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February 2023

Michael Ferrara, Supervisor
Members of the Town Board
Town of Seneca Falls
130 Ovid Street
Seneca Falls, NY 13148

Report Number: 2018M-218-F

Dear Supervisor Ferrara and Members of the Town Board:

One of the Office of the State Comptroller's primary objectives is to identify areas where local government officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage town officials to reduce costs, improve service delivery and to account for and protect their town's assets. In accordance with these objectives, we conducted an audit of the Town of Seneca Falls (Town) to assess information technology (IT) operations of the Town. As a result of our audit, we issued a report, dated March 29, 2019, identifying certain conditions and opportunities for the Board and Town management's review and consideration.

To further our policy of providing assistance to local governments, we revisited the Town beginning in July 2022 to review progress in implementing our recommendations. Our follow-up review was limited to interviews with Town personnel and inspection of certain documents related to the issues identified in our report. During our previous audit, the Town employed a Network Administrator to oversee IT operations. However, on February 4, 2020, the Board voted to enter into a shared service agreement with Seneca County (County) to provide these services, which the County continued to provide through 2022. Based on our limited procedures, the Town made progress implementing some corrective action. Of the six audit recommendations, two recommendations were fully implemented, one recommendation was partially implemented, and three recommendations were not implemented.

Recommendation 1 – Information Technology Policies

The Board should adopt adequate, written IT policies and procedures to address acceptable computer use, individual access rights, backups, password security management, data breach notification and disaster recovery.

Status of Corrective Action: Partially Implemented

Observations/Findings: The Board adopted an acceptable computer use policy in the beginning of 2020 because a former Board member (term 2018 to 2021) informed the newly elected Town Supervisor (term 2020 to 2023) that this was the only policy that had not been adopted from the prior audit recommendations. However, the Board never adopted policies related to individual access rights, backups, password security management, data breach notification and disaster recovery and did not have any other explanations for why these policies were not adopted subsequent to 2020.

Recommendation 2 – Policy Updates and Backup Procedures

The Board should periodically review and update all IT policies and procedures to reflect changes in technology and the computing environment. Verify that IT backup procedures are functioning properly.

Status of Corrective Action: Not Implemented

Observations/Findings: The current Board did not adopt all required or recommended policies related to the Town’s computing environment because they were informed by a former Board member (term 2018 to 2021) that all recommendations from the prior audit had been addressed. The Town did contract with a vendor to provide firewall software and remote server backup, and individual departments perform their own backups of relevant application information. However, backups are not periodically tested or restored to ensure they are functioning properly. Therefore, the Board lacks the proper assurance that these backups will work when needed.

Recommendation 3 – Security Awareness Training

The Board should provide security awareness training to all personnel who use IT resources.

Status of Corrective Action: Not Implemented

Observations/Findings: The Board did not provide employees with security awareness training to help ensure they understand security measures necessary to protect the network. As noted in the previous two recommendations, the current Board was informed that all recommendations in the prior audit were addressed. Regardless, the current Board has also not ensured that new employees receive security awareness training or that existing employees receive refresher training. As a result, employees may not be aware of IT risks and inadvertently expose the Town’s IT assets to cybersecurity attacks, loss and misuse.

Recommendation 4 – Network and Local User Accounts

The Network Administrator should evaluate all existing network and local user accounts and remove or disable any deemed unnecessary. Accounts should be periodically reviewed to determine whether they are appropriate and necessary.

Status of Corrective Action: Fully Implemented

Observations/Findings: Based on our discussions with the County IT personnel, network and local user accounts are reviewed a couple times a year and anytime an employee starts or leaves employment, at which time any accounts deemed unnecessary are removed or disabled. We also reviewed the user account list generated by the County from the Town’s network and confirmed that all enabled accounts were for current employees, and any accounts for former employees that remained on the network were disabled.

Recommendation 5 – Hardware and Software Inventories

The Network Administrator should develop and maintain complete, comprehensive hardware and software inventories, which include adequate information to appropriately identify equipment and the total number of licenses owned.

Status of Corrective Action: Not Implemented

Observations/Findings: County IT personnel initially inventoried hardware and software for the Town in January 2021 utilizing a computer program that remotely scanned the Town’s network for all connected devices and installed software. This scanning program runs daily, and the network administrator reviews the results for any changes. We reviewed the Town’s inventories and determined that the hardware and software inventories are comprehensive with regards to all devices connected to the network and the software installed on them; however, they lack information regarding the user assigned to each IT device and where each device is physically located. Additionally, there was no evidence of any physical inventories being performed; therefore, any assets not connected to the network were not captured by the scanning program and thus not included on the inventories provided.

Recommendation 6 – Monitoring

The Network Administrator should monitor computer use to ensure that only approved and/or appropriate software is installed

Status of Corrective Action: Fully Implemented

Observations/Findings: The software installation rights on the Town’s computers have been restricted. Additionally, County IT personnel are the only users with software installation rights to add/remove software. Additionally, they use a computer program to scan the Town’s network daily to monitor computer use and to ensure that only approved and/or appropriate software is installed.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage Town officials to continue their efforts to fully implement our recommended improvements.

Thank you for the courtesies and cooperation extended to our auditors during this review. If you have any further questions, please contact Edward V. Grant Jr., Chief of Municipal Audits of our Rochester Regional Office at (585) 454-2460.

Sincerely,

Elliott Auerbach
Deputy Comptroller