



Environmental  
Protection

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Mr. John F. Buyce  
Audit Director  
State of New York  
Office of the State Comptroller  
110 State Street  
Albany, NY 12236

April 9, 2012

Re: Controls over Computers, Report 2010-N-7

Dear Mr. Buyce:

As a part of the follow up to the State Comptroller's Audit of Controls Over Computers ("the Audit"), Report 2010-N-7, and DEP's response to the audit report (dated October 14, 2011), DEP has implemented the following for each of the areas that were previously noted in the audit:

- I. Focus increased attention on ensuring that non-capital assets, such as computers and related equipment, are adequately protected from loss, theft or misuse.*

In order to establish the current baseline and develop a set of procedures that address all of the current gaps, we conducted a current state workshop with the key representatives within each bureau who procure, track and dispose of IT assets. Utilizing the information gathered at this workshop, we analyzed our current Information Technology Asset Management (ITAM) lifecycle process for computer hardware. The lifecycle processes analyzed included: *Request, Order, Receive, Deploy, Manage (Move/Change/Break/Fix), and Dispose*.

We then analyzed industry best practices for IT asset management to determine their applicability to our needs. As a part of this analysis, a series of workshops was conducted to define and design future state IT asset management processes. In particular, we have completed:

- Determination of the organizational structure necessary to best manage IT assets, including:
  - IT asset management roles and resource requirements
  - Insourcing vs. outsourcing discussion and analysis with Gartner
- Assessment of industry best practice IT service asset and configuration management processes within the Information Technology Infrastructure Library (ITIL)
- DEP ITAM Future State Process Handbook and supporting documents that outline targeted future-state ITAM processes based on the gap analysis and current priorities.

- Evaluation of the existing tools and vendors from Gartner magic quadrant for ITAM and the recommendation/selection of the tool based on the DEP fit analysis.

We have completed an implementation plan for IT asset management within DEP. The plan includes:

- Overall scope, schedule and budget – 2/10/2012
- Proposed organizational structure – 2/20/2012
- Prioritized ITAM process – 2/22/12
- Implementation and rollout plan – 2/24/2012
- Change management and training plan – on-going as a part of the roll-out plan (through July 2013)

The above activities were completed by February 24, 2012 and the budget “new needs” requests and IT asset tool procurement processes have been initiated. Additionally, the first pilot bureau within DEP for the newly proposed ITAM tool and processes has been identified.

*2. Determine whether any computers currently held in storage can be redeployed to fill needs in other areas.*

As a part of the DEP ITAM implementation and rollout plan described above (pilot bureau and tool implementation by August 2012), DEP will establish the appropriate inventory levels that achieve the right balance between minimizing the number of computers in storage and maintaining an adequate stock of computers to fulfill unplanned needs for either replacement or new initiatives.

*3. Refrain from purchasing additional equipment that is not necessary for current operations.*

As is outlined in the Recommendation No. 2 above, DEP will determine the economic inventory level and minimize the purchase of excess computers through robust IT asset management processes based on industry best practice and the tool that captures and automates IT asset inventory lifecycle.

*4. Monitor equipment assigned to staff who leave Department employment and ensure that all items have been properly returned and accounted for.*

DEP reminded employees of the policy regarding “Return of Property Form” in a memorandum to Bureau Administrators on April 28, 2011. Since the previous reminder was issued nearly one year ago, DEP will shortly issue this year’s reminder. A process has been implemented that requires that a copy of the Return of Property Form be forwarded to the Office of Information Technology. This policy will be further strengthened as DEP rolls out holistic IT asset management processes.

I want to thank the State Comptroller for this audit and its recommendations. DEP is committed to improving efficiency and accountability in order to provide our customers with drinking water

and wastewater services at the lowest possible rates. Implementing the four recommendations above will help us to achieve that goal.

Very truly yours,

A handwritten signature in black ink, enclosed in a circle. The signature appears to read "S. Lawitts".

Steven W. Lawitts

## AUDIT IMPLEMENTATION PLAN

AGENCY: Department of Environmental Protection

Audit Title and Number: 2010-N-7– New York State Audit Report of DEP's Controls over Computers

Date Issued: January 10, 2012

Plan Status Date: April 9, 2012

Audit Finding	Audit Recommendation and Agency Response	Corrective Action Plan
<p><i>Inventory Systems and Inaccurate Certification of Controls</i></p> <p><i>Recommendation 1: Focus increased attention on ensuring that non-capital assets, such as computers and related equipment, are adequately protected from loss, theft or misuse by:</i></p> <ul style="list-style-type: none"><li>• <i>requiring that all such equipment be appropriately marked to identify City ownership;</i></li><li>• <i>maintaining an appropriate inventory system that establishes responsibility and accountability for the assets by denoting the location of each item and the employee to whom it is assigned; and</i></li><li>• <i>monitoring the accuracy of, and compliance with, the system through periodic tests and physical inventories.</i></li></ul>	<p><b>Corrective Action (Step 1):</b> Conduct a detailed assessment of information technology (IT) asset management practices within each bureau.</p> <p><b>Target Date:</b> February 29<sup>th</sup>, 2012</p> <p><b>Date Implemented:</b> January 13<sup>th</sup>, 2012</p> <p><b>Agency Response:</b> Agree.</p>	

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Audit Finding	Audit Recommendation and Agency Response	Corrective Action Plan
<i>Inventory Systems and Inaccurate Certification of Controls</i>		<p><b>Corrective Action (Step 2):</b> Analyze industry best practices for IT asset management to determine their applicability to our needs.</p> <p>Target Date: February 29<sup>th</sup>, 2012</p> <p><b>Date Implemented:</b> January 27<sup>th</sup>, 2012</p>
<i>Inventory Systems and Inaccurate Certification of Controls</i>		<p><b>Corrective Action (Step 3):</b> Propose a detailed implementation plan for IT asset management within DEP.</p> <p>Target Date: February 29<sup>th</sup>, 2012</p> <p><b>Date Implemented:</b> February 9<sup>th</sup>, 2012</p>

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Audit Finding	Audit Recommendation and Agency Response	Corrective Action Plan
<i>Inventory Systems and Inaccurate Certification of Controls</i>		<p><b>Corrective Action (Step 4):</b> Implement IT asset management within DEP.</p> <p><b>Target Date:</b> First pilot scheduled to be completed by August 31, 2012 and complete roll out planned by July 31, 2013.</p> <p><b>Date Implemented:</b></p>
<i>Unnecessary and Underutilized Equipment</i>	<p><i>Recommendation 2: Determine whether any computers currently held in storage can be redeployed to fill needs in other areas.</i></p> <p>Agency Response: Agree.</p>	<p><b>Corrective Action:</b> Establish appropriate inventory levels while conducting the assessment described under Recommendation 1.</p> <p><b>Target Date:</b> To be implemented as a part of first pilot deployment by August 31st.</p> <p><b>Date Implemented:</b></p>

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Audit Finding	Audit Recommendation and Agency Response	Corrective Action Plan
<i>Unnecessary and Underutilized Equipment</i>	<p><b>Recommendation 3:</b> Refrain from purchasing additional equipment that is not necessary for current operations.</p> <p><b>Agency Response:</b> Agree.</p>	<p><b>Corrective Action:</b> Maintain inventory levels established in corrective action for Recommendation 1.</p> <p><b>Target Date:</b> To be implemented as a part of first pilot deployment by August 31st, 2012 and complete roll-out by July 31st, 2013.</p> <p><b>Date Implemented:</b></p>
<i>Ensuring that Assets are Returned by Departing Staff</i>	<p><b>Recommendation 4:</b> Monitor equipment assigned to staff who leave Department employment and ensure that all items have been properly returned and accounted for.</p> <p><b>Agency Response:</b> Agree.</p>	<p><b>Corrective Action:</b> Strengthen process for ensuring that all equipment assigned to employees is accounted for as they leave employment with the Department.</p> <p><b>Target Date:</b></p>