

THOMAS P. DINAPOLI
COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

November 14, 2012

Mr. Greg Olsen
Acting Director
State Office for the Aging
2 Empire State Plaza
Albany, New York 12223-1251

Re: Disposal of Electronic Devices
Report 2012-S-39

Dear Mr. Olsen:

According to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we recently tested the hard drives of 18 computers being surplus by the State Office for the Aging (Office) for compliance with certain mandatory requirements set forth by the Office of Cyber Security designed to protect personal, private and sensitive information.

Background

Office of Cyber Security Policy P03-002 requires all state entities to establish formal processes to address the risk that personal, private or sensitive information may be improperly disclosed. One way information can be compromised is through careless disposal or re-use of electronic devices. Personal computers, tablets and smart phones pose a particular concern because they can easily be returned to the manufacturer or sold to the public while still containing personal identifiable information. The policy therefore requires that all electronic media (i.e. hard drives and other memory components) in these devices be securely overwritten or physically destroyed to prevent the unauthorized disclosure of sensitive information. Many State agencies surplus excess equipment through the Office of General Services (OGS), where we have conducted a similar audit which has been reported on separately. The Office has opted to surplus its own equipment independent of OGS.

Results of Audit

During March 2012 we met with officials to gain an understanding of the controls in place to minimize the risk that sensitive information could be disclosed as a result of the equipment

disposal process. They supplied us with the Office's policies and procedures for preparing hard drives for surplus, and explained how the Office assigns each client a unique identifying number, therefore reducing the likelihood that personal information would be stored on the Office's computers. We reviewed this information, which we found to be appropriate, and tested 18 electronic devices scheduled for surplus. None contained readable data. We therefore concluded that the Office has complied with requirements to protect sensitive information.

Audit Scope, Objectives and Methodology

We audited selected aspects of security controls in place over the disposal of electronic devices for the period January 1, 2012 through March 20, 2012. The objectives of our audit were to determine if electronic devices being surplused had been permanently cleaned of all personal, private and sensitive information, and whether the Office had developed formal processes to minimize the risk of unauthorized disclosure of such information when disposing of such equipment.

To accomplish our audit objectives, we interviewed Office officials and reviewed Office policies and procedures for disposing of electronic devices. In addition, we reviewed relevant State laws and policies. Using forensic software and separate computer hardware (to ensure our tests did not alter the hard drives and other devices being tested), we tested all 18 computers that the Office indicated were ready for surplus at the time of our examination.

We conducted our performance audit 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.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

A draft copy of our audit observations was provided to Office officials for their review and comment. Their comments were considered in preparing this report and have included them at the end of this report. Major contributors to this report were Walter Irving, Bob Mainello, Lynn Freeman, Thierry Demoly, Michele Krill, Corey Harrell and Alphonso Boyd.

Please convey our thanks to the management and staff of the State Office for the Aging for the courtesies and cooperation that they extended to our auditors during this review.

Sincerely,

A handwritten signature in black ink, appearing to read "John Buyce". The signature is fluid and cursive, with the first name "John" being the most prominent.

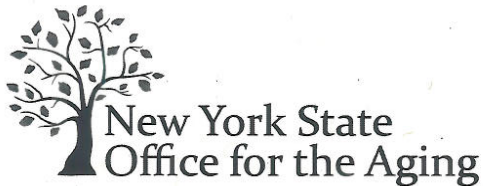
John Buyce, CPA, CIA, CGFM
Audit Director

cc: Jack Lynch, Deputy Director - Finance and Administration
Thomas Lukacs, Division of the Budget

Agency Comments

Andrew M. Cuomo
Governor

Greg Olsen
Acting Director



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September 21, 2012

John Buyce, Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street - 11th Floor
Albany, NY 12236-0001

Subject: Audit 2012-S-39
Disposal of Electronic Devices

Dear Mr. Buyce:

I am in receipt of Audit Report 2012-S-39 – Disposal of Electronic Devices and I agree with the findings contained therein.

As Acting Director of the New York State Office for the Aging I appreciate the audit function performed by the Comptroller's Office and I welcome the feedback that I receive through your audits. NYSOFA takes pride in the high degree of accountability that we maintain as administrators of State and Federal funding. We strive to maintain appropriate internal controls over all aspects of our operations. Your confirmation that our controls over the disposition of electronic devices has met these goals is very reassuring.

Thank you for sharing this report with me.

Sincerely,

Greg Olsen

