



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
 50-515-04

Computer Equipment Surplus and Salvage

Department of Information Technology (DIT)

Department of Management and Budget

(DMB)

Released:
 November 2004

Network and desktop computer equipment is used by State employees to process and store data for State of Michigan operations. Network and desktop computer equipment that is no longer needed is disposed of through the surplus and salvage process. DIT processes the disposal of computer equipment for executive branch departments. The disposed of computer equipment may be reused by another executive branch department or sold at a State surplus auction. DMB manages the State Surplus Property Program.

Audit Objective:

To assess the effectiveness of DIT and DMB controls in preventing unauthorized disclosure of data on surplus and salvage computer equipment.

Audit Conclusion:

DIT and DMB controls were not reasonably effective in preventing unauthorized disclosure of data on surplus and salvage computer equipment.

Material Condition:

DIT had not established effective controls to ensure the removal or destruction of confidential and sensitive State data on surplus and salvage computer equipment. Without effective controls to remove or destroy data, it is possible that confidential and sensitive data could be retrieved by unauthorized agency personnel or by individuals that purchase computers at State surplus auctions. (Finding 1)

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Audit Objective:

To assess the effectiveness of DIT and DMB controls in preventing unauthorized removal or theft of surplus and salvage computer equipment.

Audit Conclusion:

DIT and DMB controls were somewhat effective in preventing unauthorized removal or theft of surplus and salvage computer equipment.

Reportable Condition:

DIT did not implement comprehensive tracking controls over surplus and salvage computer equipment and hard drives to monitor the movement and location of surplus and salvage computers. As a result, DIT cannot completely account for and control surplus and salvage computer equipment and hard drives. (Finding 2)

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Agency Response:

Our report contains 2 findings and 2 corresponding recommendations. The agency preliminary responses indicated

that DIT agreed with the findings and has partially complied or will comply with the recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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