

**SURPLUS COMPUTER HARD DRIVE
DISPOSAL PROCESSES**

AT SELECTED STATE AGENCIES

Information Technology Operational Audit



STATE AGENCY HEADS

The Florida Statutes establish the various State agencies and provide the title and selection process for the head of each State agency. The three State agencies included within the scope of this information technology operational audit and the respective agency heads who served during the period of our audit were as follows:

Department of	Established By Florida Statutes	State Agency Head	Dates of Service
Agriculture and Consumer Services	Section 20.14	Honorable Adam H. Putnam, Commissioner of Agriculture	From January 4, 2011
Business and Professional Regulation	Section 20.165	Ken Lawson, Secretary of Business and Professional Regulation	From May 2, 2011
Health	Section 20.43	Dr. John H. Armstrong, State Surgeon General and State Health Officer	From May 23, 2012

The audit team leader was Brenda Shiner, CISA, and the audit was supervised by Chris Gohlke, CPA, CISA. Please address inquiries regarding this report to Arthur Hart, CPA, Audit Manager, by e-mail at arthart@aud.state.fl.us or by telephone at (850) 412-2923.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

SURPLUS COMPUTER HARD DRIVE DISPOSAL PROCESSES

At Selected State Agencies

SUMMARY

To promote the economic, efficient, and effective operation of State government and to minimize the risk of inappropriate or illegal disclosure of confidential or exempt information, surplus computer hard drives must be disposed of in a well-controlled fashion. Agency for Enterprise Information Technology (AEIT)¹ Rule 71A-2.009(2)(c), Florida Administrative Code, provides that agencies shall implement procedures for the removal of confidential or exempt information from electronic media before the media are made available for reuse or disposal.

Our information technology (IT) operational audit focused on evaluating selected IT controls applicable to the storage and safeguarding of surplus computer hard drives awaiting disposal at the following State agencies: Department of Agriculture and Consumer Services (DACS), Department of Business and Professional Regulation (DBPR), and Department of Health (DOH). This audit included a review of the surplus computer hard drive disposal processes followed by the agencies in sanitizing (erasing data from or destroying) and disposing of hard drives.

Our audit disclosed areas in which improvements to surplus computer hard drive disposal processes and controls were needed. The results of our audit are summarized below:

Finding No. 1: Certain security controls related to surplus computer hard drive disposal processes needed improvement.

Finding No. 2: Documentation of surplus computer hard drive sanitization and disposition needed improvement.

BACKGROUND

State agencies replace computers on a periodic basis, often according to a planned replacement cycle. It is important for State agencies to follow an orderly and controlled process for disposing of unneeded surplus computers in an economic, efficient, and effective manner. Most importantly, if surplus computers are to be made available by State agencies to other entities (e.g., donation to nonprofit organizations) or disposed of, appropriate procedures need to be followed to sanitize the surplus computer hard drives to ensure that confidential or exempt information is physically removed and not inappropriately disclosed. Sanitization methods for hard drives include erasure by overwriting (wiping) the data, degaussing (demagnetizing), or physical destruction.

Deleting files on surplus computer hard drives through normal system means does not physically remove data; it only removes the operating system's ability to locate the information. Unless appropriate sanitization methods are followed to overwrite, degauss, or physically destroy the hard drives, the information therein can be easily recovered using specialized commercially available software. This creates the risk that confidential or exempt information, should it reside on the hard drives, may be inappropriately disclosed.

Many Federal and State laws exist that limit the disclosure of certain information. For example, Section 119.071(5)(a)5., Florida Statutes, provides that social security numbers held by an agency are confidential and exempt from public disclosure. Consequently, State agencies may not be in compliance with applicable State laws if due diligence is not exercised throughout the surplus computer hard drive disposal processes.

¹ Chapter 2014-221, Laws of Florida, effective July 1, 2014, created the Agency for State Technology (AST) within the Department of Management Services and authorized a type two transfer of all records; property; pending issues and existing contracts; administrative authority; administrative rules in Chapters 71A-1 and 71A-2, Florida Administrative Code, in effect as of November 15, 2010; trust funds; and unexpended balances of appropriations, allocations, and other funds of the AEIT to the AST.

FINDINGS AND RECOMMENDATIONS

Finding No. 1: Surplus Computer Hard Drive Disposal Processes

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed certain security controls related to the surplus computer hard drive disposal processes that needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising agency information. However, we have notified appropriate agency management of the specific issues. Without adequate security controls related to the hard drive disposal processes, the risk is increased that agency information may be compromised.

Recommendation: The agencies should improve security controls over the surplus computer hard drive disposal processes to ensure the continued protection of confidential and exempt information.

Finding No. 2: Surplus Computer Hard Drive Sanitization and Disposition Documentation

It is critical that State agencies maintain disposal records for surplus computers to document what surplus computer hard drives were sanitized, when and how they were sanitized, and the final disposition.

DACS

DACS *Administrative Policies and Procedures, No. 8-12, Media Protection*, provides that it is critical that systems disposal procedures are in place to ensure the proper removal of hardware and the associated computer programs and data that reside on these devices and that these devices must be wiped of all electronic media to a state where the former media cannot be recovered. Additionally, Office of Agriculture Technology Services, *Standard Operating Procedures, No. OATS-1900, Surplus Computer Equipment*, provides that the sanitization of surplus computer hard drives is documented on a *Wipe Verification Report (Wipe Report)*.

We selected 10 computers from DACS's list of surplus computers that had been sanitized as of August 8, 2014, to determine if documentation of the surplus computer hard drive sanitization and disposition was accurate and complete. For 4 of the 10 computers selected, the hard drives were not present in the computer and the *Wipe Reports* indicated that the hard drives had been removed from the computers, degaussed, and stored in a separate area within the DACS surplus location. However, the serial numbers of the removed hard drives were not documented on the *Wipe Reports*. Additionally, no other documentation was provided that associated degaussed hard drives with their originating computers. Therefore, we were unable to locate and determine that the hard drives removed from the surplus computers were properly sanitized.

DBPR

DBPR *Department Policy, Number 1.3, Property Control*, provides that a *Property Disposition Form (Disposition Form)* be completed by the custodian delegate prior to the disposal of surplus property. For surplus computers, the record of final sanitization and disposition will be documented on the *Disposition Form*.

DBPR staff stated that when surplus computer hard drives could not be wiped using sanitization software, the hard drives were removed and destroyed. However, the serial numbers of the removed hard drives were not documented on the *Disposition Form* and no documentation existed indicating that the hard drives were destroyed.

We selected 10 computers documented as containing wiped hard drives from the *Disposition Form* as of July 15, 2014, to determine if the documentation of the surplus computer hard drive sanitization and disposition was accurate and complete. For 1 of the 10 computers selected, DBPR staff was unable to locate the computer. Also, for another 1 of the 10 computers selected, we determined by inspection that the hard drive of the computer had been removed, there was no documentation indicating the details of the disposition, and DBPR staff was unable to locate the missing hard drive.

DOH

DOH *Information Security and Privacy Policy 12, DOHP 50-10k-10, Retention, Archiving, and Disposition of Records*, provides that all computer equipment must be sanitized prior to reassignment or disposal to ensure that the confidentiality of DOH data is maintained. Furthermore, DOH *Bureau of General Services, DOHP 250-11-14, Management of State Property*, provides that, for surplus IT property, the local IT administrator must sanitize all IT assets before any movement of the IT assets occurs and complete the certification. The DOH uses the *Certification of State Surplus Property form (Certification Form)* for this purpose.

On July 31, 2014, we selected 11 computers listed on the *Certification Forms* scheduled for surplus on August 1, 2014, to determine if documentation of the surplus computer hard drive sanitization and disposition was accurate and complete. For 5 of the 11 computers selected, we determined by inspection that the hard drives of the computers had been removed. However, the corresponding *Certification Forms* indicated that the hard drives had not been removed. DOH staff stated that, when hard drives could not be erased using sanitization software, the hard drives were removed from the computers and destroyed. Although we were able to determine by inspecting the computers that the hard drives had been removed, the hard drive serial numbers were not documented on the *Certification Forms*. Also, no documentation existed indicating that the removed hard drives were destroyed.

Additionally, our audit disclosed certain security controls related to the surplus computer hard drive sanitization and disposal documentation at the agencies that needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising agency information. However, we have notified appropriate agency management of the specific issues. Without accurate and complete documentation of surplus computer hard drive sanitization and disposition, the risk is increased that there may not be proper accountability and control of hard drives in place to prevent inappropriate or unauthorized access to confidential or exempt information.

Recommendation: Agency management should ensure that documentation of the surplus computer hard drive sanitization and disposition is accurate and complete.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this information technology (IT) operational audit from July 2014 through September 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this IT operational audit were to evaluate the effectiveness of selected State agencies' IT controls for the storage and safeguarding of surplus computer hard drives awaiting disposal and for the removal of confidential and exempt information from the hard drives prior to disposal.

The scope of our audit focused on evaluating selected IT controls over the surplus computer hard drive disposal processes during the period July 2014 through September 2014 at the following State agencies: Department of Agriculture and Consumer Services (DACCS), Department of Business and Professional Regulation (DBPR), and Department of Health (DOH).

This audit was designed to identify, for the IT controls included within the scope of the audit, deficiencies in management's internal controls; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of ineffective or inefficient operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular IT controls, legal compliance matters, and records considered.

As described in more detail below, for the IT controls included within the scope of our audit, our audit work included, but was not limited to, communicating to the agencies' management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the IT controls; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of IT controls and records. Unless otherwise indicated in this report, these items were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and contractors and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, we:

- Interviewed appropriate personnel at the selected State agencies.
- Obtained an understanding of the key processes used for the storage, sanitization, and disposition of surplus computer hard drives at the selected State agencies.
- Observed and evaluated the controls related to the secure storage, sanitization, and documentation of the disposition of surplus computer hard drives at the selected State agencies.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures as necessary to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe those matters requiring corrective action.

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 IT operational audit.



David W. Martin, CPA
Auditor General

MANAGEMENTS' RESPONSES

The applicable agency managements' responses are included as **EXHIBIT A**.

EXHIBIT A
MANAGEMENTS' RESPONSES
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

OFFICE OF AGRICULTURE
 TECHNOLOGY SERVICES
 (850) 245-1040



THE MAYO BUILDING
 407 SOUTH CALHOUN STREET
 TALLAHASSEE, FLORIDA 32399-0800

FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
 COMMISSIONER ADAM H. PUTNAM

November 24, 2014

David W. Martin, CPA
 Auditor General
 111 West Martin Street
 Claude Pepper Building, G-74D
 Tallahassee, Florida 32399

Dear Mr. Martin:

The following comments are provided to the preliminary and tentative findings and recommendations in your audit of "Surplus Computer Hard Drive Disposal Process" for the Florida Department of Agriculture and Consumer Services.

Surplus Computer Hard Drive Disposal Processes

Finding No. 1: Certain security controls related to surplus computer hard drive disposal processes needed improvement.

Recommendation: The agencies should improve security controls over the surplus computer hard drive disposal processes to ensure the continued protection of confidential and exempt information.

Response: The Florida Department of Agriculture and Consumer Services concur with the recommendation and we have corrected all access and are actively working to improve the security controls over the surplus computer disposal process.

Surplus Computer Hard Drive Disposal Documentation

Finding No. 2: Documentation of surplus computer hard drive sanitization and disposition needed improvement.

Recommendation: Agency management should ensure that documentation of the surplus computer hard drive sanitization and disposition is accurate and complete.

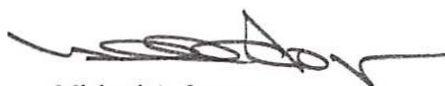
Response: The Florida Department of Agriculture and Consumer Services concur with the recommendation and, as such, the Office of Agriculture Technology Services revised the Standard Operating Procedures, No. OATS – 1900, Surplus Computer Equipment to require hard drives be reinstalled in the PC after the degaussing process. Further, verification of successful degaussing will be noted on the sticker affixed to the PC.

EXHIBIT A (CONTINUED)
MANAGEMENTS' RESPONSES
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

David W. Martin, CPA
November 24, 2014
Page Two

Please let me know if you have any questions or concerns at (850) 617-7700 or email Mike.Joyner@FreshFromFlorida.com.

Sincerely,



Michael A. Joyner
Assistant Commissioner

MJ/jj

EXHIBIT A (CONTINUED)
MANAGEMENTS' RESPONSES
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION



Office of the Secretary
Ken Lawson, Secretary
1940 North Monroe Street
Tallahassee, Florida 32399-1000
Phone: 850.413.0755 • Fax: 850.921.4094

Ken Lawson, Secretary

Rick Scott, Governor

November 18, 2014

David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, I have enclosed our response to the preliminary and tentative audit findings and recommendations related to the Department of Business and Professional Regulation included in your multi-agency *Information Technology Operational Audit of the Surplus Computer Hard Drive Disposal Processes at Selected State Agencies*.

We appreciate the time and energy put forth by your staff, as well as your continuing efforts to improve the operations of state government.

If you have any questions concerning this response, please contact Lynne T. Winston, Inspector General, at (850)-414-6700.

Sincerely,

Ken Lawson

cc: Matilde Miller, Chief of Staff
Lynne T. Winston, Inspector General
Kathy Ott, Chief Information Officer

KL:sl

Enclosure

**EXHIBIT A (CONTINUED)
MANAGEMENTS' RESPONSES
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

Response to Preliminary and Tentative Audit Findings
*Information Technology Operational Audit of the
Surplus Computer Hard Drive Disposal Processes at Selected State Agencies*

Finding No. 1: Surplus Computer Hard Drive Disposal Processes

Certain security controls related to surplus computer hard drive disposal processes needed improvement.

Recommendation

The agencies should improve security controls over the surplus computer hard drive disposal processes to ensure the continued protection of confidential and exempt information.

Response

We have corrected certain aspects of our internal security controls, and are actively working to improve other security controls over the department's surplus computer hard drive disposal processes.

Finding No. 2: Surplus Computer Hard Drive Sanitization and Disposition Documentation

Documentation of surplus computer hard drive sanitization and disposition needed improvement.

Recommendation

Agency management should ensure that documentation of the surplus computer hard drive sanitization and disposition is accurate and complete.

Response

We concur with the recommendation and have updated our procedures for documenting computer hard drive sanitization and disposition.

We are actively working to improve internal security controls related to the department's surplus computers.

EXHIBIT A (CONTINUED)
MANAGEMENTS' RESPONSES
DEPARTMENT OF HEALTH

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.



Rick Scott
Governor

John H. Armstrong, MD, FACS
State Surgeon General & Secretary

Vision: To be the Healthiest State in the Nation

November 20, 2014

Mr. David W. Martin, CPA
Auditor General
Room G74, Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

We are pleased to respond to the preliminary and tentative findings and recommendations concerning the Office of the Auditor General's information technology operational audit of the *Surplus Computer Hard Drive Disposal Processes at Selected State Agencies*, including the Department of Health. Our response to the findings, as required by Section 11.45(4)(d), *Florida Statutes*, is enclosed.

We appreciate the efforts of you and your staff in assisting to improve our operations. Please contact our Director of Auditing, Michael J. Bennett by calling (850) 245-4141 should you have any questions.

Sincerely,


John H. Armstrong, MD, FACS
State Surgeon General

JHA/mhb
Enclosure

cc: James D. Boyd, CPA, MBA, Inspector General
Michael J. Bennett, CIA, Director of Auditing

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**EXHIBIT A (CONTINUED)
MANAGEMENTS' RESPONSES
DEPARTMENT OF HEALTH**

Preliminary and Tentative Findings



Report Number – To be determined
 Report Title: *Surplus Computer Hard Drive Disposal Processes at Selected State Agencies*
 Report Date: To be determined
 Preliminary and Tentative Findings

No.	Finding	Recommendation	Management's Response	Corrective Action Plan
1	Certain security controls related to surplus computer hard drive disposal processes needed improvement.	The agencies should improve security controls over the surplus computer hard drive disposal processes to ensure the continued protection of confidential and exempt information.	We concur.	<p>The Office of Information Technology (OIT) will take steps to ensure hard drives awaiting sanitization are secured, and will limit the access to un-sanitized hard drives. OIT performs this function for the majority of DOH on the Capital Circle Office Complex campus. A documented operation process will be established for requesting sanitization of surplus or re-purposed equipment to ensure proper controls. The documented process will be shared with units that use OIT for this service. This will be completed by January 30, 2015.</p> <p>DOH policy will be updated to state that all business units performing sanitization must have processes in place that ensure that hard drives awaiting sanitization are secured. This will be completed by February 27, 2015.</p>
2	Documentation of surplus computer hard drive sanitization and disposition needed improvement.	Agency management should ensure that documentation of the surplus computer hard drive sanitization and disposition is accurate and complete.	We concur.	<p>Steps have already been taken to close gaps in the process of properly documenting hard drives and sanitization actions. OIT will establish a clear, documented, internal operational process outlining procedural steps for properly documenting the sanitization and disposition actions of surplus computers and computers to be re-purposed. This will be completed by January 30, 2015.</p>