



Memorandum No: 21/22-01

Date: November 2, 2021

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA
City Auditor

Re: Computer Software and Programs Inventory Review

Conclusion

The City Auditor's Office (CAO) found that the ITS Department (ITS) had material weaknesses for the master inventory listing for the computer software and programs used by various departments city wide (the users) for operations. As a result of a weak internal control environment, there is the potential for security vulnerabilities and/or breaches.

Objective

The objective of this review was to determine if the ITS master inventory listing for computer software and programs was accurate and up to date.

Scope and Methodology

The review focused on determining what computer software and programs are in use throughout the City for various operations. The scope of the review included all Charter Office and departmental usage of computer software and programs. The timeframe reviewed was Fiscal Year (FY) 2021.

The CAO conducted its assessment of the computer software and programs using the February 2014 National Institute of Standards Technology (NIST) which provides the best practices and framework for Improving Critical Infrastructure Cybersecurity.¹ This framework includes the core function listing which comprises of Identify, Protect, Detect, Respond, and Recover.

The review methodology included, but was not limited to:

- Reviewing the NIST Framework for best practices,
- Reviewing the ITS master inventory listing for computer software and programs,
- Reviewing information received from users,

¹ The National Institute of Standards and Technology (NIST) definition. NIST is a federal agency within the United States Department of Commerce. NIST issued the Framework for Improving Critical Infrastructure Cybersecurity Manual on February 12, 2014.

- Clarifying information received from users,
- Meeting / Interviewing appropriate personnel, and
- Compiling a list of the results.

We identified two Findings during the review. The detailed findings and recommendations have been provided to City Management. The detailed information is not contained in this report to protect the security and operations of the City's network.

A Finding results from a failure to comply with policies and procedures, rules, regulations, contracts, and fundamental internal control practices. These findings are considered material weaknesses.

A finding is categorized as a "deficiency," a "significant deficiency" or a "material weakness" as defined below:

- *A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis.*
- *A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*
- *A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.*

This review was conducted in accordance with generally accepted government auditing standards. These standards require that we plan and perform the review to obtain sufficient appropriate evidence to provide a reasonable basis for our conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our objectives.

Attachment:

Exhibit 1 – Management Response

cc: Chris Lagerbloom, City Manager
 Greg Chavarria, Assistant City Manager
 Tarlesha Smith, Assistant City Manager
 Andrew Parker, Director – IT Services
 Alain E. Boileau, City Attorney
 Jeff Modarelli, City Clerk

Exhibit 1 – Management Response



CITY OF
FORT LAUDERDALE



Memorandum

Memorandum No: 21-35

Date: October 22, 2021
To: John Herbst, CPA, CGFO, CGMA, City Auditor
From: Chris Lagerbloom, ICMA-CM, City Manager
Re: Computer Software and Programs Inventory Audit Response

A handwritten signature in blue ink, likely belonging to Chris Lagerbloom, the City Manager.

The Information Technology Services (ITS) Department participated with the City Auditor's Office (CAO) audit of the City's Computer Software and Programs Inventory. ITS supports the findings of the audit report and has taken remediation actions and commits to continue addressing outstanding findings. As such, on October 21, 2021, ITS completed the effort of updating its software inventory list.

As recommended by the CAO, ITS will implement a new process to improve the maintenance of the City's software inventory list and update the list no less than once a year. Additionally, ITS will revise the City's Technology Purchase Policy and Standards Manual (PSM) to require all departments to notify ITS of new software purchases. The described effort aims to assist in tracking and inventorying software used throughout the City.

We appreciate the collaboration and thorough recommendations presented. If you have any questions, please do not hesitate to contact me.

C: Alain Boileau, City Attorney
Jeff Modarelli, City Clerk
Greg Chavarria, Assistant City Manager
Tarlesha Smith, Assistant City Manager
Andrew Parker, Director – IT Services