

AGENCY INTERNAL CONTROLS

CHARTER INTERNAL CONTROL REPORTING REQUIREMENT

Statements on the status of mayoral agencies' internal control environments and systems for Fiscal 2015 and the actions taken or to be taken to strengthen such systems are set forth below, pursuant to Section 12(c)(3) of the New York City Charter. The Mayor's Office of Operations compiled these statements based upon reviews of 33 mayoral agencies' internal control certifications, financial integrity statements, applicable State and City Comptrollers' audit reports and agency responses to such reports. The heads of those agencies attested to the status of their agencies' internal control systems with respect to principal operations, including the 16 areas covered by the City Comptroller's Directive 1 checklist, specifically: effectiveness and efficiency; cash receipts; imprest funds (petty cash); billings and receivables; expenditures and payables; inventory; payroll and personnel; general IT controls and procedures; internet connectivity; project risk and IT risks; incident response; single audit; licenses and permits; violations certificates; leases, concessions and franchises, and internal audit function.

SUMMARY STATEMENTS ON THE STATUS OF INTERNAL CONTROL SYSTEMS

Agency heads reporting indicate that their systems of internal control, taken as a whole, are sufficient to meet the City's internal control objectives of maximizing the effectiveness and integrity of operations and reducing vulnerability to waste, abuse and other errors or irregularities. Certain agencies identified inefficiencies, which are covered below. The covered agencies are committed to pursuing applicable corrective actions and continuing to monitor their internal control systems.

Administration for Children's Services

The Administration for Children's Services (ACS) reports continuation of activities with respect to the oversight and enhancement of its system of internal controls. ACS reports improvement with respect to its payment processes and contract authorization procedures, particularly in the area of limited secure placement. Also, ACS reports that actions have been taken to strengthen protocols and monitoring of sub-recipient submission of audited financial statements. ACS will continue its course of corrective action and will monitor its overall internal control environment through internal audits, external audit follow-up and information technology.

City Commission on Human Rights

The City Commission on Human Rights (CCHR) reports ongoing oversight of its system of internal controls and will continue its monitoring through information technology as well as internal audits.

Civilian Complaint Review Board

The Civilian Complaint Review Board (CCRB) reports the continuation of activities to further enhance its system of internal controls, including the establishment of information technology policies with respect to incident response. CCRB will continue to take appropriate corrective actions and will monitor its overall internal control environment through internal audits.

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Department of Buildings

The Department of Buildings (DOB) reports ongoing oversight with respect to its system of internal controls, including review of current operations to implement new procedural changes in order to assess risks. Specifically, the agency reports additional maintenance of computer system applications as well as strengthened oversight of licenses and permits in an effort to detect inaccuracies and irregularities. DOB will continue its course of corrective action with the objective of maximizing the effectiveness as well as maintaining and strengthening its operational integrity by monitoring its internal control systems through internal audits, external audit follow-up activity and risk assessments.

Department of City Planning

The Department of City Planning (DCP) reports continued oversight of its internal control environment. DCP will continue to monitor its internal control environment through follow-up on external audits and by conducting management reviews.

Department of Citywide Administrative Services

The Department of Citywide Administrative Services (DCAS) reports continuation of activities to further strengthen its system of internal controls. Specifically, DCAS is adopting measures to improve the overall accuracy of its capital fixed asset records, further implementing comprehensive inventory controls, as well as continuing to enhance legacy system applications and encryption technology to strengthen system and data security. DCAS will continue to monitor its overall internal control environment through internal audits, follow-up on external audits, and risk assessments.

Department of Consumer Affairs

The Department of Consumer Affairs (DCA) reports continuation of activities to further strengthen its system of internal controls. Specifically, the agency reports implementation of additional internal payment auditing procedures for cost reimbursable contracts and additional staff hired within the areas of Finance and Human Resources in order to ensure segregation of key tasks and duties. DCA reports that actions are underway to document standards and expectations with respect to a newly implemented enterprise-wide system known as Agency Licensing and Business Automation ("ALBA"). DCA will continue to monitor its overall internal control environment through internal quality assurance reviews as well as follow-up of external audits.

Department of Correction

The Department of Correction (DOC) reports continued oversight and implementation of measures to further enhance its system of internal controls. Specifically, the agency reports continued implementation of an inventory management system, upgrade of information technology infrastructure, replacement of the legacy inmate and administrative phone systems in jails to both enhance security and expand auditing capability including facilitating the e-payment options to promote cashless transactions in connection with inmate commissary accounts through the online Inmate Lookup System. DOC will continue to monitor its overall internal control environment through internal audits, follow-up on external audits and agency management reviews.

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Department of Cultural Affairs

The Department of Cultural Affairs (DCLA) reports continued oversight with respect to its internal control environment, including completing consolidation and integrity validation efforts on the Enterprise Application Solution (EAS) integrated with the Materials for the Arts' (MFTA) legacy system. DCLA is committed to strengthening its internal control environment and systems through ongoing risk assessments, internal reviews and the use of information technology.

Department of Design and Construction

The Department of Design and Construction (DDC) reports continuation of activities with respect to inspections, public surveys and audits covering construction projects to help promote site safety and work quality. Staff training remains a primary component of the agency's strategy to foster proper internal controls. DDC will continue the present course of action and will monitor its overall internal control environment through internal audits, external audit follow-up activity and risk assessments.

Department of Environmental Protection

The Department of Environmental Protection (DEP) reports ongoing activities with respect to the oversight and enhancement of its system of internal controls. This work includes a modernized customer information system to promote accuracy, analysis and reporting of accounts receivable. Also, DEP reports ongoing action in connection with the computerized maintenance management systems including inventory control modules that support waste water treatment facilities. DEP is further enhancing tools necessary to assess and manage risk with continued focus placed on validating and enhancing performance tracking work. DEP will continue to monitor its overall internal control environment through risk assessments, internal audits and external audit follow-up.

Department of Finance

The Department of Finance (DOF) reports ongoing oversight and further enhancements with respect to its internal control environment, including areas for mitigating disaster impacts and safeguarding against unauthorized computer systems access. In addition, DOF reports implementation of procedures to improve the assessment, administration and documentation of real property valuations, security measures related to bank accounts, and enhanced validations in the administration of personal exemption programs. DOF will continue its course of corrective action and will monitor its internal control environment through internal audits, external audit follow-up and risk assessments.

Department for the Aging

The Department for the Aging (DFTA) reports ongoing oversight with respect to its system of internal controls. Specifically, DFTA reports continued support on the database tool used for tracking, analyzing and reporting on agency clients in order to strengthen management oversight and promote timely reporting. DFTA will continue to monitor its internal control environment by conducting internal control testing.

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Department of Health and Mental Hygiene

The Department of Health and Mental Hygiene (DOHMH) reports ongoing activities with respect to the oversight and enhancement of its system of internal controls. Particularly, DOHMH reports continued enhancements affecting the collection of billing information for clinical services, computer system processing activities, data center redundancy and data security, as well as physical inventory controls. Additionally, DOHMH is establishing and updating policies pertaining to debt write-off. Further, DOHMH reports continued focus to align its services with community needs through its new division of Center for Health Equity as well as reorganizing existing divisions. DOHMH will continue to monitor its overall internal control environment through internal audits, follow-up on external audits, self-assessments and internal management reporting systems.

Department of Homeless Services

The Department of Homeless Services (DHS) reports ongoing oversight with respect to its system of internal controls. Specifically, the agency reports additional actions to strengthen internal controls in the areas of inventory and general information technology controls and procedures. Additionally, compensating controls are applied to mitigate potential risks. DHS will continue its course of corrective action and will monitor its overall internal control environment through internal audits, external audit follow-up and risk assessments.

Department of Housing Preservation and Development

The Department of Housing Preservation and Development (HPD) reports ongoing oversight with respect to activities to strengthen its internal control environment. These activities include assessing the need for written procedures, including write-off procedures, reviewing alternatives for tracking of equipment associated with a project as well as recordkeeping with respect to capital assets. HPD will continue its course of corrective action and will monitor its overall internal control environment through its Management Review and Internal Compliance Division follow-up activity.

Department of Information Technology and Telecommunications

The Department of Information Technology and Telecommunications (DOITT) reports ongoing oversight with respect to its internal control environment. During the reporting period, specific focus was placed on monitoring, development and implementation of metrics and other activities with an emphasis on performance management and analysis. DOITT will continue to monitor its internal controls through internal and external audits.

Department of Investigation

The Department of Investigation (DOI) reports ongoing oversight of its system of internal controls, including disaster recovery preparedness. DOI will continue to monitor its internal control environment through internal audits and the use of information technology.

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Department of Parks and Recreation

The Department of Parks and Recreation (DPR) reports the continuation of oversight including the application of technology to further strengthen its internal control environment. Specifically, DPR reports further implementation of a mobile solution module for Maintenance and Operations staff that will improve the work order process, continued system development for tracking volunteers registered to participate in a variety of events, as well as completion of its forestry management system supporting service requests. DPR will continue its course of corrective action and monitor its internal control environment through agency management reviews, external audit follow-up as well as internal audits.

Department of Probation

The Department of Probation (DOP) reports continued oversight with respect to its system of internal controls. Specifically, the agency reports development of instruments to assess and identify risks associated with repeat offenders and criminogenic needs contributing to such risks which help determine the most efficient and effective use of agency resources. Additionally, DOP reports adoption of a comprehensive case management system to promote efficient and effective use of agency resources. DOP will continue its course of corrective action and will monitor its internal control environment through internal audit activity and management reviews.

Department of Records and Information Services

The Department of Records and Information Services reports continued oversight with respect to its internal control environment. Specifically, the agency reports ongoing electronic surveillance of warehouse facilities and public reference rooms, control of inventory, as well as staff training with reference to the City's Conflicts of Interest guidelines. Also, development of collection procedures is underway. The Department of Records and Information Services will continue to monitor its internal control environment through external audit follow-up and the use of information technology.

Department of Sanitation

The Department of Sanitation (DSNY) reports continued oversight and further enhancements with respect to its system of internal controls. Particularly, the agency reports a comprehensive new policy to further strengthen inventory controls and reporting capabilities for tracking computer equipment in a single central unified database. DSNY is working towards replacement of mobile telephones which will incorporate GPS capability and remote tracking capabilities. DSNY also reports replacement of the majority of its fleet tracking cell phones with permanently installed devices that are tracked and managed remotely using vendor supplied software. In addition, DSNY reports implementation of an electronic system to track and monitor the distribution and issuance of paper Notice of Violation (NOV) tickets. Also, enhanced procedures are in progress for accountability affecting private vendor snow removal activities. DSNY will continue to monitor its internal control environment through internal audits, self-inspections, risk assessments and external audit follow-up activity.

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Department of Small Business Services

The Department of Small Business Services (SBS) reports ongoing oversight with respect to its internal control environment. Specifically, the agency reports implementation of measures to maintain its physical plant as well as facilitate computer hardware security. SBS will continue to monitor its overall internal control environment through internal audits and management recommendations.

Department of Transportation

The Department of Transportation (DOT) reports ongoing oversight of its internal control environment. This includes continued efforts toward revising and updating inventory policies and procedures to further enhance controls in this regard. DOT will continue to monitor its internal control environment through internal and external audits, the progress of corrective actions and agency-wide risk assessments.

Department of Youth and Community Development

The Department of Youth and Community Development (DYCD) continues to report the oversight and monitoring of its internal control environment. Specific actions include enhanced functionality with respect to a program monitoring database, case management system and fiscal systems to facilitate service delivery and performance, as well as enhanced fiscal guidance and training for staff and contractors to promote compliance. Future actions include expanded technical assistance to strengthen provider operations. DYCD will continue to monitor its internal control environment.

Fire Department

The Fire Department (FDNY) reports continued activities to further strengthen its internal control environment. This work includes codifying and restructuring work flow, formalizing policies and procedures, as well as enhancing programmatic activity through the application of technology. FDNY will continue to monitor its overall internal control environment through internal audits, risk assessments and follow-up on external audits.

Human Resources Administration

The Human Resources Administration (HRA) continues to report the review and oversight of its system of internal controls, including the implementation of measures to further improve agency operations. HRA will continue to monitor its overall internal control environment through its Office of Audit and Quality Assurance.

Landmarks Preservation Commission

The Landmarks Preservation Commission (LPC) reports the review of programs and policies, and continued oversight with respect to its present system of internal controls. LPC will continue to monitor its internal control environment.

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Law Department

The Law Department reports ongoing compliance with respect to its system of internal control, and will continue to monitor its overall internal control environment through follow-up on external audits, management reviews, Internal Audit Unit activity and Management Information Systems.

Police Department

The New York City Police Department (NYPD) reports ongoing oversight with respect to its system of internal controls, including continued oversight to minimize risks with respect to documentation of computer systems and applications. The NYPD will continue to monitor its internal control environment through its Internal Affairs Bureau, Quality Assurance Division, Fiscal Accountability Unit, Integrity Control Officers and Self-Inspection Program.

Taxi and Limousine Commission

The Taxi and Limousine Commission (TLC) continues to report activities to support and maintain its internal control environment. TLC will continue to monitor its internal controls through management and performance reviews, policies and procedures, follow-up activity on external audits, and information technology.

Business Integrity Commission

The Business Integrity Commission (BIC) reports the review and establishment of sufficient internal controls with respect to maximizing the effectiveness and integrity of agency operations. The agency will continue to monitor its internal control environment through internal audits and information technology controls and reporting.

New York City Emergency Management

New York City Emergency Management (NYCEM) reports an extensive review on internal policies and procedures with respect to its internal control environment, and the continuation of activities to further strengthen internal controls. The agency will continue to monitor its internal control environment through internal reviews and follow-up on external audits.