

AGENCY INTERNAL CONTROLS

CHARTER INTERNAL CONTROL REPORTING REQUIREMENT

Statements on the status of mayoral agencies' internal control environments and systems for Fiscal 2013 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 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 continued oversight and assessment with respect to its system of internal controls. Specifically, the agency has focused on proactive measures to identify and mitigate potential fraud, as well as improve its filing system, particularly in field locations. Actions are also underway to enhance internal controls with respect to Management Information System data classification and device encryption practices. ACS will continue to monitor its internal control environment, through internal audit activity, follow-up on external audits and information technology.

CITY COMMISSION ON HUMAN RIGHTS

The City Commission on Human Rights (CCHR) reports continued oversight with respect to its internal control environment and will continue its monitoring through internal audits and information technology.

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 incidents. CCRB will continue its course of corrective actions and monitor its overall internal control environment through internal audits.

AGENCY INTERNAL CONTROLS

DEPARTMENT OF BUILDINGS

The Department of Buildings (DOB) reports continued oversight with respect to its internal control environment. Specifically, the agency has launched additional online payment options to further enhance internal controls with respect to cash receipts, as well as begun instituting measures to strengthen the reconciliation of printed licenses and permits in an effort to detect inaccuracies and/or irregularities. DOB will continue to maintain and strengthen its operational integrity by monitoring its internal control systems through corrective actions, recommendations, follow-up on external audits and risk assessments.

DEPARTMENT OF CITY PLANNING

The Department of City Planning (DCP) reports ongoing oversight of its system of internal controls, including further documentation with respect to incident response procedures. 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 additional measures to further strengthen its internal control environment. Specifically, the agency is implementing a comprehensive equipment inventory process, including more robust controls utilizing radio frequency technology; activities are also underway to enhance accuracy with respect to capital fixed asset records. Further, DCAS is strengthening confidential and private data security through encryption technology as well as improving disaster recovery preparedness with respect to legacy systems. 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 ongoing oversight and activities to further strengthen its system of internal controls, including staff training on a new electronic licensing database. Agency policies and procedures are reviewed constantly to help ensure operational completeness and accuracy. DCA will continue to monitor its overall internal control environment through internal quality assurance checks, external audit follow-up and risk assessments.

DEPARTMENT OF CORRECTION

The Department of Correction (DOC) reports ongoing oversight and implementation of measures with respect to its internal control environment. Specifically, the agency continues establishment of an inventory management system, including identification for relinquishment of obsolete, damaged and excess parts located in warehouses. Actions are also underway to upgrade information technology infrastructure, replace legacy phone systems for inmates in jails to enhance security and expand auditing capability, and facilitate e-payment options to promote cashless transactions in connection with inmate commissary accounts and the Inmate Phone System. 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.

AGENCY INTERNAL CONTROLS

DEPARTMENT OF CULTURAL AFFAIRS

The Department of Cultural Affairs (DCLA) reports ongoing oversight with respect to its system of internal controls. This work includes monitoring the allocation and payment of funds to cultural institutions, further enhancements to strengthen completeness and reliability of the Materials for the Arts (MFTA) enterprise application, as well as upgraded MFTA program operations particularly in the areas of handling donations. DCLA will continue to monitor its internal control environment through internal reviews and information technology.

DEPARTMENT OF DESIGN AND CONSTRUCTION

The Department of Design and Construction (DDC) reports ongoing activities with respect to the operations and strengthening of its system of internal controls. This work includes inspections 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 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 the continuation of activities with respect to the oversight and enhancement of its system of internal controls, which includes modernizing customer information systems to promote accuracy, analysis and reporting of accounts receivable. Actions are ongoing in connection with the computerized maintenance management system supporting waste water treatment facilities, and including an inventory control module. Also, the agency is further enhancing tools necessary to assess and manage risk. In addition, continued focus is placed on validating and enhancing performance tracking work, as well as strengthening disaster recovery and business continuity plans. 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 oversight and enhancements with respect to its system of internal controls, particularly in the areas of mitigating disaster impacts and unauthorized computer systems access. In addition, procedures were implemented to improve the assessment, administration and documentation of real property valuations, management of court and trust funds, and procurement cards. DOF will continue to monitor its internal control environment through internal audits, risk assessments and follow-up on external audits.

DEPARTMENT FOR THE AGING

The Department for the Aging (DFTA) reports continued oversight with respect to its internal control environment, including ongoing support of a new database tool for tracking, analyzing and reporting on agency clients. The agency has implemented a write-off procedure covering accounts receivable. DFTA will continue to monitor its internal control environment by conducting internal control testing.

AGENCY INTERNAL CONTROLS

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

The Department of Health and Mental Hygiene (DOHMH) reports the continuation of activities with respect to the oversight and enhancement of its system of internal controls. Specifically, DOHMH continues to enhance internal controls affecting the collection of billing information for clinical services, computer system processing activities, and the performance of quality assurance reviews. DOHMH has also strengthened its internal control environment by establishing and updating policies pertaining to acceptable use of office and technology resources, security of data, use of mobile devices and personal devices, data classification, and remote access to the DOHMH network. Further, DOHMH continues to carefully monitor its compliance with regulatory requirements and align its services with community needs. 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 continued oversight of its internal control environment and further implementation of actions to strengthen internal controls in the areas of procurement, inventory and information technology. Further, compensating controls are applied to mitigate potential risks. DHS 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 the continuation of activities to oversee and further strengthen its system of internal controls. These actions include assessing the need for and completion of write-off procedures, as well as completion of a computerized inventory system. 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 continued oversight with respect to its system of internal controls. During the reporting period, specific focus was placed on compliance with federal grant-related expectations. DOITT will continue to monitor its internal control environment through internal as well as external audits.

DEPARTMENT OF INVESTIGATION

The Department of Investigation (DOI) reports continued oversight with respect to its system of internal controls, including development of procedural manuals with respect to billings and receivables and internal audit activities. DOI will continue to monitor its internal control environment through internal audits and information technology.

AGENCY INTERNAL CONTROLS

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation (DPR) reports ongoing oversight as well as the application of technology to further strengthen its system of internal controls. DPR continues the process of rolling-out handheld devices, which include an improved work order module, to Maintenance and Operations employees, as well as other information technology solutions in the areas of forestry management, and tracking volunteer workers with respect to natural areas. DPR will continue to monitor its internal control environment through internal audits, follow-up on external audits and risk assessments.

DEPARTMENT OF PROBATION

The Department of Probation (DOP) reports the continuation of oversight with respect to its internal control environment, including updated performance indicators measuring probationer outcomes and auditing in the areas of imprest fund and firearm inventory. Fiscal management policies and procedures were also enhanced with respect to human services contracts. 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 electronic surveillance of warehouse facilities and public reference rooms, continuous inventory control, and staff training in the areas of Equal Employment Opportunity as well as disposal of toxic chemicals. 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 oversight and further enhancements with respect to its internal control environment. Specifically, computer equipment is tracked in a single central unified database, and the handling of Notices of Violation and associated issuance devices was strengthened to increase oversight. Also, procedures are underway to enhance accountability affecting private vendor snow removal activities. 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 continued oversight with respect to its system of internal controls, including measures to maintain physical plant and computer system 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 continued oversight with respect to its current system of internal controls; specific focus was placed on further strengthening inventory policies and procedures. DOT will continue to monitor its internal control environment through internal and external audits.

AGENCY INTERNAL CONTROLS

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

The Department of Youth and Community Development (DYCD) reports ongoing oversight and monitoring with respect to its system of internal controls. Specifically, the agency has continued to build upon systems designed to improve quality and efficiency in the areas of program and contract management. The agency has also worked to enhance procedures with respect to use of credit and debit cards, and training of staff and contractors to help ensure fulfillment of program objectives. DYCD will continue to monitor its internal control environment.

FIRE DEPARTMENT

The Fire Department (FDNY) reports ongoing oversight and the continuation of activities to further enhance its system of internal controls, including the use of an electronic contract management system to generate purchase orders and requisitions, as well as to track procurement activity. Further, program management is enhanced through the use of data analytics, and the agency continues to pursue opportunities to apply technology which may strengthen specialty unit inspection activity. FDNY will continue to 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 ongoing oversight and the continuation of activities to further strengthen its system of internal controls. Specifically, installation of a new system to manage inventory is well underway; likewise, the agency is redesigning its Interactive Voice Response system to help enhance call handling activities. 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 the review of programs and policies with respect to its system of internal controls, including financial, inventory, Information Technology and programmatic activities. LPC will continue to monitor its internal control environment.

LAW DEPARTMENT

The Law Department reports compliance with proper internal controls as a priority during the reporting period. The agency 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 continued oversight over its system of internal controls, including measures to minimize risks with respect to precinct level cash remittances and filing claims for aid. 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.

AGENCY INTERNAL CONTROLS

TAXI AND LIMOUSINE COMMISSION

The Taxi and Limousine Commission (TLC) reports continued oversight with respect to its internal control environment. TLC will continue to monitor its internal controls through management and performance reviews, standardized 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 to maximize operational effectiveness and integrity as well as to reduce vulnerability of the agency to waste, abuse or irregularities. BIC will continue to monitor its internal control environment through internal audits and information technology.

OFFICE OF EMERGENCY MANAGEMENT

The Office of Emergency Management (OEM) reports the review and establishment of sufficient internal controls to maximize operational effectiveness and integrity, as well as to reduce vulnerability of the agency to waste, abuse or irregularities. Further, the agency reports routine self-assessments to ensure the effectiveness of internal policies, including complete and accurate inventories. OEM will continue to monitor its internal control environment through internal audits and follow-up on external audits.