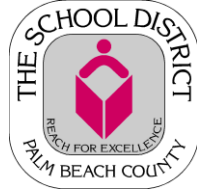


**Audit of**  
**District's Technology System Acquisition Procedures**  
**June 11, 2015**

**Report #2015-08**



### **MISSION STATEMENT**

The School Board of Palm Beach County is committed to providing a world class education with excellence and equity to empower each student to reach his or her highest potential with the most effective staff to foster the knowledge, skills, and ethics required for responsible citizenship and productive careers.

E. Wayne Gent  
Superintendent of Schools

#### **School Board Members**

Chuck Shaw, Chair  
Frank A. Barbieri, Jr., Esq., Vice Chair  
Marcia Andrews  
Karen M. Brill  
Michael Murgio  
Debra L. Robinson, M.D.  
Erica Whitfield

#### **Audit Committee Members**

Noah Silver, CPA, Chair  
David H. Talley, Vice Chair  
N. Ronald Bennett, CPA  
Michael Dixon, CPA/PFS  
Richard Roberts, CPA  
Bill Thrasher, CGFO

#### **Representatives**

Frank A. Barbieri, Jr., Esq., School Board Member  
E. Wayne Gent, Superintendent of Schools  
JulieAnn Rico, Esq., General Counsel  
Bobbi Moretto, Principal Representative  
Dr. Kathryn Gundlach, CTA President

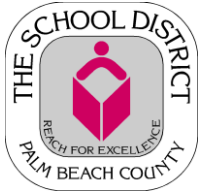
---

**Audit of**  
**District's Technology System Acquisition Procedures**  
**Table of Contents**

---

	<b>Page</b>
<b>PURPOSE AND AUTHORITY</b>	1
<b>SCOPE AND METHODOLOGY</b>	1
<b>BACKGROUND</b>	2
<b>CONCLUSIONS</b>	
1. System Acquisition Approval Process Needs Improvement	5
2. Improvements Needed for Technology System Acquisition Procedures	9
3. Technology System Acquired But Not Utilized	11
<b>APPENDIX</b>	
Management's Response	12

This page intentionally left blank.



THE SCHOOL DISTRICT OF  
PALM BEACH COUNTY, FLORIDA

OFFICE OF INSPECTOR GENERAL  
3318 FOREST HILL BLVD., C-306  
WEST PALM BEACH, FL 33406

(561) 434-7335 FAX: (561) 434-8652  
www.palmbeachschools.org

LUNG CHIU, CIG, CPA  
INSPECTOR GENERAL

SCHOOL BOARD  
CHUCK SHAW, CHAIRMAN  
FRANK A. BARBIERI, JR, ESQ., VICE CHAIRMAN  
MARCIA ANDREWS  
KAREN M. BRILL  
MICHAEL MURGIO  
DEBRA L. ROBINSON, M.D.  
ERICA WHITFIELD

E. WAYNE GENT, SUPERINTENDENT

## MEMORANDUM

TO: Honorable Chair and Members of the School Board  
E. Wayne Gent, Superintendent of Schools  
Chair and Members of the Audit Committee

FROM: Lung Chiu, CPA, Inspector General

DATE: June 11, 2015

SUBJECT: Audit of District's Technology System Acquisition Procedures

---

### PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General's (OIG) Annual Work Plan of 2014-15*, we have audited the District's Technology System Acquisition Procedures. The primary objectives of the audit were to (1) assess the adequacy of controls and governance for technology system acquisitions, (2) determine if the technology systems the School District purchased were adequately planned, implemented as planned, and served the original needs of user, and (3) determine if the School District purchased any system that was not utilized.

### SCOPE AND METHODOLOGY

The audit was conducted in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient and 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.

This audit included interviewing District staff and reviewing:

- District's *Technology Plan for FY10-13* and *Technology Plan for FY14-16*
- *School Board Policies*
  - *1.09 Advisory Committees to the Board*
  - *1.096 Technology Committee*
  - *3.29 Acceptable Use of Technology By Employees*
  - *6.14 Purchasing Department*

- Industry Best Practices for Information Technology Management
  - COBIT IT Governance Framework
  - The Project Management Institute's Project Management Body of Knowledge (PMBOK)

The audit also evaluated the technology system acquisition strategy and systems development project management methodologies, including:

- Feasibility studies and business cases
- User approval
- Testing
- Post implementation review

Audit conclusions were brought to the attention of staff during the audit so that necessary corrective actions could be implemented immediately. The draft audit report was sent to the management for review and comments. Management response is included in the Appendix. We would like to thank staff for their cooperation and courtesy extended to us during the audit. The final draft report was presented to the Audit Committee at its June 11, 2015, meeting.

Note: Throughout this report, the term ‘*technology system*’ refers to a system involving technology as a major component. This report discusses the processes for purchase of larger scale systems at the District, not those software used by the schools.

## BACKGROUND

**Technology Budget.** The District’s *FY14-16 Technology Plan* indicates that the District’s tentative technology budgets for FY14 through FY16 are \$25.5 million, \$30.3 million, and \$40.5 million, respectively. (Please see Exhibit 1.)

**Exhibit 1**

<b>INFRASTRUCTURE, TELECOMMUNICATIONS, HARDWARE, INSTRUCTIONAL TECHNOLOGIES</b>			
<b>Initiative</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
<b>Instructional Software Maintenance and Renewals</b>	\$2,700,000	\$2,700,000	\$2,700,000
<b>Technology Tools Project Peripheral Tools for Instructional Computers</b>	5,500,000	5,500,000	5,500,000
<b>Local Instructional Improvement Systems (LIIS) : Portal, Student Information System, Professional Development, Learning Management System</b>	500,000	800,000	7,750,000
<b>Storage Infrastructure - Electronic and disk storage</b>	1,650,000	665,000	731,500
<b>Server &amp; Backup Infrastructure</b>	751,126	603,339	2,171,000
<b>Security Infrastructure</b>	1,715,700	1,802,270	1,897,497

<b>INFRASTRUCTURE, TELECOMMUNICATIONS, HARDWARE, INSTRUCTIONAL TECHNOLOGIES</b>			
<b>Initiative</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
<b>LAN/Wireless &amp; Telephony Infrastructure for 187 schools and Admin sites</b>	1,021,000	1,500,000	1,800,000
<b>Computer Refresh – 187 schools and Admin sites</b>	5,000,000	7,960,000	8,686,000
<b>School technology efficiency initiatives: Bring Your Own Device (BYOD) Infrastructure</b>	420,000	2,070,000	2,070,000
<b>Microsoft Products Licensing for the District</b>	1,250,000	1,430,000	1,637,000
<b>Internet / Network &amp; Communication Circuits: For all 187 schools and Admin sites</b>	5,014,000	5,265,000	5,528,000
<b>Total</b>	<b>\$25,521,826</b>	<b>\$30,295,609</b>	<b>\$40,470,997</b>

Source: FY14-16 Technology Plan, page 82. The plan indicates that “During the next few years, it is expected that the technology budgets will be reduced. As a result, technology initiatives will be selected in alignment with District’s priorities and available budget.”

**District Technology System Acquisition Governance.** According to the *FY14-16 District Technology Plan*, the School District’s technology-guiding direction operates within the governance and oversight through the following three advisory committees.

1. Technology Advisory Committee (TAC), serves as an advisory committee to the Board and is comprised of District leadership and Board appointed community members with technology expertise. TAC is governed by *School Board Policies 1.09* and *1.096*. TAC’s mission is to provide expert knowledge and guidance, and to bring industry best practices to decisions regarding technology infrastructure and strategy for the District.
2. Superintendent Technology Committee (STC), appointed by the Superintendent, is comprised of the highest level District leadership including Academic leadership and Chiefs. The committee meets regularly to review, discuss, and set direction for all technologies in the District. The role of STC is to promote an environment that leverages technology tools and resources to achieve the District’s mission and goals. STC reviews and provides comprehensive institutional-based recommendations to District stakeholders on technology plans, projects, and acquisitions that have a significant impact on the District's operations. STC encourages and provides guidance in establishing technology standards and policies.
3. Technology Clearinghouse Committee (TCC), appointed by the Superintendent, is comprised of Assistant Superintendents, Chiefs, Principals, and representatives from the academic and business segments of administration, including IT. The committee meets regularly to review all proposed non-standard technologies prior to purchases and makes recommendations to the District’s Chief Information Officer (CIO). TCC examines the proposed software from functional and technological perspectives. The academic and business representatives of the committee make certain the proposed technology serves the functions intended, without duplication; and IT determines the technical aspects for integration, compatibility, scalability, support requirements, bandwidth, Total Cost of Ownership (TCO), and training.

These three technology advisory committees held their first official meeting between October 2008 and March 2009.

Committee	1 <sup>st</sup> Official Meeting
1. Technology Advisory Committee (TAC)	January 26, 2009
2. Superintendent Technology Committee (STC)	October 7, 2008
3. Technology Clearinghouse Committee (TCC)	March 3, 2009

Moreover, the *FY14-16 District Technology Plan* states that,

*“The Purchasing Department works in harmony with IT to ensure that only approved standards and new technologies are acquired. The STC established the TCC and charged them with unifying schools and departments’ technology purchasing decisions, therefore, reducing duplication, incompatibility, and unnecessary expenditures. The TCC reviews proposed technology to ensure alignment with the District’s mission and goals.”*

**Audit Samples.** We randomly selected 20 paid invoices in excess of \$30,000 during the period of January 2009 and December 2013, with account codes ‘564320’ (hardware \$1,000 and greater), ‘569120’ (software \$1,000 and greater), and ‘536670’ (rental lease maintain software). These 20 sample invoices included 20 different systems. We reviewed all of the paid invoices and *Purchase Orders* pertaining to these 20 systems. Although some of these systems might have been purchased/installed prior to January 2009, they were included in this audit because some of the payments were made during the sample period. During Calendar Years 2009 through 2013, the District’s total IT System Acquisitions expenditures totaled \$57 million. As of December 31, 2013, these 20 systems incurred a total expenditures of \$11,864,547 (21% of the total technology expenditures during 2009 through 2013), and included:

- 14 systems purchased and implemented by the Division of Information Technology.
- Six systems purchased and implemented by departments outside the Division of Information Technology.

Please see Exhibit 2 for the 20 sample systems.

**Exhibit 2**

System	System Purchased / Initiated in Fiscal Year	Cumulative Expenditures as of December 31, 2013
<b>Purchased by the Division of IT</b>		
1. Managesoft Desktop Management and Imaging	2005	\$1,443,281
2. Tivoli Identity Management	2005	\$905,681
3. Account Courier	2009	\$1,425,271
4. Juniper Firewall Security	2009	\$823,698
5. Exchange 2007	2009	\$433,668
6. LANDesk	2010	\$3,007,784
7. SanScreen Security	2010	\$194,049
8. Vsphere 4 EnterprisePlus	2010	\$163,353



<b>System</b>	<b>System Purchased / Initiated in Fiscal Year</b>	<b>Cumulative Expenditures as of December 31, 2013</b>
9. SnapManager	2010	\$55,905
10. Catalog Recovery Plus	2010	\$47,259
11. Juniper STRM Security Event Logging	2012	\$696,540
12. Symplified Access Manager	2012	\$372,019
13. Cloudlock for Google	2013	\$235,000
14. Adonis 1200	2013	\$44,469
<b><i>Sub-Total (Division of IT)</i></b>		<b><i>\$9,847,977</i></b>
<b>Purchased by Other Departments</b>		
15. Edgenuity (previously Education 2020) - Educational Technology Department	2009	\$557,000
16. Casenex - Multicultural Department	2009	\$117,000
17. WebSmartt Base and POS/Account	2010	\$324,227
18. VBRICK - Channel TEN Department	2013	\$661,463
19. Synovia GPS for Busses –Transportation	2013	\$342,064
20. NAPA TAMS and Interface Asset Works –Transportation	2013	\$14,816
<b><i>Sub-Total (Other Departments)</i></b>		<b><i>\$2,016,570</i></b>
<b><i>Total</i></b>		<b><i>\$11,864,547</i></b>

(Source: PeopleSoft Accounts Payable System.)

## CONCLUSIONS

The audit produced the following major conclusions.

### 1. System Acquisition Approval Process Needs Improvement

Only One System Reviewed by All Three Committees. Eighteen of the 20 sample systems were purchased during or after Fiscal Year 2009, i.e. after the three technology committees were established. Our review of the three committees' meeting records and documentation for those 18 systems found that only one system was reviewed by all three technology committees:

- 12 systems (totaling \$3,742,239) were not reviewed by the Superintendent Technology Committee (STC).
- 9 systems (totaling \$2,544,678) were not reviewed by the Technology Clearinghouse Committee (TCC).
- 11 systems (totaling \$5,853,560) were not reviewed by the Technology Advisory Committee (TAC).

(Please see Exhibit 3.)

TAC and School Board Not Timely Informed of Intended Purchase. **School Board Policy 1.096, Section 2(c)**, states that the Technology Advisory Committee will provide advice on “the District’s technical infrastructure for consistency with “Best Industry Practices” and emerging infrastructure technologies.”

Our review of TAC Minutes of meetings and Board meeting videos revealed that both TAC and School Board indicated that staff did not always timely inform and provide them with relevant information for the intended purchase of new technology system until late into the project, after staff had already selected the product for School Board’s approval.

**Exhibit 3**

System		Cumulative Expenditures As of December 31, 2013	System Purchased/ Initiated in Fiscal Year	Committee Review			Project Documentation Provided to OIG
				STC	TCC	TAC	
<b><i>Purchased By Information Technology Department</i></b>							
1.	Managesoft Desktop Management and Imaging	\$1,443,281	2005	Before STC	*OK	Before TAC	No
2.	Tivoli Identity Management	\$905,681	2005	Before STC	*OK	Before TAC	No
3.	Juniper Firewall Security	\$823,698	2009	No	*OK	No	No
4.	Exchange 2007	\$433,668	2009	No	*OK	No	No
5.	SanScreen Security	\$194,049	2010	No	No	No	No
6.	Vsphere 4 EnterprisePlus	\$163,353	2010	No	No	No	No
7.	SnapManager	\$55,905	2010	No	No	No	No
8.	Catalog Recovery Plus	\$47,259	2010	No	Yes	No	No
9.	Juniper STRM Security Event Logging	\$696,540	2012	No	No	No	No
10.	Symplified Access Manager	\$372,019	2012	No	No	No	No
11.	Cloudlock for Google	\$235,000	2013	No	Yes	Yes	No
12.	Adonis 1200	\$44,469	2013	No	No	No	No
13.	Account Courier	\$1,425,271	2009 to 2012	<b>No - Discussed 5/5/09 After Invoice Date</b>	<b>Yes</b>	<i>Presented as an overview to TAC on October 2, 2009 (after the purchase of Phase I for \$592,594 on June 2, 2009).</i>	<b>Yes</b>

	System	Cumulative Expenditures As of December 31, 2013	System Purchased/ Initiated in Fiscal Year	Committee Review			Project Documentation Provided to OIG
				STC	TCC	TAC	
14.	LANDesk	\$3,007,784	2010 to 2012	<i>No – Discussed 8/31/10, 2011, and 2012 all after Invoice Date</i>	<i>Yes – (Most of LANDesk approved except for Service Desk)</i>	No	<b>Yes</b>
<b>Total IT Department</b>		<b>\$9,847,977</b>					
<b>Purchased By Other Departments</b>							
15.	Edgenuity (previously Education 2020) - Educational Technology Department	\$557,000	2009	No – OK Invoice two months after start STC.	<b>Yes</b>	<b>Before TAC</b>	No
16.	Casenex - Multicultural Department	\$117,000	2009	No – OK Invoice one month after start STC	<i>*OK Approved 10/1/2008 by Software Approval Committee</i>	<b>Before TAC</b>	No
17.	WebSmartt Base and POS/Account	\$324,227	2010	<b>Yes</b>	<b>Yes</b>	<i>Presented to TAC on February 19, 2010. TAC minutes did not list whether action was required to approve this system.</i>	<b>Yes</b>
18.	VBRICK - Channel TEN Department	\$661,463	2013	No	No	<b>Yes</b>	<i>Some documentation provided</i>
19.	Synovia GPS for Busses - Transportation	\$342,064	2013	No-On Agenda 9/24/12, but no notes attached.	No	<b>Yes</b>	No
20.	NAPA TAMS and Interface Asset Works - Transportation	\$14,816	2013	No	No	No	No
<b>Total Other Departments</b>		<b>\$2,016,570</b>					
<b>Grand Total Cost</b>		<b>\$11,864,547</b>					

## **Recommendation**

To ensure (1) compliance with *School Board Policy 1.096* and technology system acquisition guidelines, and (2) District's technology systems are compatible with the District's infrastructure and consistent with "Best Business Practices" and emerging infrastructure technologies, technology system acquisitions should be timely presented to all the committees for review and input. Moreover, relevant project information should be presented to the TAC and Board members at an earlier stage so that TAC members can become more familiar with the projects sooner, and provide constructive input for the system selection.

***Management's Response:*** *Management agrees technology acquisitions should be presented in a timely manner to the appropriate committee. The IT division follows these protocols for system acquisition:*

- *Security Products: Security products are not presented to any of the three committees, due to their sensitive nature. Of the 14 items listed on Page 6, Exhibit 3, purchased by IT, eight purchases fall in the security category, (Tivoli Identity Management, Juniper Firewall Security, SANSscreen Security, Juniper STRM security event logging, Symplified Access Manager, CloudLock for Google, Adonis 1200 and Account Courier). CloudLock was taken, along with the Google mail project, as an informational item to TCC and TAC.*
- *Infrastructure Products: Due to their technical complexity, these purchases only go to TAC for review and input if they involve contracts that require Board approval, or are large technology projects, such as the Student Information System (SIS) and School wireless and LAN switch upgrades. Of the 14 items listed on Page 6, Exhibit 3, six purchases fall in the complex infrastructure category (Managesoft, Exchange, Vsphere, SnapManager, Catalog Recovery and LANDesk).*
- *Other Department Purchases: Of the six purchases, two occurred prior to the formation of TAC, and of the remaining four purchases, three were taken to TAC, as those contracts require Board approval. However, it is expected that all Department technology purchases are presented to the internal technology committees, STC and TCC.*

*In response to the statement on Page 5 regarding the timeliness of presentations to the Board and TAC, IT will make every effort to bring forth proposed purchases in a timely manner.*

*(Please see page 13.)*

## 2. Improvements Needed for Technology System Acquisition Procedures

Technology System Acquisitions and Development Process. The acquisition and development of technology system involves the following essential phases:

- Feasibility study and business case
- Requirements study and definition
- Detailed design
- Programming (if applicable)
- Testing
- Installation/accreditation
- Post implementation review
- System modification and upgrades

As part of the audit, we requested from IT the following documentation and records for the 20 selected sample systems:

- Initial business case and justification for the new system
- Feasibility study and approval of the project
- Requirements definition and system design
- System Testing and acceptance
- System implementation
- Training and support
- Post implementation evaluation

No Records and Documentation for Purchases of 16 Systems. Based on the review of records provided by staff for the 20 selected sample systems, we concluded that (1) sixteen systems did not have documentation to demonstrate that any of the above essential phases for technology system acquisition and development was conducted, (2) one system had proof that some of the essential phases were conducted, and (3) three systems had records of all the phases and appeared adequate. (Please see Exhibit 3 on page 6.)

Failure to conduct all the phases for technology system acquisition and development could result in:

1. Inadequate requirements and deliverables definitions due to lack of stakeholder participation
2. Improper product and/or vendor selection, and alternate solutions not identified
3. Failure in integration with the strategic technology plan, architecture and technology direction
4. Cost overrun and implementation delay if problems discovered late in the project
5. Inadequate testing
6. Inability to implement new systems
7. Unaccountability for project tasks to ensure project success
8. Failure to respond to project needs with best and approved decisions

9. Failure of systems to meet business and/or user requirements
10. Abandonment of project
11. Wasting District's resources

District's IT Project Management Tool. In 2012, IT purchased and implemented the *ProjectManager* software. According to IT, *ProjectManager* is a web-based software for (1) managing technology acquisition/development projects, and (2) storing and maintaining project documentation. Our review of the utilization records noted that this system was used only by the Division of Information Technology, not by other non-IT departments.

### **Recommendations**

To (1) promote effective technology system acquisition and system development, (2) ensure new systems are compatible with the District's IT infrastructure, (3) ensure new systems will perform as planned, and (4) ensure new systems are consistent with "Best Business Practices" and emerging infrastructure technologies,

- The Division of Information Technology should develop and implement a comprehensive district-wide project management process for technology system acquisition and development. The process should ensure all the essential phases take place.
- The Division of Information Technology should provide input and participate in all acquisition and/or development of technology systems managed by non-IT departments.
- Non-IT departments and schools should consider using the *ProjectManager* software for managing major technology system acquisitions.

***Management's Response:*** *Management agrees formal documentation of the Division's Standard Operating Procedure (SOP) for technology acquisition is needed, along with improvement in documenting the systems selection process, acquisition, and replacement or retirement justifications.*

*A formal IT technology acquisition SOP has been created with assistance from the District Purchasing Department and includes justification requirements.*

*The IT Division will continue to work with the Purchasing Department to be included or consulted when non-IT departments or schools initiate a purchase of technology. All complex infrastructure and networking technology purchases will be reviewed in consultation with the Purchasing Department and Gartner Research for optimal and cost-effective selection of technology.*

*Since 2010, all large capital projects at the District have been using project management. In the audit sample, Account Courier and LANDesk capital projects used project management. The IT Division is currently using ProjectManager.com for large projects such as the Student*

*Information System (SIS), District computer refresh and in the past did successfully implement Google Apps utilizing project management. The license for ProjectManager.com expires soon; IT staff members are reviewing alternative solutions, such as the Project Management module in ChangeGear eSupport, for District-wide implementation.*

*(Please see page 13.)*

### **3. Technology System Acquired But Not Utilized**

During 2010, the District spent \$55,905 for the purchase of SnapManager software for Virtual Infrastructure. This software was intended for managing system backup and other administrative tasks by the Department of IT Infrastructure and Security. Although the software was implemented, it was never utilized by the department. There was no supporting documentation to justify the purchase of this software.

#### **Recommendation**

To ensure proper fiscal accountability, technology acquisition should be adequately planned and documented with justification accordingly. If the acquisition and development phases were properly carried out, the District could have prevented the purchase of this un-needed software.

***Management's Response:*** *Management concurs. The SnapManager software was a one-time purchase without any annual maintenance costs. The cost of the software represents 0.0047% of the total expenditures selected for audit in this report. The software was implemented for system backup administration in 2010. During that period, the IT Infrastructure department experienced a great deal of turnover of technical and management staff who were engaged in the implementation, resulting in a change of focus. The new technical and management staff replaced the outdated technology with a robust enterprise level backup solution.*

*Since 2010, IT implemented ITIL (Information Technology Infrastructure Library) methodology, and is currently implementing Standard Operating Procedures (SOP), thereby enhancing communication processes to avoid this type of occurrence.*

*(Please see page 14.)*

– End of Report –

Management's Response



THE SCHOOL DISTRICT OF  
PALM BEACH COUNTY, FL

MICHAEL J. BURKE  
CHIEF OPERATING OFFICER

E. WAYNE GENT  
SUPERINTENDENT

CHIEF OPERATING OFFICE  
3300 FOREST HILL BOULEVARD, C-316  
WEST PALM BEACH, FL 33406

PHONE: 561-434-8584 / FAX: 561-357-7585  
[WWW.PALMBEACHSCHOOLS.ORG/COO](http://WWW.PALMBEACHSCHOOLS.ORG/COO)

MEMORANDUM

RECEIVED  
JUN - 3 2015  
INSPECTOR GENERAL

TO: Lung Chiu  
Inspector General

FROM: Michael J. Burke *MJB*  
Chief Operating Officer

DATE: June 03, 2015

SUBJECT: DRAFT REPORT - AUDIT OF DISTRICT'S TECHNOLOGY SYSTEM ACQUISITION PROCEDURES

Please see the attached responses to the Draft Report – Audit of District's Technology System Acquisition Procedures dated May 6, 2015. An electronic version of management's response will also be emailed to your attention.

If you should have any questions or require additional information, please do not hesitate to contact me at PX48584.

MJB/ac  
Attachment

c: Deepak Agarwal  
Larry Padgett

*ms*



Management's Response

Report Dated May 6, 2015  
Audit of District's Technology System Acquisition Procedures

**Audit Conclusions**

<b>1</b>	<b>System Acquisition Approval Needs Improvement</b>
<b>Management Response:</b>	
<p>Management agrees technology acquisitions should be presented in a timely manner to the appropriate committee. The IT division follows these protocols for system acquisition:</p> <ul style="list-style-type: none"><li>• <b>Security Products:</b> Security products are not presented to any of the three committees, due to their sensitive nature. Of the 14 items listed on Page 6, Exhibit 3, purchased by IT, eight purchases fall in the security category, (Tivoli Identity Management, Juniper Firewall Security, SANSscreen Security, Juniper STRM security event logging, Symplified Access Manager, CloudLock for Google, Adonis 1200 and Account Courier). CloudLock was taken, along with the Google mail project, as an informational item to TCC and TAC.</li><li>• <b>Infrastructure Products:</b> Due to their technical complexity, these purchases only go to TAC for review and input if they involve contracts that require Board approval, or are large technology projects, such as the Student Information System (SIS) and School wireless and LAN switch upgrades. Of the 14 items listed on Page 6, Exhibit 3, six purchases fall in the complex infrastructure category (Managesoft, Exchange, Vsphere, SnapManager, Catalog Recovery and LANDesk).</li><li>• <b>Other Department Purchases:</b> Of the six purchases, two occurred prior to the formation of TAC, and of the remaining four purchases, three were taken to TAC, as those contracts require Board approval. However, it is expected that all Department technology purchases are presented to the internal technology committees, STC and TCC.</li></ul> <p>In response to the statement on Page 5 regarding the timeliness of presentations to the Board and TAC, IT will make every effort to bring forth proposed purchases in a timely manner.</p>	

<b>2</b>	<b>Improvements Needed for Technology System Acquisition Procedures</b>
<b>Management Response:</b>	
<p>Management agrees formal documentation of the Division's Standard Operating Procedure (SOP) for technology acquisition is needed, along with improvement in documenting the systems selection process, acquisition, and replacement or retirement justifications.</p> <p>A formal IT technology acquisition SOP has been created with assistance from the District Purchasing Department and includes justification requirements.</p> <p>The IT Division will continue to work with the Purchasing Department to be included or consulted when non-IT departments or schools initiate a purchase of technology. All complex infrastructure and networking technology purchases will be reviewed in consultation with the Purchasing Department and Gartner Research for optimal and cost-effective selection of technology.</p> <p>Since 2010, all large capital projects at the District have been using project management. In the audit sample, Account Courier and LANDesk capital projects used project management. The IT Division is currently using ProjectManager.com for large projects such as the Student Information System (SIS), District computer refresh and in the past did successfully implement Google Apps utilizing project management. The license for ProjectManager.com expires soon; IT staff members are reviewing alternative solutions, such as the Project Management module in ChangeGear eSupport, for District-wide implementation.</p>	

12

Management's Response

3	Technology System Acquired But Not Utilized
<b>Management Response:</b>	
<p>Management concurs. The SnapManager software was a one-time purchase without any annual maintenance costs. The cost of the software represents 0.0047% of the total expenditures selected for audit in this report. The software was implemented for system backup administration in 2010. During that period, the IT Infrastructure department experienced a great deal of turnover of technical and management staff who were engaged in the implementation, resulting in a change of focus. The new technical and management staff replaced the outdated technology with a robust enterprise level backup solution.</p> <p>Since 2010, IT implemented ITIL (Information Technology Infrastructure Library) methodology, and is currently implementing Standard Operating Procedures (SOP), thereby enhancing communication processes to avoid this type of occurrence.</p>	

PS