Concerns Related to Technology Projects (Servers and IFPs)

Audit Plan Code: 25.00-08.N

Assurance | Insight | Objectivity

Final Report

April 6, 2026

Concerns related to the purchase and deployment of technology equipment were partially substantiated overall. The review identified surplus inventory and instances in which functional equipment was replaced, indicating opportunities to strengthen planning, deployment oversight, and resource alignment.

Additional concerns found were inaccurate inventory records, a missing Title I-funded device, incorrect asset locations, and unauthorized contract changes.

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Abbreviations

EPISD	El Paso Independent School District
IA	Internal Audit
IFPs	Interactive Flat Panels
IST	Information Security & Technology
NOC	Network Operating Center
PO	Purchase Order
SPED	Special Education
TEA	Texas Education Agency

Executive Summary

ASSURANCE • INSIGHT • OBJECTIVITY

We have completed the Review of Concerns Related to Technology Projects (Servers and IFPs). The objectives and scope of the review were limited to:

1. Determine whether the Information Security & Technology (IST) Department purchased an excess quantity of Mimio IFPs and accessories via purchase order (PO) #2402057 and assess whether their deployment aligned with the intended scope and allowable uses of Title I, Part A funds.

2. Determine whether replacing 2016 bond-funded Promethean boards with Mimio IFPs may represent an inefficient use of District funds.

3. Determine whether the IST Department purchased servers via PO #2412026 that (i) are not in use, resulting in an inefficient use of District resources, (ii) are physically mounted at campuses with no significant software applications, and (iii) were widely over-spec'd and, in the end, found to be obsolete.

The scope of this review was limited to the details associated with PO #2402057 for Mimio IFPs and PO #2412026 for Servers.

The Internal Audit Report that follows includes allegations with results, additional concerns, recommendations, methodology, and background.

What We Found

1. **Allegation 1: Partially Substantiated** –The purchase of Mimio IFPs was aligned with the allowable use of Title I, Part A funds. However, a surplus of 929 Mimio IFPs ($2,320,642) of the 3,000 purchased ($8,620,500) was confirmed. There was no documented needs-based justification for the quantity purchased. Excess devices were stored for over a year prior to deployment and later installed in additional classrooms, resulting in excess inventory and tying up District resources that could have supported other instructional priorities.

2. **Allegation 2: Substantiated** – Fully functional Prometheans with a cost of $120,055.30, at Bond campuses, were replaced with Mimio IFPs, regardless of their condition. Replacing Promethean Boards that had been in use for only two (2) to five (5) years, and in some cases were still under warranty, resulted in underutilization of District assets and an inefficient use of funds that could have otherwise supported other instructional technology needs.

3. **Allegation 3: Partially Substantiated** – The District purchased 88 Dell servers totaling $805,256.32 (PO # 2412026); however, only 22 (25%) are currently operational, with the remaining servers either mounted but not configured, in storage, or missing. Although the servers were not obsolete or overly specified for their intended purpose, approximately two years after purchase, the majority remain undeployed, resulting in underutilization of District resources and delays in planned network and security infrastructure improvements.

   The intended purpose of the 88 Dell servers was to back up the Axis servers (purchased for the Silent Panic Alert Technology Project) by pulling data from them and replicating it onto the Dell servers, thus increasing video retention.

4. Five additional concerns were identified:
    a. Incorrect asset locations were communicated to the Texas Education Agency (TEA). Internal Audit identified 125 Mimio IFPs, mounted on mobile carts, stored in cafeterias at five closed campuses, rather than in the classrooms reflected in the report submitted to TEA. Storing Mimio IFPs at closed campuses and reporting incorrect inventory information to TEA creates compliance risks, undermines confidence in the District's asset management, and impairs its ability to accurately track, safeguard, and reallocate technology resources.

    b. One (1) Mimio IFP purchased with Title 1 funds, assigned to a department, cannot be located. The loss of the Mimio IFP reduces its availability for instructional and training purposes. It also highlights weaknesses in inventory controls, increasing the risk of noncompliance with Title I asset management and tracking requirements.

    c. Inaccurate Frontline inventory records. A sample of 80 assets was selected for review, and 53 (66%) discrepancies were identified. Inaccurate or incomplete inventory records increase the risk of lost, misplaced, or unaccounted-for equipment, creating operational inefficiencies and potential compliance issues with asset management requirements.

    d. Change orders to the Computacenter Contract were processed by the IST leadership without the required approvals.

    e. Server asset information is not recorded in Frontline and is maintained through a manual spreadsheet by IST, which has resulted in inventory inaccuracies.

What We Recommend

Internal Audit made 15 recommendations to address the allegations and concerns. Recommendations focus on strengthening controls within the IST Department related to technology planning, procurement, deployment, inventory management, and contract compliance. Key improvements include:

1. Implementing formal pre-purchase planning, documentation, and approval procedures to ensure alignment with operational needs, resources, and compliance requirements.

2. Establishing clear asset lifecycle and replacement policies, including condition assessments, warranty utilization, and defined responsibilities for inventory updates.

3. Finalizing and executing deployment strategies with defined roles, timelines, oversight, and compliance with grant requirements.

4. Improving inventory accuracy by updating records, reconciling assets, and ensuring proper tracking and documentation of asset location, use, and disposition.

5. Strengthening inventory controls through periodic verification, tracking of temporary asset use, and coordination across departments and campuses.

6. Enhancing staff training and campus-level accountability to improve compliance with inventory and asset management procedures.

7. Ensuring compliance with procurement requirements, including obtaining proper contract approvals, and providing staff training to prevent unauthorized modifications.

Objective and Scope

We have completed the Review of Concerns Related to Technology Projects (Servers and IFPs). The objectives and scope of the review were limited to:

1. Determine whether the Information Security & Technology (IST) Department purchased an excess quantity of Mimio IFPs and accessories via purchase order (PO) #2402057 and assess whether their deployment aligned with the intended scope and allowable uses of Title I, Part A funds.

2. Determine whether replacing 2016 bond-funded Promethean boards with Mimio IFPs may represent an inefficient use of District funds.

3. Determine whether the IST Department purchased servers via PO #2412026 that (i) are not in use, resulting in an inefficient use of District resources, (ii) are physically mounted at campuses with no significant software applications, and (iii) were widely over-spec'd and, in the end, found to be obsolete.

The scope of this review was limited to the details associated with PO #2402057 for Mimio IFPs and PO #2412026 for Servers.

The report that follows includes details of the allegations and concerns, results, recommendations, methodology, and limitations.

We would like to acknowledge and thank the IST and Procurement & School Resources departments for their cooperation and assistance throughout this review.

Detailed Results and Recommendations

Allegation 1

Partially Substantiated

Allegation: As a result of purchasing more equipment than needed, the District had an estimated surplus of over 1,000 Mimio IFPs.

Results: A surplus of 929 Mimio IFPs of the 3,000 purchased was confirmed.

The District purchased 3,000 Mimio IFPs using Title I, Part A funds in August 2023 at a total cost of $8,620,500. As of November 2024, the IST Department reported that 2,071 Mimio IFPs had been installed. At this time, the IST department indicated that the remaining 929 Mimio IFPs, representing approximately $2,320,642 of the total purchase, would be installed by the end of January 2025 at 15 Title I campuses. However, the installation of all Mimio IFPs was completed by June 30, 2025, rather than the planned January 2025 deadline. Although installation was delayed, the purchase of Mimio IFPs was aligned with the allowable uses of Title I, Part A funds.

Internal Audit interviewed IST personnel to understand how the quantity of 3,000 Mimio IFPs was determined; however, no documentation or explanation was provided to support the basis for this number or an original deployment plan. Interviews indicated Mimio IFPs were generally intended for core teacher classrooms at Title I campuses. Due to a surplus of devices, some Mimio IFPs were subsequently placed in Special Education (SPED) and Fine Arts classrooms.

During an interview, the IST Director of Operations acknowledged that the District purchased an excess of Mimio IFPs. “There are too many Mimio IFPs, and the District does not have places to store them until they can be deployed to a Title I campus.” S/he stated that, prior to installation, the 929 surplus Mimio IFPs were stored at the Gamble Warehouse. To determine where the Mimio IFPs would be placed, IST personnel conducted campus and classroom walkthroughs to identify instructional needs based on the subjects being taught.

The former Assistant Superintendent of IST disagreed with the statement from the IST Director of Operations. Instead, s/he felt there was no excess in Mimio IFP inventory purchased, and that the challenge was the rollout and/or installation, because IST did not have the resources to install all Mimio IFPs

Internal Audit informed the former Assistant Superintendent of IST that currently, there still over 100 unused Mimio IFPs stored at closed campuses. The former Assistant Superintendent of IST stated that these Mimio IFPs should be repurposed for other open schools. S/he indicated that the IST department is understaffed and has been unable to complete the necessary work. S/he explained that IST did not receive funding to engage a vendor for installation services. In response to questions about why the quantity of Mimio IFPs purchased was not adjusted given these constraints, s/he stated that their prior assessment identified an urgent need for technology at campuses and that s/he had been informed that funding for installation would be provided.

The purchase of Mimio IFPs without a documented need-based justification resulted in excess inventory and inefficient use of District resources. Financial resources of approximately $2.3 million were committed to devices that were not immediately needed and could have been allocated to other instructional priorities. Additionally, prolonged storage of unused Mimio IFPs exposes devices to damage, obsolescence, or loss prior to deployment.

Recommendation

1.1 The IST Management should ensure that, prior to recommending a purchase to the Board, thorough planning is conducted and documented to confirm the following:
   a. The need for the equipment.
   b. The quantity required.
   c. The cost-effectiveness of the purchase.
   d. The District’s infrastructure capacity to support the equipment.
   e. Available alternatives or options.
   f. Sufficient resources (e.g., staffing, training, and IST support) to deploy and maintain the equipment.
   g. A deployment schedule for installation and use.
   h. A risk assessment addressing potential surplus, obsolescence, and budget impact.
   i. Compliance verification through documented review and sign-off prior to submission to the Board.
   j. Retention of supporting documentation for audit purposes (e.g., needs assessments, walkthroughs, and cost analyses).

Allegation 2

Substantiated

Allegation: Fully functional Promethean Boards (Prometheans) at Bond campuses were replaced with excess Mimio IFPs that were purchased.

Results: Fully functional Prometheans at Bond campuses were replaced with Mimio IFPs, regardless of their condition.

During interviews, IST personnel stated that Prometheans were replaced with Mimio IFPs regardless of their condition. Replacement decisions were based solely on whether the classroom met the criteria of core, SPED, and/or fine arts instruction. The IST personnel also stated that the replaced Prometheans had been in use for approximately three (3) years and had a five (5)-year warranty. Additionally, IST personnel indicated that when Prometheans were nonfunctional but still under warranty, the warranty was used to obtain repairs. Internal Audit reviewed the five (5) POs for the 46 Prometheans sampled, and only one (1) PO mentioned a "5-year on-site support." The other POs did not mention anything about warranty.

Per the former Assistant Superintendent of IST, s/he disagreed that the Promethean Boards had a five (5) year warranty and believed Prometheans had a three (3) year warranty. I

When asked why fully functional Prometheans were replaced with Mimio IFPs, he stated the following: "Mimio IFPs offered more advantages for the students to learn due to their technology. Casting management was an example of the technology offered by Mimio IFP. This would allow the teachers to control the devices. This could not be done with a Promethean because it used outdated technology and required additional software to work." S/he indicated that some units were beginning to malfunction and wanted to be proactive; therefore, the boards were replaced at Bond campuses to minimize instructional downtime and ensure students were working uniformly across the district before the technology failed.

Internal Audit visited five (5) campuses and one (1) department to verify the existence of 46 Prometheans (our sample) purchased with 2016 Bond funds and assess the number of years they had been in use. These locations were selected because their inventory records indicated both Promethean and Mimio IFPs were assigned to the campus and department. During visits, we noted that the Prometheans previously installed in classrooms had been replaced with Mimio IFPs. The Prometheans were relocated to other areas on the campus but not actively in use. The Prometheans in our sample had been in use between two (2) and five (5) years. Please see **Table 1**.

Table 1: Promethean Board Details

FY Purchased	Number of Prometheans	Cost	Years in Use
2019	16	$44,160.00	5
2020	5	$15,500.00	4
2021	5	$13,330.00	3
2022	20	$47,065.30	2
Total	**46**	**$120,055.30**	

Replacing Promethean Boards that were between two (2) and five (5) years old, and in some cases still under warranty, resulted in underutilization of District assets and inefficient use of funds, which could have been used for other instructional technology needs.

Recommendation

2.1 IST Management should develop a formal asset replacement policy that clearly defines the criteria and process for replacing assets. At a minimum, the policy should address the following:
   a. Procedures for assessing asset conditions prior to replacement or disposal.

b. Requirements for determining whether an active warranty exists and whether it can be utilized for repair or remediation.
c. Assignment of responsibility for timely and accurate updates to Frontline inventory records, particularly when replacements occur in bulk.

Allegation 3
Partially Substantiated

Allegation: A total of 88 Dell servers were purchased for campuses at a cost of $9,000 per server, totaling $805,256.32. The IST Network Team was instructed to physically mount the hardware at the campuses to avoid any bad optics. These servers are currently only physically racked with no significant software application running on them. The servers purchased were widely over-spec'd and, in the end, found to be obsolete for the District, as it appears to have no real use**.**

Results: We confirmed that in February 2024, the District purchased from Computacenter eighty-eight (88) Dell servers with a total cost of $805,256.32 (PO # 2412026). Of the 88 servers purchased, only 22 (25%) are currently deployed and operational at the Network Operating Center (NOC). The remaining 66 servers (75%) are not operational. This includes 16 servers mounted on racks at campuses and 49 that remain in storage at the Murchison Warehouse in their original packaging. One (1) server is missing (see Concern 5 for details).

The intended purpose of the 88 Dell servers was to back up the Axis servers (purchased for the Silent Panic Alert Technology Project) by pulling data from them and replicating it onto the Dell servers, thus increasing video retention. The former Assistant Superintendent of IST explained that the 88 servers were intended for deployment across campuses and District facilities, with a one-to-one alignment such that each Axis server would be paired with a corresponding Dell server.

Our review determined that the servers were not obsolete, as some were in use at the NOC. Changes to implementation and deployment are currently under evaluation.

According to the former Assistant Superintendent of IST:
- S/he was under the impression that some of the servers had been deployed across campuses and were fully functional.
- S/he was aware that not all servers had been deployed,
- The Dell servers could not be fully functional until the Axis servers were installed at the campuses. However, due to vendor-related issues, not all the Axis servers have been installed.
- The 22 servers installed at the NOC were intended as a temporary solution to support video retention during campus deployments.
- Once the deployment was completed, the servers located at the NOC were expected to be relocated to the campuses.
- They (IST) chose not to utilize the installation services included in the contract because s/he viewed completing the installation in-house as a valuable training and development opportunity for the IST team. S/he stated that, although the IST team had qualified personnel capable of performing the installations, those staff were unwilling to do so.

Approximately two years after the purchase, the majority of servers remain undeployed and non-operational. This has resulted in underutilization of District resources and delayed implementation of planned network and security infrastructure improvements. Additionally, any deployment changes must be approved by leadership to ensure compliance with SAFE Grant requirements.

Recommendations

3.1 Finalize and document the deployment strategy for the remaining Dell servers, obtain leadership approval for any changes to the original plan to ensure SAFE Grant compliance, and deploy the servers once the strategy is approved.

3.2 Strengthen deployment processes by establishing clear responsibilities and timelines to enhance oversight and accountability.

Additional Concerns

While conducting this review, five (5) additional concerns were identified in connection with the allegations. These concerns are presented for consideration to determine the appropriate course of action.

Concern 1

Incorrect asset locations in communication to TEA

In July 2025, following up on a complaint alleging the non-compliance with use of State/Federal funds, the Texas Education Agency (TEA) requested location information for 3,000 Mimio IFP devices, including the assigned campus and classroom for each unit. In response, the District provided an Excel file, the "verified list" of devices with their locations (campus and room number), along with an attestation statement signed by the former Assistant Superintendent of IST stating that all devices had been "installed." During the Interview with the former Assistant Superintendent of IST, s/he stated that 'installed' means Mimio IFPs are in an active classroom and in.

The Excel file provided to TEA was a printout of a Frontline report. The report indicated that Mimio IFP devices at closed campuses (e.g., Newman, Putnam, Rivera, Rusk, and Zavala) were assigned to specific classrooms. However, during walkthroughs conducted on July 9, 2025, Internal Audit identified 125 Mimio IFPs, mounted on mobile carts, stored in cafeterias at these closed campuses rather than in the classrooms reflected in the report. **Table 3** summarizes the Mimio IFPs found at each of the five closed campuses.

Table 3: Mimio IFPs with Incorrect Locations at Closed Campuses

Campus Name	Total
Newman Elementary School	29
Putnam Elementary School	17
Rivera Elementary School	20
Rusk Elementary School	24
Zavala Elementary School	35
Total	**125**

The IST Director of Operations confirmed that s/he and his team were tasked with verifying the location of all Mimio IFPs in Frontline, including the room number for each. S/he mentioned that these Mimio IFPs were being "stored" at the closed campuses and intended to be redistributed to other Title I campuses as needed. When asked about the location (room) discrepancy, the IST Director of Operations stated that:

1. The classroom locations reflected in the Excel file represented the Mimio IFP's original assigned locations and explained that Mimio IFPs were relocated to

cafeterias due to security concerns, as those areas were monitored by cameras.

2. The relocation occurred rapidly after they were instructed to remove all Mimio IFPs from classrooms, and as a result, inventory records were not updated to reflect the new locations.

3. Consequently, the Excel file provided to TEA contained inaccurate inventory location information. S/he stated that this was "not intentional in any way."

The former Assistant Superintendent of IST stated that s/he was not aware that incorrect information had been submitted to TEA. S/he stated that the "verified list" provided to TEA reflected Mimio IFP inventory in Frontline as of June 2025. S/he also indicated that his/her understanding was that the IST team had verified the Mimio IFP inventory at each campus. S/he also noted that s/he did not personally verify the accuracy of the list.

Storing Mimio IFPs at closed campuses and reporting incorrect inventory information to TEA creates compliance risks, undermines confidence in the District's asset management, and impairs its ability to accurately track, safeguard, and reallocate technology resources.

Recommendations

The IST Management should:

1.1 Ensure Mimio IFPs are relocated from closed campuses to be used for their intended instructional purpose and that Frontline inventory records are updated to accurately reflect their current physical locations.

1.2 Notify the Legal Department that incorrect locations (rooms) were submitted to TEA.

Concern 2

One (1) Mimio IFP device purchased with Title 1 funds, assigned to a department, cannot be located

The Mimio IFP purchased with Title I funds is recorded in Frontline inventory as assigned to the Blended Learning Department (later known as Digital and Learning Resources). However, the device's current physical location could not be verified.

According to the former Instructional Technology Manager, the Mimio IFP was temporarily assigned to the department as it was responsible for training teachers on its use. The device was used to evaluate its functionality and to support the development of training materials for teachers at Title I campuses. S/he stated that a Mimio IFP was in the IST Department for a short period during the 2024–2025 school year but could not confirm whether it was assigned to the Blended Learning Department. S/he further stated that the device was later removed and has not been seen since.

According to the former Assistant Superintendent of IST, s/he believed this Mimio IFP had been moved to Zavala Elementary. However, when Internal Audit visited the campus, it was not there.

The loss of the Mimio IFP reduces its availability for instructional and training purposes. It also highlights weaknesses in inventory controls, increasing the risk of noncompliance with Title I asset management and tracking requirements.

Recommendations

The IST Management should:

2.1 Identify the current location or disposition of the Title I-funded Mimio IFP and update inventory records accordingly. If the Mimio IFP cannot be located, document the loss in accordance with Frontline and District requirements.

2.2 Strengthen inventory controls over Title I-funded assets by requiring documentation and tracking for temporary use and verifying the physical location of assets on a periodic basis.

Concern 3

Inaccurate Frontline inventory records

Internal Audit visited five (5) campuses and the IST department to verify the accuracy of inventory records. A sample of 80 assets was selected for review, and 53 (66%) discrepancies were identified. See **Table 4** for details.

Table 4: Details of Inaccurate Frontline Inventory Records

Campus Name	Mimio IFPs - Incorrect Location	Prometheans - Incorrect Location
Andress High School	5	5
Austin High School	0	5
Don Haskins PK-8	2	5
Bobby Joe Hill PK-8	0	5
Crockett Elementary	1	5
IT Department	4	16
Total:	**12**	**41**

During the visits, Internal Audit asked campus administration about their awareness of the discrepancies and the reasons for them. Campus administration indicated that IST personnel were responsible for replacing Prometheans with Mimio IFPs and that they were not always informed where removed Prometheans were placed or whether they were returned to IST. Regarding the Mimio IFPs with incorrect locations, campus administrators were unsure whether they had been installed in the designated classrooms or relocated to other classrooms without inventory records being updated.

The IST Director of Operations:

1. Confirmed IST was responsible for replacing Prometheans with Mimio IFPs.

2. Explained that, upon completion, campuses received an email detailing the required inventory updates, as the IST department cannot update campus inventory records.

3. Stated that it is common for campus administration to relocate inventory between classrooms without consistently updating the inventory in Frontline.

Additionally, the former Assistant Superintendent of IST stated that he believed the IST Team provided a list of inventory changes to campuses for them to update.

Inaccurate or incomplete inventory records increase the risk of lost, misplaced, or unaccounted-for equipment, creating operational inefficiencies and potential compliance issues with asset management requirements.

Recommendations

3.1 Campus administration, in collaboration with IST Management, should ensure that campus inventory records accurately reflect the location and status of the Prometheans and Mimio IFPs.

3.2 Campus administration should collaborate with the School Resources Department to retrain campus personnel on inventory procedures to improve the accuracy and accountability of Frontline inventory records.

Concern 4

Change orders totaling $106,016 were processed without required approval

The Computacenter contract dated February 2024 included $88,000 for server installation, configuration, and training services. However, IST approved a $76,112 change order, reallocating those funds to electrical work and IST assuming responsibility for server installations.

According to the IST Director of Operations, after the contract was approved, Computacenter identified that installation requirements varied by campus, including necessary electrical upgrades to adequately power the servers. Kohlberg Elementary was used as the "pilot campus" in September 2024 to estimate districtwide installation costs for the servers. Computacenter subsequently provided a revised installation quote of $7,660 per campus, excluding electrical upgrades. Based on this rate, the estimated installation cost for 68 campuses would be $520,880.

When Internal Audit asked why IST did not hold Computacenter to the original installation fee ($88,000) included in the contract, the IST Director of Operations provided the following explanations:

1. "Until the equipment [servers] was received at our warehouse, we had no documentation on electrical specs and outlet types needed."

2. "This amount exceeds the allocated amount of funding for installation based on the RFP. It was decided that the electrical work was a priority. We used the installation funds to cover the electrical work."

When IST redirected installation funds to cover electrical work, the contract was not amended to reflect the change of scope. A change order form was completed by a Computacenter representative and the EPISD IST Director of Operations. Although the change order was not signed by the former Assistant Superintendent of Information Technology, he was included in email correspondence between Computacenter and the IST Director of Operations regarding the change order. While this aligns with Computacenter's internal change order process, it does not comply with EPISD's contract amendment and approval requirements.

Additionally, the IST Director of Operations confirmed that this same process was used for other contract modifications. Five (5) additional change orders were processed without the required District approvals. **Table 5** summarizes the six (6) change orders processed.

Table 5: Change Order Details

Date of Change Order	Amount
October 3, 2024	$ 607.76
November 5, 2024	$ 2,995.80
November 20, 2024	$ 20,642.00
January 15, 2025	$ 2,965.10

March 3, 2025	$ 76,112.00
April 8, 2025	$ 2,694.00
Total	**$ 106,016.66**

Per the former Assistant Superintendent of IST, it was his/her understanding that changes could be made to the contract, provided they did not exceed 10% of the total contract cost. S/he stated that they chose not to utilize the installation services included in the contract because s/he viewed completing the installation in-house as a valuable training and development opportunity for the IST team. S/he stated that, although the IST team had qualified personnel capable of performing the installations, those staff were unwilling to do so.

When asked why not hire a vendor or perform the electrical work in-house, s/he stated that EPISD did not have a certified electrician at that time. No response was provided regarding hiring a vendor.

Recommendations

4.1 The IST Management, in collaboration with the Legal Department and Procurement, should review every unauthorized change order. For any remaining changes, IST must submit formal amendments for approval to ensure the contract complies with District policy and determine which deliverables have been met and which are pending.

4.2 To prevent future unauthorized contract modifications, IST Management and personnel should undergo mandatory retraining on District procurement policies and the legal requirements for contract amendments.

Concern 5

Server asset information is not recorded in Frontline Inventory Records

In addition, Internal Audit performed a physical reconciliation of the 88 servers against IST's manual spreadsheet records. The following discrepancies were identified:

1. The serial number for a server at a campus was recorded as TDT9724 instead of DTD9724.
2. A server at the NOC was recorded as JSD9724; however, the serial number on the physical unit is HSD9724.
3. One server (4TD9724) could not be physically located during the reconciliation.

According to the IST Director of Operations and Financial Services, the asset information for the 88 servers had not been entered into Frontline because it is associated with the ongoing SAFE Grant Project. Per Financial Services practice, the asset information is recorded in Frontline upon project completion (SAFE Grant project end date: April 30, 2027) and a determination that the servers meet capitalization criteria.

In the meantime, IST personnel are tracking the servers in an internal manual spreadsheet and applying EPISD asset tags to the physical units.

The IST Director of Operations expressed confidence that the missing server would be found at one of the campuses and said there are no concerns about its whereabouts. However, the server has yet to be located.

Manual processes, such as tracking server information in spreadsheets, increase the risk of human error and require significant staff time, reducing efficiency.

Without a reliable tracking system, assets are at greater risk of loss, theft, or misplacement, and may go undetected for extended periods.

Recommendations

5.1 IST Management should perform a physical reconciliation of all 88 servers and resolve any discrepancies identified, including locating the missing server.

5.2 Upon completion of the reconciliation, IST Management, in coordination with Procurement, should ensure that all information for the 88 servers is accurately entered into Frontline (pending capitalization from Financial Services).

5.3 IST Management, in collaboration with Financial Services and Procurement, should establish a formal process for tracking assets associated with ongoing projects to ensure they are timely and accurately entered into Frontline.

Methodology

To achieve the audit objectives, Internal Audit:

1. Reviewed documentation related to the purchase of Mimio IFPs and accessories (PO 2402057) and the 88 servers (PO 2412026).

2. Conducted interviews with IST personnel to understand how procurement, deployment, and inventory activities were performed. The IST employees interviewed were:
   a. Director of IT Operations
   b. Director of Technology Services Applications
   c. Special Systems Supervisor
   d. Infrastructure Systems Administrator
   e. Former Assistant Superintendent of IST

3. Frontline inventory was analyzed to determine whether Mimio IFPs were placed exclusively in Title I campuses.

4. Performed walkthroughs at selected campuses to observe the location, use, and condition of Mimio IFPs and Prometheans.

5. Conducted a physical reconciliation of the 88 servers against IST's manual spreadsheet records.

6. Met with the Legal Department to evaluate whether IST personnel followed proper procedures for change orders to Computacenter contracts.

Limitations

Because of the inherent limitations in a system of internal controls, there is a risk that errors or irregularities occurred and went undetected. Due professional care requires the internal auditor to conduct examinations and verifications to a reasonable extent. Accordingly, an auditor can obtain reasonable, but not absolute, assurance that procedures and internal controls are followed and adhered to in accordance with federal, state, and local policies and guidelines. This review was limited to the areas stated in the objectives and scope section.

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Internal Audit

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