

AGENCY INTERNAL CONTROLS

CHARTER INTERNAL CONTROL REPORTING REQUIREMENT

Statements on the status of mayoral agencies' internal control environments and systems for Fiscal 2010 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 31 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 17 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; Management Information Systems (MIS) mainframe and midrange; MIS-personal computers and Local Area Networks; Internet connectivity; risk assessment, data classification and information security; 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 the continuation of activities to further enhance its system of internal controls, including the implementation of an agency-wide internal audit plan and strategies promoting information system security, periodic testing of disaster recovery plan, and redesigned records management practices affecting Adoption Assistance. ACS will continue to monitor its internal control environment by continuing its Integrity Task force meetings, as well as through the Internal Audit Unit, internal reviews, self-inspections, risk assessments and follow-up of external audits and reviews.

CITY COMMISSION ON HUMAN RIGHTS

The City Commission on Human Rights (CCHR) reports continuous internal audits and management reviews with respect to the oversight of its internal control environment. Through self-inspections and internal audits, CCHR will continue to monitor its activities to ensure the sufficiency of its internal control environment.

CIVILIAN COMPLAINT REVIEW BOARD

The Civilian Complaint Review Board (CCRB) reports ongoing activities to strengthen internal controls with respect to Information Technology, including completion of written procedures. CCRB will continue its course of corrective actions and monitor its overall internal control environment through internal audits.

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DEPARTMENT OF BUILDINGS

The Department of Buildings (DOB) reports ongoing activities to oversee and maintain its system of internal controls, including timely deposits and tracking of cash receipts, tracking outstanding payables and performing routine backups of mainframe records. DOB will monitor its overall internal control environment through internal audits, follow-up on external audits and risk assessments.

DEPARTMENT OF CITY PLANNING

The Department of City Planning (DCP) reports that its present system of internal controls, taken as a whole, is sufficient to meet internal control objectives with respect to the prevention and detection of errors or irregularities that would be material to agency operations. 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 the continuation of efforts to further strengthen its system of internal controls, including the reorganization of the agency's organizational structure with respect to internal audit. Updated fleet management procedures are underway as well as Information Technology enhancements. 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 continuing actions to oversee and further strengthen its system of internal controls with respect to escrow accounts and written procedures. DCA will continue to monitor its overall internal control environment through internal audits, external audit follow-up and risk assessments.

DEPARTMENT OF CORRECTION

The Department of Correction (DOC) continues to report actions to further enhance its system of internal controls. These measures include the expansion of web-based applications to replace legacy systems, the full implementation of CityTime; physical plant upgrades and the assessment of inventory to ensure accurate records and timely orders. DOC will continue its course of corrective actions and will monitor its overall internal control environment through internal reviews, follow-up on external audits and agency management reviews.

DEPARTMENT OF CULTURAL AFFAIRS

The Department of Cultural Affairs (DCLA) reports ongoing activities to oversee and maintain its system of internal controls, including enhancements to its Cultural Management and Planning System (CMPS) which enables the submission of grant applications as well as grantee registration online. Future CMPS enhancements will include online reporting. Also, the agency has instituted procedures to strengthen tracking and oversights of equipment purchased on behalf of cultural organizations. DCLA will continue to monitor its internal control environment through internal and external audits as well as Information Technology.

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DEPARTMENT OF DESIGN AND CONSTRUCTION

The Department of Design and Construction (DDC) reports the continuation of activities to further strengthen and maintain its system of internal controls. This work includes implementation of an enterprise-wide capital project management system to enhance project oversight. Internal audit activity is ongoing to help ensure compliance with applicable standards as well as optimize operational effectiveness and efficiency. The agency also maintains its Key Performance Indicator Program to monitor the performance of construction jobs. In addition, the agency continues to research policies and software tools to fully leverage e-mail discovery and other Information Technology advances. DDC will continue to monitor its overall internal control environment through internal audits, follow-up on external audits and risk assessments.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

The Department of Environmental Protection (DEP) reports continued activities to mitigate potential risks and further strengthen its internal control environment. This work includes ongoing improvements with respect to agency performance measurements and the implementation of computerized maintenance and inventory management systems. DEP will continue to monitor its overall internal control environment through internal audits, follow-up on external audits and risk assessments.

DEPARTMENT OF FINANCE

The Department of Finance (DOF) reports continued action to further enhance its internal control environment. This work includes improving Information Technology security as well as disaster recovery and business continuity preparedness. In addition, new procedures are in effect with respect to segregation of billing and collection duties for certain Payments In-Lieu of Taxes (PILOT). DOF will continue to monitor its control environment through internal audits, risk assessments and follow-up on external audits.

DEPARTMENT FOR THE AGING

The Department for the Aging (DFTA) reports ongoing work with respect to establishing a database to facilitate the oversight and reporting of services delivered by its providers as well as services delivered to its clients. This effort will help the agency to continue to fulfill external reporting requirements and expectations. DFTA will continue to monitor its internal control environment by conducting internal control testing.

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

The Department of Health and Mental Hygiene (DOHMH) reports the continuation of activities to further enhance its system of internal controls, including the implementation of a warehouse management system that integrates procurement inventory and shipping functions. An agency-wide disaster recovery plan has been developed and a new redundant data center is being built. DOHMH has enhanced data encryption guidance and capabilities for secured data transmission. In addition, efforts are ongoing with respect to strengthening controls over the collection of certain billing information, system processing and quality assurance reviews. DOHMH will continue to monitor its overall internal control environment through internal audits, follow-up on external audits, reviews, investigations, and internal management reporting systems.

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DEPARTMENT OF HOMELESS SERVICES

The Department of Homeless Services reports ongoing actions to ensure the adequacy of its system of internal controls, including a risk assessment analysis with respect to agency operations. DHS also reports the update of Information Technology policies, as well as continued computerized systems-related project activity to enhance agency effectiveness and efficiency. DHS is further developing contract procedures to help ensure compliance with applicable procurement rules and mandates. The agency will continue to monitor its overall internal control environment through internal audits, follow-up on external audits and risk assessments.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

The Department of Housing Preservation and Development (HPD) reports ongoing actions to oversee and maintain its system of internal controls, including procedures to help ensure the accuracy of amounts deposited. In addition, the agency periodically reminds staff of cash accountability and cash receipt standards to help ensure timely deposits. The agency continues to complete as well as assess the write-off policies of relevant programs, and is evaluating options to further enhance recordkeeping of equipment. HPD will continue to monitor its overall internal control environment, through follow-up by its Management Review and Internal Compliance Division.

DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

The Department of Information Technology and Telecommunications (DOITT) reports the continuation of activity to oversee and maintain its internal control environment, including renewed emphasis with respect to agency-wide performance management. As a result, the agency significantly increased the depth of its performance metrics reported in the Citywide Performance Reporting Dashboard and the Mayor's Management Report. In addition, the agency's Chief Information Security Officer and Information Technology security teams continue work to ensure application accreditation and overall data security. DoITT will continue to monitor its internal control environment through follow-up on external audits and periodic internal audit activity.

DEPARTMENT OF INVESTIGATION

The Department of Investigation (DOI) reports its commitment and oversight with respect to the agency's internal control environment. Actions are underway to complete arrangements which help ensure data redundancy. DOI will continue to monitor its internal control environment through internal audits and Information Technology.

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation (DPR) reports the continuation of actions to further strengthen its system of internal controls. This work includes new and upgraded computerized technology to improve efficiency and effectiveness as applied to personnel, fiscal and parkland management. In addition, the agency continues to facilitate the registration of concession licenses. DPR will continue to monitor its internal control environment through agency management reviews and follow-up on external audits.

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DEPARTMENT OF PROBATION

The Department of Probation (DOP) reports its commitment and ongoing activities to enhance its internal control environment, including oversight of expenditures and payables, and Management Information Systems. 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 continued actions to oversee and further strengthen its internal control environment, including inventory and facilities management. In addition, the agency is under consideration for consolidation under the Department of Citywide Administrative Services. The Department of Records and Information Services will continue to monitor its internal control environment through follow-up on external audits and Information Technology.

DEPARTMENT OF SANITATION

The Department of Sanitation (DSNY) reports ongoing activities to further enhance its internal control environment, including the anticipated December 2011 completion of a unified computer system to manage agency inventory. In addition, DSNY again reports robust internal controls with respect to payments for all its waste disposal bills. DSNY will continue to monitor its internal control environment through internal audits, self inspections, risk assessments and follow-up on external audits.

DEPARTMENT OF SMALL BUSINESS SERVICES

The Department of Small Business Services (SBS) reports ongoing activities to oversee and maintain its system of internal controls. Specifically, SBS reviews activity reports periodically to ensure the integrity of its computerized information systems, as well as utilizes security cameras to monitor the office. 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 activities with respect to the oversight and maintenance of its internal control environment covering agency operations involving the safe, efficient and environmentally responsible movement of pedestrian and vehicular traffic throughout City streets as well as by ferry/waterway. DOT will continue to monitor its internal control environment through internal audits and follow-up on external audits.

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

The Department of Youth and Community Development (DYCD) reports the continuation of actions to further enhance its system of internal controls, including wireless technology to facilitate contractor assessment and reporting, reinforcement of the need for attentiveness to the possibility of fraud, and completion of written policies and procedures with respect to Information Technology security. DYCD will continue to monitor its internal control environment.

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FIRE DEPARTMENT

The Fire Department (FDNY) reports ongoing actions to further enhance its system of internal controls. FDNY activities include improving data classification, as well as the application of technology to further strengthen the collection of inspection data. FDNY will continue its course of corrective action and monitor its overall internal control environment through internal audits, follow-up on external audits and risk assessments.

HUMAN RESOURCES ADMINISTRATION

The Human Resources Administration (HRA) reports continued actions to further strengthen its internal control environment, including strategies to improve handling increased call volume to its Infoline; expanded written procedures with respect to the processing of work orders; as well as stockroom consolidations and allocation of in-house resources to enhance the management of inventory. The agency also reports internal audit activity to detect and prevent the possibility of fraud. HRA will continue to monitor its overall internal control environment through its Office of Audit Services.

LANDMARKS PRESERVATION COMMISSION

The Landmarks Preservation Commission (LPC) reports that its present system of internal controls is adequate and appropriate with respect to the oversight of agency resources, including maximizing operational effectiveness and integrity, as well as reducing vulnerability to waste, abuse and other irregularities. LPC will continue to monitor its internal control environment.

LAW DEPARTMENT

The Law Department reports the continued oversight and adequacy of its system of controls. The agency will continue to monitor its overall internal control environment through follow-up on external audits, management reviews, internal audit activity and Management Information Systems.

POLICE DEPARTMENT

The New York City Police Department (NYPD) reports ongoing activities to maintain its internal control environment. These actions include management of amounts collected at precincts and tracking grant-related spending. The NYPD will continue to monitor its internal control environment through the 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 ongoing maintenance and oversight of its system of internal controls. The Commission will continue to monitor its internal control environment through management and performance reviews and policies and procedures, as well as follow-up on external audits and Information Technology.