TORONTO

AUDIT AT A GLANCE

Information Technology Infrastructure and Asset Management Review: Phase 2: Establishing Processes for Improved Due Diligence, Monitoring and Reporting for Effective IT Projects and Asset Management

WHY THIS AUDIT MATTERS

The City spends a significant amount of money on managing information technology. The I&T Division's 2018 Operating budget is $130.4 million and its 10 year Capital Plan is $421 million.

The purpose of this audit was to review how technology expenditures are carried out to improve City operations.

BACKGROUND

The City's IT Infrastructure is complex and stretches across the whole City. This infrastructure serves City divisions and the citizens of Toronto.

BY THE NUMBERS

- $5.5 million spent on the IT Asset Management (ITAM) System since 2010. The system is still deficient

- $4.7 million spent on a procurement solution that was never implemented. Although this cost appears to be credited in the purchase of a new solution this could not be verified

- The City will pay $2.5 million in subscription costs, but it appears they may not receive the benefits for the period of delay

- $1.1 million in unproductive costs relating to various application licences acquired but not used

- $1.4 million spent on printing and distribution of pay stubs during 2013 to 2017, due to lack of complete deployment of Employee Self-service Solution

- Savings of $7,500 to $20,000 can be achieved annually by converting one physical server to a virtual server

- The City maintains 999 physical servers

WHAT WE FOUND

The issues identified in this report are not new – several audits have reported on similar issues in the past. There continue to be instances where significant costs are incurred for software assets which are not used on a timely basis. Better controls over the acquisition and ongoing monitoring of IT assets will lead to reduced IT costs. We noted:

Opportunities to Improve IT Asset Management

- More accurate inventory information: The Information Technology Asset Management (ITAM) System was not reliable due to incomplete and inaccurate information. For example:
  - 143 sampled assets valuing $504,100 were either not entered in ITAM or were updated with a delay of up to two years
  - Assets in other City divisions' segregated IT environment, and critical network assets are not up-to-date in the ITAM System
- Better planning: Computers valuing $1.9 million were purchased in bulk but not deployed for a significant amount of time
- The ITAM System reports need to be shared with divisions to improve IT assets accuracy

Opportunities to Improve Software Acquisitions

- Better due diligence in acquiring IT assets and solutions
- Hardware and software was purchased either in excess of needs or was not used for the intended purpose
- There is a need for better monitoring and management of software licence use

Migration from Physical Servers to Cloud Services or Virtual Servers to Reduce Costs

- There is a need for a City-wide review of how the number of physical servers can be reduced and/or switched to a virtual or cloud environment

Support and Maintenance of Critical Network Assets

- The I&T Division's existing communication process on network assets maintenance and support contract to other City divisions requires improvement

HOW RECOMMENDATIONS WILL BENEFIT THE CITY

Implementing the Auditor General's eight recommendations will improve the acquisition and management of IT assets, licence use and the monitoring of IT projects. The recommendations also present opportunities to save on IT costs by improving infrastructure and reducing the number of physical servers.

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