

**Management's Response to the Auditor General's Review of
Disposal of Surplus Computer Equipment – Security, Environmental and Financial Risk**

<u>Rec No</u>	<u>Recommendation</u>	Agree (X)	Disagree (X)	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>
1.	The Chief Information Officer re-evaluate the agreement with the vendor who is currently providing information technology asset disposal services. Such re-evaluation take into account the experience of the vendor particularly in the area of data security and environmental concerns and where appropriate ensure that the vendor is capable of providing the level of service required.	X			<p>Risk Management & Information Security will develop a plan to obtain an update of the vendor's capabilities in the areas of (a) data security, (b) environmental concerns and (c) service levels by the end of the 3rd quarter of 2009.</p> <p>Risk Management & Information Security will conduct a re-evaluation of the vendor's capabilities in the areas noted above by the end of the 4th quarter of 2009.</p>

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2.	The Chief Information Officer review all provisions in the agreement with the third party information technology asset disposal vendor and direct the vendor to comply with all provisions in the agreement. Further policies, procedures be established to ensure that the City is able to confirm compliance. Regular audits including the development of audit programmes be conducted to confirm compliance. Documentary evidence of all such compliance audits be retained and approved by supervisory staff.	X			<p>Risk Management & Information Security will, by the end of the 3rd quarter of 2009, develop an audit program that will include a review of all provisions of the agreement.</p> <p>Risk Management & Information Security will conduct the audit on a periodic basis yet to be determined but, in any event, not less than semi-annually.</p> <p>Risk Management will develop policies and procedures, as required, to address vendor compliance.</p>
3.	The Chief Information Officer, on a random basis, confirm that hard drives submitted to the auctioneer have been successfully erased. Specialized data recovery tools be used to determine whether or not hard drives have been successfully deleted.	X			<p>Risk Management & Information Security will, on a random basis, confirm that hard drives have been successfully erased.</p> <p>A review of the existing recovery tool is underway to ensure it is current and able to test hard drives successfully. Tools sets will be reviewed annually.</p>

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4.	The Chief Information Officer ensure that disposal processes for surplus information technology assets are in conformance with regulatory procedures and all such disposals are supported by an adequate audit trail for subsequent verification by City staff.	X			<p>Risk Management & Information Security will confirm that surplus information technology assets are disposed in conformance with regulatory procedures by the end of the 3rd quarter of 2009 and then, on an on-going basis, annually.</p> <p>Risk Management & Information Security will confirm that the disposal process for surplus information technology assets is supported by an adequate audit trail by the end of the 4th quarter of 2009 and then, on an on-going basis, annually</p>
5.	The Chief Information Officer ensure that receipts from the sale of equipment are reconciled to the actual equipment sold.	X			<p>Risk Management & Information Security will confirm that receipts from the sale of equipment are reconciled to the actual equipment sold by the end of the 4th quarter of 2009 and, on an on-going basis, after subsequent equipment sales.</p>