

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 continued oversight and enhancement of its system of internal controls. Specifically, the agency reports program development and measures to further strengthen programs with respect to child safety and welfare. ACS will continue its course of corrective action and will monitor its overall internal control environment through an internal audit group, external audit follow-up and information technology.

City Commission on Human Rights

The City Commission on Human Rights (CCHR) reports continued oversight of its system of internal controls, including corrective actions with respect to enhanced procedures related to controlling access to computer operations facilities and supply rooms. CCHR will continue its course of corrective action and monitor its overall internal control environment through the development of additional internal audit functions and agency management reviews.

AGENCY INTERNAL CONTROLS

Civilian Complaint Review Board

The Civilian Complaint Review Board (CCRB) reports continued activities to further enhance its internal control environment, including ongoing efforts with respect to incident response planning and development. The agency also reports the development of more distinct divisions of duties and modification of its reporting structure in order to maximize separation of duties and operational effectiveness. CCRB will continue to take appropriate corrective action and will monitor its overall internal control environment through internal audits.

Department of Buildings

The Department of Buildings (DOB) reports the continuation of 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 procedures related to licenses and permits. DOB will continue its course of corrective action with the objective of maximizing 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 ongoing oversight of its system of internal controls. 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 measures taken to further strengthen its system of internal controls. Specifically, DCAS is implementing comprehensive inventory controls and is continuing to leverage encryption technology to strengthen data security as well as applying technology to ensure business continuity of its remaining information systems. DCAS will continue to monitor its overall internal control environment through internal audits, follow-up on external audits, and risk assessments.

AGENCY INTERNAL CONTROLS

Department of Consumer Affairs

The Department of Consumer Affairs (DCA) reports ongoing oversight and activities to further strengthen its system of internal controls. Particularly, the agency reports continued improvements with reference to project management as well as enhanced oversight over policies and procedures. DCA will continue to monitor its overall internal control environment through internal process reviews as well as follow-up on external audits.

Department of Correction

The Department of Correction (DOC) reports ongoing oversight and implementation of measures to further enhance its internal control environment. Specifically, the agency reports continued implementation and expansion of an inventory management system across all facilities, upgrade of information technology infrastructure, upgrade of the legacy inmate and administrative phone systems in jails to a modern application with enhanced security features and a web interface, and continued efforts towards facilitating 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, external audit follow-up, risk assessments and agency management reviews.

Department of Cultural Affairs

The Department of Cultural Affairs (DCLA) reports ongoing oversight with respect to its system of internal controls. DCLA reports enhancements for monitoring new and existing agency initiatives to allow for the tracking of data as well as the evaluation of enhancements to inventory and contract management. DCLA will continue to monitor its internal control environment through internal reviews and the use of information technology.

Department of Design and Construction

The Department of Design and Construction (DDC) reports ongoing activities with respect to the operations of its internal control environment. This work includes inspections, public surveys, staff training and audits covering construction projects to help promote site safety and work quality. Also, DDC has implemented automated systems that improve the tracking and managing of documentation associated with FOIL requests for contracts and payments. DDC will continue to monitor its overall internal control environment through internal audits, external audit follow-up and risk assessments.

AGENCY INTERNAL CONTROLS

Department of Environmental Protection

The Department of Environmental Protection (DEP) reports the continuation of activities with respect to the oversight and enhancement of its system of internal controls. Specifically, DEP reports ongoing actions in connection with maintenance management systems including inventory control modules that support waste water treatment facilities. DEP also continues improvement in connection with its modernized customer information system enhancing accuracy, analysis, and reporting of accounts receivable. Additionally, the agency has continued to improve asset management and inventory controls for computers and related equipment. 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 continued oversight and enhancements with respect to its system of internal controls, including areas for mitigating disaster impacts and safeguarding against unauthorized computer systems access. In addition, DOF reports that it has segregated the real estate tax billing and collection functions with respect to NYS-owned properties. Further, it has reprogrammed Treasury systems to comply with new guidelines related to unclaimed funds as well as completed payment policy and procedure guidelines for the Assigned Counsel Plan. 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 continued oversight with respect to its internal control environment. Specifically, DFTA reports ongoing enhancements to its budget and accounting systems as well as the Senior Tracking, Analysis and Reporting System (STARS), including training and technical assistance for new users, and data analysis in connection with measuring performance. DFTA will continue to monitor its internal control environment by conducting internal control testing and expansion of field audits.

Department of Health and Mental Hygiene

The Department of Health and Mental Hygiene (DOHMH) reports further enhancements with respect to the oversight and strengthening of its system of internal controls. DOHMH continues to focus on eliminating health inequities by aligning its services with community needs and promoting policy efforts to implement health reform. Further, DOHMH continues enhancements related to billing processes for clinical services, computer system processing activities, data center redundancy, and system and data security. 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.

AGENCY INTERNAL CONTROLS

Department of Homeless Services

The Department of Homeless Services (DHS) reports continued oversight of its internal control environment, including the implementation of control mechanisms governing project management, planning, governance and compliance. DHS reports several major operational changes and a complete review of the agency's long and short term strategic plans, in addition to a review of its standard operating procedures as well as development and implementation of contract procedures to ensure compliance. 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 the continuation of activities to oversee and further strengthen its system of internal controls. Specifically, the agency continues to evaluate the need for written procedures, including write-off procedures, reviewing possible alternatives for tracking of equipment 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 continued oversight with respect to its system of internal controls. Specifically, the agency continues to focus on the monitoring, development and implementation of metrics and other activities, with an emphasis on performance management and analysis. DOITT will continue to monitor its internal control environment through internal and external audits.

Department of Investigation

The Department of Investigation (DOI) reports continued oversight of its internal control environment, including increased monitoring of employees' accumulation and use of sick and annual leave. DOI also reports quality assurance enhancements on software applications for the investigations and administrative divisions. The agency will continue to monitor its system of internal controls through internal audits and the use of information technology.

AGENCY INTERNAL CONTROLS

Department of Parks and Recreation

The Department of Parks and Recreation (DPR) reports ongoing oversight to further strengthen its system of internal controls. Particularly, DPR reports continued efforts implementing a mobile solution module integrated onto the Asset Management System as well as development of web and mobile applications focused on documenting field work and forestry/tree related service requests. Additionally, DPR reports adoption of a digital scanning system for the deposit of cash receipts along with updated written procedures throughout the agency. DPR will continue its course of corrective action and monitor its internal control environment through internal audits, assessments and external audit follow-up.

Department of Probation

The Department of Probation (DOP) reports ongoing oversight with respect to its internal control environment. In particular, the agency reports the use of automated tools to assess and identify risks associated with repeat offenders. Additionally, DOP reports improvements in its handling of clients placed on probation for Driving While Intoxicated (DWI), including enrollment in the License Event Notification System (LENS), along with performing monthly Department of Motor Vehicle checks. DOP will continue to 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 ongoing oversight with respect to its system of internal controls, including web-based security surveillance of warehouse facilities as well as development of an updated hardware and software inventory system with proper asset identification numbers. 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 ongoing oversight and further enhancements with respect to its internal control environment. Specifically, the DSNY reports continued monitoring of mobile devices, including electronic tracking of smartphones from acquisition to relinquishment. DSNY is also in the process of documenting policies and procedures related to the acquisition, inventory and disposal of equipment. In addition, with respect to current information technology equipment, DSNY has designated a central receiving location, a central warehouse and is in the process of setting-up several satellite inventory locations to improve control of inventory and equipment, including detailed processes and procedures relative to specific inventory responsibilities. DSNY will continue to monitor its internal control environment through internal audits, self-inspections, risk assessments and external audit follow-up activity.

AGENCY INTERNAL CONTROLS

Department of Small Business Services

The Department of Small Business Services (SBS) reports continued oversight with respect to its system of internal controls, including continued work on developing a comprehensive strategic plan relating to information technology along with the implementation of a Program Management Office to administer projects. 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 continued oversight with respect to its current system of internal controls, including continued efforts evaluating inventory procedures, device encryption and data security options as well as developing disaster recovery plans. DOT will continue its course of corrective action and 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) reports the continuation of oversight and monitoring of its system of internal controls, including system enhancements relative to technical assistance referral and invoice process management, designed to improve controls and increase efficiency. Additionally, the agency reports updated policies and procedures relative to its internal fiscal units governing purchases and an updated fiscal manual in reference to contracted providers. DYCD will continue to monitor its internal control environment applying fiscal guidance and training for staff and contractors.

Fire Department

The Fire Department (FDNY) reports ongoing oversight and continuation of activities to further enhance its system of internal controls. Specifically, the agency reports information technology improvements in codifying workflows, formalizing policies and procedures, as well as reviewing and modifying configurations. FDNY will continue its course of corrective action and will monitor its overall internal control environment through internal audits, risk assessments and external audit activity.

AGENCY INTERNAL CONTROLS

Human Resources Administration

The Human Resources Administration (HRA) reports the oversight of agency operations and continuation of activities to further strengthen its system of internal controls. Specific activities include communications to enhance client interactions and resolution of Customer Service concerns, and assessing best practices with respect to strengthening inventory management operations. Further, the agency continues to work toward developing, reviewing and updating written policies and procedures, including formalized incident response protocols to ensure continuity of operations in the event of disruptions. HRA will continue to monitor its overall internal control environment through its Office of Audit Services and Quality Assurance.

Landmarks Preservation Commission

The Landmarks Preservation Commission (LPC) reports continued analysis with respect to its programs and policies relative to its current internal control environment. LPC will continue to monitor its system of internal controls.

Law Department

The Law Department reports continued compliance with respect to its internal control environment, and will continue to monitor its overall internal control environment through internal audit unit activity, management information systems, external audit follow-up and management reviews.

Police Department

The New York City Police Department (NYPD) reports continued oversight with respect to its internal control environment, including corrective measures initiated to mitigate risks with respect to documentation of computer systems and applications, policies regarding local area networks as well as file level encryption. The agency 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) reports the continuation of activities to support and maintain its system of internal controls. TLC will continue to monitor its internal control environment through management and performance reviews, policies and procedures, external audit follow-up activity, and information technology.

AGENCY INTERNAL CONTROLS

Business Integrity Commission

The Business Integrity Commission (BIC) reports continued review of internal controls to maximize operational effectiveness and integrity as well as reduce vulnerability of agency waste, abuse or irregularities including disaster recovery preparedness. BIC will continue to monitor its internal control environment through internal audits and information technology controls and reporting.

New York City Emergency Management

The Department of Emergency Management reports ongoing development and implementation of a central inventory database as well as the continuation of activities to further strengthen internal controls including routine self-assessments, ensuring the effectiveness of internal policies and security surveillance of agency facilities. The agency will continue to monitor its internal control environment through internal reviews and external audit follow-up.