rejects software erasure procedures, a requirement to back up and verify data prior to erasure from the old machines, provisions for labeling machines for which appropriate procedures have been performed, and instructions to log the procedures performed to erase data from the IT equipment identified as surplus. In addition, the aforementioned agencies should communicate and measure compliance with requirements relating to the disposal of surplus IT equipment".

DJJ Response: The Department is in the process of revising its published policy on surplus assets. The new policy will have additional details added to assure that computer equipment surplus is not approved prior to MIS executing procedures that assure software and data cannot be accessed on the surplus hard drive. This change will be accompanied by an initial and periodic communication to Department staff on the use of the new policy and associated procedures. The implementation of this new policy is scheduled for the end of December 2005.

The Department is evaluating alternatives for assuring hard drive data cannot be accessed on surplus hard drives. As a part of this evaluation, MIS drafted a procedure for erasing surplus computer hard drives and is in the process of testing it. The procedures will be implemented statewide by the end of September 2005. The finalized procedures will address: the disposition of hard drives that reject software erasure; data backup/verification from old machines; labeling computers after erasure; and documenting machines that have been cleaned of all data. The Department will develop and implement procedures for communicating and measuring compliance with the procedures for IT surplus equipment disposal.

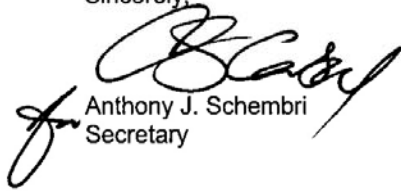
2737 Centerview Drive • Tallahassee, Florida 32399-3100 • (850) 488-1850

The mission of the Department of Juvenile Justice is to protect the public by reducing juvenile crime and delinquency in Florida.

Mr. William O. Monroe
Information Technology Audit
April 15, 2005
Page 2

Once the most cost effective solution is determined, the procedures will be finalized and implemented statewide by the end of December 2005. If you need further information, please contact Dave Kallenborn, Chief of MIS at 921-6740.

Sincerely,



Anthony J. Schembri
Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION



April 18, 2005

Mr. William O. Monroe, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Job Bush
Governor
Diane Carr
Secretary

Office of the Secretary
1940 North Monroe Street
Tallahassee, Florida
32399-0750

VOICE
850.413.0755

FAX
850.921.4094

EMAIL
Secretary@dbpr.state.fl.us

INTERNET
www.MyFlorida.com/dbpr

Dear Mr. Monroe:

I am in receipt of your letter dated March 15, 2004, in which you forward the preliminary and tentative findings and recommendations of the recent audit performed on the Department of Business and Professional Regulation Surplus IT Property Controls for the period January 1 through December 31, 2004. Below is my response to each of your findings and recommendations.

Finding No. 1: Erasure of Computer Hard Drives

AG Finding: Our audit disclosed instances where, at certain agencies, computer hard drives within equipment ready for disposal were not completely erased. In addition, some computer hard drives contained confidential or inappropriate data.

AG Recommendation: The applicable agencies should strengthen procedures to ensure that all sensitive, confidential, and copyrighted information is removed from surplus IT equipment prior to its disposal to reduce the possibility of improper disclosure.

DBPR Response: An exit conference was held with members of the Auditor General's Office on March 9, 2005, in which this issue was discussed. Mr. Earl Butler reported that the IT surplus audit encompassed multiple agencies. In no instance was confidential or sensitive information found on DBPR computer hard drives that had been erased. Messrs. Butler and Jon Ingram both indicated that the report would be modified to reflect that this deficiency did not apply to the Department of Business and Professional Regulation. However, upon review of the preliminary findings I do not see where DBPR was excluded. I respectfully request that this notation be included in the Auditor General's final report.

Mr. William O. Monroe, CPA
April 18, 2005
Page 2

Finding No. 2: IT Equipment Disposal Procedures

AG Finding: Two deficiencies were cited against DBPR. (1) Written procedures or practices were not in place at DBPR for labeling surplus equipment as erased and maintaining a log indicating which machines were erased and when and by whom the erasure had been performed. (2) Written procedures at DBPR required the use of property disposition forms to transfer surplus IT equipment from the source department to the receiving department. However, these forms were not used.

AG Recommendation: The above-listed agencies should develop detailed written procedures regarding the erasure of surplus computer hard drives. Such procedures should also include measures to follow if the hard drive rejects software erasure procedures, a requirement to back up and verify data prior to erasure from the old machines, provisions for labeling machines for which appropriate procedures have been performed, and instructions to log the procedures performed to erase data from the IT equipment identified as surplus.

DBPR Response: The department agrees with the audit recommendation. The department recently hired a new Help Desk Manager whose priority included establishing written policies and procedures for activities performed by that Unit. Be advised that the policies and procedures are being formalized in compliance with the above recommendations.

Finding No. 3: Software Reload Procedures

AG Finding: Instances were noted at DBPR where computer hard drives within surplus equipment were reloaded, prior to final disposition, with material protected by copyright.

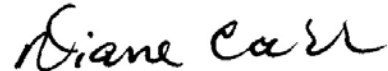
AG Recommendation: DBPR should discontinue the practice of loading copyrighted software to surplus IT equipment when no software license exists that can be transferred to the recipient of the software.

Mr. William O. Monroe, CPA
April 18, 2005
Page 3

DBPR Response: The department agrees with the audit recommendation. If we cannot produce a EULA (end user license agreement), we will not load an operating system on to surplus IT equipment.

Please contact Ms. Lynn Furiato, Chief Information Officer, at 850-921-5392 if you have any questions regarding the above responses or need further clarification.

Sincerely,



Diane Carr
Secretary

DC/km

cc: Lynn Furiato, Chief Information Officer
Steve Lauer, Inspector General



**FLORIDA
DEPARTMENT of
CORRECTIONS**

Equal Opportunity Employer

2601 Blair Stone Road • Tallahassee, FL 32399-2500
Phone: (850) 488-7480

Governor
JEB BUSH

Secretary
JAMES V. CROSBY, JR.

<http://www.dc.state.fl.us>
Fax: (850) 922-2848

April 19, 2005

**The Honorable William O. Monroe, CPA
Auditor General
Office of the Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450**

RE: Preliminary and Tentative Audit Findings, Information Technology Audit of the Department of Corrections, Surplus IT Property Controls for the period January 1, 2004 through December 31, 2004

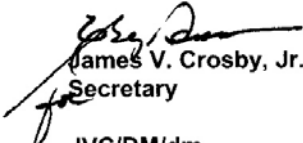
Dear Mr. Monroe:

We have reviewed the preliminary and tentative findings and recommendations included with your letter dated March 15, 2005. As required by Section 11.45(4)(d), Florida Statutes, our response is attached.

This response reflects the specific action taken or contemplated to address the deficiencies cited.

Thank you for your continued cooperation and presentation of recommendations for the improvement of our operations.

Sincerely,


**James V. Crosby, Jr.
Secretary**

**JVC/DM/dm
Attachment**

**Cc: C. George Denman, Deputy Secretary
Gerald H. Abdul-Wasi, Inspector General
Millie Seay, Assistant Secretary of Administration
Dave Mecusker, Chief Internal Auditor
Scott McPherson, Chief Information Officer**

**FLORIDA DEPARTMENT OF CORRECTIONS
RESPONSE TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS
AUDIT OF SURPLUS IT PROPERTY CONTROLS
FOR THE PERIOD JANUARY 1, 2004 THROUGH DECEMBER 31, 2004**

Finding No. 2 – IT Equipment Disposal Procedures

- Written procedures were not in place for labeling surplus equipment as erased.....

Response:

We concur with the audit findings. The Department's Office of Information Technology is writing procedures to address this deficiency. We have since begun labeling PCs that come through Central Office for surplus with stickers certifying the hard drives have been wiped using Department of Defense (DoD)-certified methodology, and we track these using our ITIL-compliant Peregrine Service Center software.

- Written procedures require the use of property disposition forms..... However, these forms were not used.

Response:

The Department acknowledges that three (3) surplus computers could not be matched against DC2-335 Property Transfer Forms. OIT is strengthening its internal supervisory processes and investing additional resources of time and dollars in training Central Office and field staff in proper procedures and in the use of the DC2-335 form to match against our Peregrine Service Center software application for validation and comparison.