



STAFF REPORT INFORMATION ONLY

TTC Audit Report – Disposal of Surplus Computers, Servers and Digital Photocopiers and Removal of Data from the Hard Drives

Date:	February 19, 2015
To:	TTC Audit Committee
From:	Head of Audit, Joseph L. Kennelly

Summary

The Information Technology Services (ITS) Department manages and controls the disposal of surplus computers, laptops, servers and digital photocopiers, and the removal or destruction of confidential information from the hard drives.

No significant control weaknesses were identified during the audit. However, control over the deletion of data from the digital photocopiers' hard drives needs to be improved. The deletion of information from the digital photocopier hard drives and their removal is not performed exactly as stated in Option "B" (2) as per the selected policy from 4 Office Automation Ltd, namely "4Office Automation Limited Policy on Information Stored on the Multifunctional Devices (MFDs) upon Machine Pickup". At the TTC's request so as not to impact critical service locations, the photocopiers are taken off-site to the 4 Office Automation Ltd. warehouse, information is deleted from the hard drives, which then are removed and sent back to TTC for destruction.

There is a risk that information stored on photocopiers may be extracted prior to returning the hard drives to the TTC.

Financial Impact

The recommendation in this report has no financial impact.

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Attachment

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TORONTO TRANSIT COMMISSION

AUDIT OF

DISPOSAL OF SURPLUS COMPUTERS, SERVERS AND DIGITAL PHOTOCOPIERS AND REMOVAL OF DATA FROM THE HARD DRIVES

CORPORATE SERVICES GROUP INFORMATION TECHNOLOGY SERVICES DEPARTMENT

COMPUTING SUPPLIERS AND ASSET MANAGEMENT

**Covering Period:
January 2014 to June 2014**

TTC AUDIT DEPARTMENT
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Executive Summary

The Information Technology Services (ITS) Department manages and controls the disposal of surplus computers, laptops, servers and digital photocopiers, and the removal or destruction of confidential information from the hard drives.

The audit focused on the ITS controls applicable to the storage and disposal of surplus computers, laptops, and digital photocopiers and the removal or destruction of data from the hard drives.

No significant control weaknesses were identified during the audit. However, control over the deletion of data from the digital photocopiers' hard drives needs to be improved. The deletion of information from the digital photocopier hard drives and their removal is not performed exactly as stated in Option "B" (2) as per the selected policy from 4 Office Automation Ltd, namely "4Office Automation Limited Policy on Information Stored on the Multifunctional Devices (MFDs) upon Machine Pickup".

The selected policy Item (B2) specifies, "Physically Remove HDDs and Cleanse Address Books and History Logs" as follows: "At the Customer's option, a Service Technician can visit a customer site prior to a pickup and physically remove the HDD(s) and hand it / them to a Customer Representative and cleanse any address books or history logs that may exist. The cost for this will be \$250.00 per machine." Instead, at the TTC's request so as not to impact critical service locations, the photocopiers are taken off-site to the 4 Office Automation Ltd. warehouse, information is deleted from the hard drives, which then are removed and sent back to TTC for destruction.

There is a risk that information stored on photocopiers may be extracted prior to returning the hard drives to the TTC.

We wish to express our thanks to the staff of the Computing Suppliers and Asset Management and End User Devices Sections for their cooperation and assistance during the course of the audit.

Head of Audit

Auditor

Background

The Computing Suppliers and Asset Management (CSAM) section of the Information Technology Department (ITS) ensures that the entire life cycle of hardware and software assets and services is managed efficiently and in a cost effective manner. This involves assessing, planning, and addressing the TTC's current needs and ensuring an accurate TTC inventory of End User Devices (EUD) hardware and software, and IT assets license compliance.

The EUD section ensures that an effective and direct service line is provided to the TTC's "end user" community for all EUD's computing planning, deploying, and troubleshooting services. This involves maintaining current hardware and planning for future replacement of hardware.

Audit Scope and Objectives

Scope The scope of the audit was a review of the controls over the disposal of surplus computers (laptops and desktops), servers and digital photocopiers, and the removal of confidential information from the hard drives.

The review covered the period January 2014 through June 2014.

Objectives To determine that there is an effective process in place for the storage and safeguarding and disposal of surplus computers (laptops and desktops), servers and digital photocopiers.

To assess that the procedures and methods for the removal of confidential data from the hard drives of surplus computers, servers and digital photocopiers are effective.

Audit Methodology

The audit included an examination of controls and records over the handling of surplus assets. To achieve the audit objectives, the following procedures were performed:

- discussions with departmental ITS staff
- review of the key processes used for the storage and disposal of surplus computers, servers and digital photocopiers
- observe and evaluate the controls related to the secure storage, erasure, and documentation of surplus computer, server and digital photocopier hard drives
- evaluate the effectiveness of controls related to the removal of confidential information from surplus computer, server and digital photocopier hard drives before being made available for re-use or disposal
- perform various other auditing procedures as necessary to accomplish the objectives of the audit

Analysis and Recommendation

Finding # 1

Disposal of Surplus Computers, Servers and Digital Photocopiers and Removal of Data from the Hard Drives

Objective: To assess the adequacy and effectiveness of procedures and controls over the storage, safeguarding and disposal of surplus computers (laptops and desktops), servers and digital photocopiers.

To assess that the procedures and methods in place for the removal of confidential data from the hard drives and their destruction are effective.

Analysis: The results of the audit testing are as follows:

IT Surplus Assets

Controls over the storage and disposal of surplus desktops, laptops, monitors, printers, and miscellaneous items (scanners, fax machines, mice, cables, etc.) were found to be acceptable.

- Assets are stored in a secure location prior to disposal.
- Records are maintained of the surplus assets and updated as assets are received.
- A sample of surplus assets was selected for verification. All sampled items were accounted for.
- A certified vendor is in place to remove and recycle the surplus assets.

Hard Drives

Controls over the storage and destruction of the hard drives were found to be acceptable.

- Hard Drives are removed from desktops, laptops, and servers and stored in secure location prior to destruction.
- Procedures are in place for the destruction of the hard drives.
- A certified vendor is in place to remove and destroy the hard drives.

Digital Photocopiers

The disposal of digital photocopiers is controlled and managed, and follows a documented process.

A vendor is in place to remove and recycle the photocopiers. However, the process to delete the data on the hard drives, remove them, and hand them over to TTC is not performed as per the selected 4Office policy. The selected policy states in part that "At the customer's option, a Service Technician can visit a customer site at a cost of \$250 per unit". This service includes data wiping, physical removal, and handover of the hard drive to TTC. Instead the photocopiers are taken off site intact at TTC's request, the information is deleted from the hard drives, and the hard drives are physically removed and sent back to TTC for destruction.

There is a risk that information stored on the photocopiers may be extracted prior to returning the hard drives to the TTC.

Recommendation: Management should re-evaluate the process to erase the information on the digital photocopiers' hard drives taking into account the risk of loss of information.

Since payment of \$250 is made for the on-site removal of the hard drives including the data wiping and handover of the hard drives to TTC, but instead is done off site, a review of costs and payments should be re-evaluated.

Management Response and Action Plan

Due to the contract ending October 31, 2014 some action will be taken to address the current situation and will be reviewed for new contract. At the TTC's request, units are not dismantled on site due to location of hard drive and limited space at customer sites including rendering the unit unworkable and interrupt daily operations in critical locations prior to new unit arrival. We will implement with 4 Office to document all HDD serial numbers to correspond to unit during new deliveries and removal of surplus units for reconciliation prior to destruction.

- **Responsibility: Manager – Computing Suppliers and Asset Management**
- **Completion Date: December 2014**
- **Status: Under review**

Summary of Recommendation, Management Response and Action Plan

Finding #	Recommendation	Agree	Disagree	Management Response	Timeline for Implementation
1	<p>Management should re-evaluate the process to erase the information on the digital photocopiers' hard drives taking into account the risk of loss of information.</p> <p>Since payment of \$250 is made for the on-site removal of the hard drives including the data wiping and handover of the hard drives to TTC, but instead is done off site, a review of costs and payments should be re-evaluated.</p>	Yes		<p>Due to the contract ending October 31, 2014 some action will be taken to address the current situation and will be reviewed for new contract. At the TTC's request, units are not dismantled on site due to location of hard drive and limited space at customer sites including rendering the unit unworkable and interrupt daily operations in critical locations prior to new unit arrival. We will implement with 4 Office to document all HDD serial numbers to correspond to unit during new deliveries and removal of surplus units for reconciliation prior to destruction.</p>	December 2014