



Executive Summary, 2026-FMIC-B-005, March 30, 2026

The Board Should More Effectively Manage and Secure Its Inventory of Unassigned Laptops and Hard Drives Ready for Disposal

Findings

The Board's inventory of unassigned laptops and hard drives ready for disposal is not centrally managed. The Division of Information Technology provides these services to itself and two other Board divisions. Eight divisions manage laptop and hard drive inventory for the remaining 11 Board divisions, which we refer to as *custodial divisions*. The Board does not effectively manage its inventory of (1) laptops that are unassigned or returned by departing employees and (2) hard drives ready for disposal. Some unassigned laptops are also not consistently tracked or accounted for, and some assigned laptops are not returned by departing employees. The Board does not have standardized expectations for managing its IT inventory, as recommended by the U.S. Government Accountability Office. We also found that custodial divisions do not adequately (1) secure unassigned laptops and hard drives ready for disposal or separate unassigned laptops by life cycle stage or (2) track or timely dispose of hard drives ready for disposal. In the absence of standard IT inventory management expectations, custodial divisions developed their own practices, often not aligned with leading practices.

Additionally, in June 2025, one custodial division purchased, but did not properly inventory, 677 new laptops at a cost of \$1.447 million. After we identified the laptops, the division told us that it decided not to deploy these assets while transitioning its IT management responsibilities to the Division of IT. The 677 laptops were unopened in their original shipping boxes and in storage for 8 months, which we identify as an inefficient allocation of resources and \$1.447 million in funds that could be put to better use. The unopened laptops were stored in a secure room with limited access but were not inventoried, resulting in a significant risk of theft or loss. In March 2026, the division inventoried the 677 laptops.

Recommendations

Our report contains seven recommendations designed to ensure that the Board implements a standardized approach to inventory management practices consistent with leading practices for (1) laptops that are unassigned or returned by departing employees and (2) hard drives ready for disposal. In its response to our draft report, the Board concurs with our findings and recommendations and outlines planned actions to address those recommendations. We will follow up to ensure that the recommendations are fully addressed.

Purpose

We conducted this audit to assess the effectiveness of the Board's processes for managing its inventory of laptops and hard drives ready for disposal. To do so, we assessed whether the Board divisions' day-to-day operational processes align with internal procedures and leading practices for (1) tracking and securing unassigned laptops and hard drives ready for disposal and (2) removing hard drives. We also assessed the Division of IT's and the Division of Management and Financial Services' compliance with their policies for disposing of hard drives and laptop shells, respectively. Our audit covered September 1, 2024–August 31, 2025, for the following IT hardware in Board division custody: (1) new, returned, and pending disposal laptops not assigned to Board employees; (2) laptops returned by departing employees; and (3) hard drives ready for disposal.

Background

For the divisions it manages, the Division of IT established processes that incorporate leading practices for (1) tracking and securing unassigned laptops and hard drives ready for disposal and (2) removing hard drives. The Division of IT established limited guidance for custodial divisions on inventorying laptops and disposing of hard drives.