AGENCY INTERNAL CONTROLS

CHARTER INTERNAL CONTROL REPORTING REQUIREMENT

Statements on the status of mayoral agencies' internal control environments and systems for Fiscal 2022 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 Risk Management and Compliance compiled these statements based upon reviews of 36 mayoral agencies. The review encompassed internal control certifications provided by the agencies, 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 Effectiveness & Efficiency, IT Controls and Procedures, Expenditures & Payables, Inventory and Execution of Transactions, where applicable.

SUMMARY STATEMENTS ON THE STATUS OF INTERNAL CONTROL SYSTEMS

Agencies 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 areas that were sufficient, but with weaknesses, which are addressed below. These 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 ongoing activities with respect to oversight and enhancement of its internal control environment. The agency reports continued efforts with respect to updating and strengthening systems technology including systems controls, security and inventory management. ACS practice, written policies, and procedures are constantly evolving, and reports continued efforts to develop written policies and procedures with respect to child safety and welfare, under the guidance of federal, state, and local oversight. ACS will continue its course of corrective action and will monitor its overall internal control environment through its internal audit group, external audit follow-up and use of information technology systems.

Business Integrity Commission

The Business Integrity Commission (BIC) reports ongoing activities with respect to the review and oversight of its internal control environment. These activities include continued efforts to strengthen cyber-security and information technology protocols and procedures already implemented and with respect to emerging matters in coordination with and direction by the NYC Office of Technology and Innovation (OTI) and its Cyber Command. BIC will continue to monitor its internal control environment through management review and information technology controls and reporting to ensure protection against weaknesses in all areas.

City Commission on Human Rights

The City Commission on Human Rights (CCHR) reports ongoing oversight with respect to its internal control environment with the objective of maximizing the efficiency, effectiveness, and integrity of operations while reducing the vulnerability of agency waste, abuse, errors, or irregularities. CCHR aims to keep up with post-pandemic and technology-based administrative structures and will continue to explore and implement new programs and initiatives. CCHR will continue to monitor its internal control environment through continuous self-assessments and agency management reviews.

Civilian Complaint Review Board

The Civilian Complaint Review Board (CCRB) reports ongoing oversight and activities to strengthen its system of internal controls. CCRB reports continued efforts with respect to the segregation of responsibilities as well as the implementation of compensating controls over inventory. CCRB will continue to take appropriate corrective actions and will monitor its overall system of internal controls through internal reviews.

Department of Citywide Administrative Services

The Department of Citywide Administrative Services (DCAS) reports ongoing oversight and continuation of activities to strengthen its internal control environment. These activities include assessment and development of DCAS's written policies and procedures which also includes updates to existing polices to reflect current processes and practices throughout the Agency. DCAS has implemented all corrective action initiatives associated with any external and/or internal audit engagements and they continue to make improvements significantly and proactively to operations, while adhering to all applicable rules, regulations, and laws. DCAS will continue to monitor its overall internal control environment through internal audits, follow-up on external audits, information technology and annual risk assessments.

Department of Cultural Affairs

The Department of Cultural Affairs (DCLA) reports ongoing oversight and improvements to its system of internal controls, including the upgrade of agency technological systems that strengthen the agency's monitoring of internal controls and financial accountability. DCLA will continue to monitor its overall internal control environment through internal reviews and the use of information technology.

Department of City Planning

The Department of City Planning (DCP) reports continued oversight and monitoring of its internal control environment to ensure effective and efficient agency operations. DCP provides reasonable assurance that program goals and objectives were effectively met through outcomes that are measurable, such as positive customer feedback and the agency's goals. DCP will continue to monitor its internal control environment through risk assessment, follow-up on external audits and by conducting management reviews.

Department of Consumer and Worker Protection

The Department of Consumer and Worker Protection (DCWP) reports continuation of oversight and activities with respect to maintaining an overall system of internal controls. The agency has deployed new IT applications to automate business processes, increased efficiency of operations and strengthened internal controls. DCWP will continue to monitor its internal control environment through internal process reviews and follow-up on external audits.

Department of Design and Construction

The Department of Design and Construction (DDC) reports ongoing oversight and activities with respect to its internal control environment. Specifically, DDC reports the implementation of a new mobile auditing application used in the Division of Site Safety and Support that streamlines the auditing process, transmits reports to supervisory personnel in near real time, and allows auditors to spend more time in the field addressing any safety or quality issues that arise. DDC will continue the present course of action to ensure agency operations are conducted effectively and efficiently and will continue to monitor its overall internal control environment through ongoing oversight, internal reviews, and external audit follow-ups.

Department of Environmental Protection

The Department of Environmental Protection (DEP) reports ongoing activities with respect to oversight and monitoring of its internal control environment, including efforts to fully implement computerized maintenance management systems with inventory control modules that support wastewater resource recovery facilities. Further, DEP reports ongoing improvements relative to asset management and inventory controls for computers and related equipment. The agency will continue to monitor its overall internal control environment through risk assessments, internal audits, and external audit follow-up.

Department for the Aging

The Department for the Aging (NYC Aging) reports continued oversight of its internal control environment, including further progress with respect to strengthened reporting and tracking abilities through the agency's Senior Tracking Analysis and Reporting System (STARS) and future upgrades of the system. NYC Aging written policies and procedures are constantly evolving, and reports continued efforts to develop written policies and procedures with the guidance of federal, state, and local oversight. NYC Aging will continue its course of corrective action and will monitor its overall internal control environment through its internal Audit Compliance Unit and external audits performed by city, state and federal oversights.

Department of Buildings

The Department of Buildings (DOB) reports ongoing oversight and monitoring with respect to its internal control environment. Specifically, DOB reports ongoing reviews of current operations and implementation of procedural changes, updating technology to support data classification and encryption, periodic updates, continued development of disaster recovery plans, and measures relative to invoice and voucher processing. Additionally, DOB continues to use and expand the DOB NOW online platform to improve services and reporting, including but not limited to, job filing, inspections, and licensing. The agency continues its course of corrective action with the objective of maximizing the effectiveness and integrity of operations while reducing the vulnerability of agency waste, abuse, errors, or irregularities through ongoing monitoring of its internal control systems, internal audits, and external audit follow-up activity and risk assessments.

Department of Correction

The Department of Correction (DOC) reports ongoing oversight and activities to further strengthen its internal control environment. Specifically, DOC reports continued measures to strengthen its information technology infostructure with respect to applications, data encryption, and comprehensive policies and procedures. DOC is enhancing its Continuity of Operation and plan and initiatives to include information technology components; an area which has not substantively been included in previous COOP plans. DOC will continue its course of corrective action and monitor its overall internal control environment through internal audits, external audit follow-up, risk assessments and agency management reviews.

Department of Homeless Services

The Department of Homeless Services reports that its internal control environment is sufficient to maximize the effectiveness and integrity of agency operations and reduce the vulnerability of agency waste, abuse, or irregularities. DHS will continue its course of corrective action plans and will continue to monitor its internal control environment through the DSS Office of Audit Services.

Department of Finance

The Department of Finance (DOF) reports ongoing oversight, consistent monitoring and enhancements of controls to reduce possible risks. Specifically, DOF reports continued measures to improve its cybersecurity posture by enhancing controls in the following areas: data protection, security awareness, audit log management, asset management, vulnerability management, network infrastructure, identity and access management, disaster recovery, access control and regulatory compliance. In addition, DOF reports formally documenting policies and procedures, performing timely bank reconciliations and improving controls over purchasing card payments. DOF will continue its course of corrective action and will monitor its overall internal control environment through internal audits, external audit follow-ups, internal management reports and risk assessments.

Department of Health and Mental Hygiene

The Department of Health and Mental Hygiene (Health Department, DOHMH) transitioned its COVID-19 response to focus on ongoing pandemic preparedness, management and integration of the Health Department tools into standard operations. The Health Department's strategic plan and initiatives are to promote health equity, wellness, modernize systems and processes. DOHMH continued to secure network connections for health data exchanges with health care providers and to prevent unauthorized access. The Health Department created a Cybersecurity awareness program to educate its staff on cybersecurity risks and preventive measure. DOHMH continued to perform risk-based audits and assessments to monitor its internal control environment and management reporting systems.

Department of Investigation

The Department of Investigation (DOI) reports the continued oversight and monitoring with respect to its system of internal controls and will continue to monitor its system of internal controls through its internal audit group and the use of information technology.

Department of Sanitation

The Department of Sanitation (DSNY) reports ongoing monitoring and enhancements with respect to its internal control environment. Specifically, the agency reports continued efforts to contribute to a safe and secure computing environment including performing necessary updates, the addition of systems and resources, continued implementation of multi-factor authentication across agency applications, continued efforts to implement a centralized event logging system, enhancements to vulnerability management and patching systems, and installation and configuration of identity and access management practices. Additionally, DSNY has started the cloud review process for all cloud applications that were utilized prior to the current cloud review process. Further, DSNY reports continued distribution of applications and security patches remotely, consolidation of data and inventory to centralize assets, implementation of a verification and return process for equipment, as well as monitoring the timeliness of inspections. DSNY will continue to monitor its internal control environment through internal audits, self-inspections, risk assessments, and external audit follow-up activity.

Department of Probation

The Department of Probation (DOP) reports oversight and activities to strengthen its internal control environment, including continued focus on performance management reviews and quality assurance. Additionally, DOP added human and material resources to its information technology division to improve system performance and to update internal policies and procedures. The Department also enhanced practices related to contract management, will continue to monitor its internal control environment through its internal audit group and agencywide performance review system, and will update this statement in consonance with Section 12 (c) of the New York City Charter for Fiscal 2023.

Department of Records and Information Services

The Department of Records and Information Services reports that taken as a whole its systems of internal controls were sufficient to ensure effective and efficient agency operations. The agency has engaged in physical inventory audits, a review of written policies and procedures and enhanced security protections for computing infrastructure. Further, the agency has deployed agencywide cyber training. DORIS will continue to monitor its overall internal control environment through cyber audits, external review and internal assessments.

Department of Transportation

The New York City Department of Transportation (DOT) continues to report proactive measures and oversight activities regarding its overall agency operations. DOT will continue to monitor its system of internal controls through internal assessments, external audits, and management reporting.

Department of Parks and Recreation

The Department of Parks and Recreation (DPR) reports ongoing oversight and monitoring activities contributing to the overall effectiveness and efficiency of its system of internal controls. Specifically, the agency reports continued efforts to segregate duties in the areas of cash receipts and inventory management, adoption of digital systems for the deposit of cash receipts, and formal documentation of policies and procedures specific to agency operations. DPR will continue its course of corrective action and monitor its overall internal control environment through internal audits, risk assessments, and external audit follow-up.

Department of Small Business Services

The Department of Small Business Services (SBS) reports that taken as a whole, its systems of internal controls are sufficient to meet objectives pertaining to the prevention and detection of errors or irregularities in amounts that would be material to the agency. The agency continues to work with NYC Cyber Command, which scans for vulnerabilities and assists SBS in taking all steps necessary to patch any identified vulnerabilities.

Department of Veterans' Services

The Department of Veterans' Services (DVS) reports that it continues to advocate for staffing resources to improve its internal control environment with the objective of maximizing the effectiveness and integrity of operations. Although DVS has gained increased support in several key functional areas, DVS continues to operate with constricted resources due to staff attrition and reduced headcount, vacancies, and overall budget. DVS will continue to monitor and remedy areas, through management reviews and risk self-assessments, where potential errors and/or irregularities may exist within agency operations to reduce the vulnerability of agency waste, abuse, errors, or irregularities.

Department of Youth and Community Development

The Department of Youth and Community Development (DYCD) reports ongoing oversight and monitoring of its internal control environment, including continued efforts building upon existing systems designed to improve efficiency and enhance internal control. DYCD practice, written policies, and procedures are constantly evolving, and reports continued efforts to develop written policies and procedures, under the guidance of federal, state, and local oversight. DYCD will continue to monitor its internal control environment through internal audits, risk assessments, and external audit follow-up.

Fire Department

The Fire Department (FDNY) reports continued activities with respect to oversight and enhancement of its internal control environment. These ongoing efforts include improvements with respect to updating and strengthening information technology controls with a focus on planning and governance, and application development security. FDNY will continue to monitor its overall systems of internal controls through routine audit activities and risk assessments.

Department of Housing Preservation and Development

The Department of Housing Preservation & Development (HPD) reports continuation of activities to strengthen its system of internal controls. Specifically, HPD reports further efforts in assessment and development of written policies and procedures relative to the continuity of operations and for write-offs impacting major program areas. Further, HPD has implemented a computerized capital assets inventory system, and continues its efforts to improve capital asset inventory operations. HPD will continue its course of corrective action and monitor the overall internal control environment through follow-up of corrective action plans and external audit follow-ups.

Human Resources Administration

The Human Resource Administration reports that its internal control environment is sufficient to maximize the effectiveness and integrity of agency operations and reduce the vulnerability of agency waste, abuse, or irregularities. HRA will continue its course of corrective action plans and will continue to monitor its internal control environment through the DSS Office of Audit Services.

Law Department

The Law Department reports ongoing review and monitoring concerning the operation of its internal controls environment, including the development and implementation of policies and procedures relative to access controls. Specifically, during the last year, the Law Department accomplished several significant tasks. The agency successfully migrated its servers to a supported version of the operating systems, integrated single-sign-on functionality for various applications, and efficiently adopted the city's Privileged Access Management Tool (PAM) to regulate access to servers and databases.

Landmarks Preservation Commission

The Landmarks Preservation Commission reports that its internal control structure is sufficient to meet the internal control objectives of ongoing oversight and monitoring of its internal control environment, which includes assignment of authority and responsibility and development and enforcement of policies and procedures. LPC is committed to continuously improving its internal controls and will take appropriate action to address any significant deficiencies that are identified.

New York City Emergency Management

New York City Emergency Management (NYCEM) reports continued oversight to strengthen its internal control environment by conducting routine self-assessments, as well as implementing an inventory database to help ensure completeness and accuracy. During the reporting period NYCEM took action to strengthen its internal control environment and systems by regularly reviewing and updating policies and procedures to NYCEM's Finance and Procurement Standard Operating Procedures Manual. The agency will continue to monitor its internal control environment through internal reviews and external audit follow-up.

Police Department

The New York City Police Department reports that its system of internal controls meets the objectives of maximizing the effectiveness and integrity of agency operations and reducing the vulnerability of agency waste, abuse, errors, or irregularities. The NYPD will continue to implement processes for data encryption as well as the development of management policies and procedures in addition to monitoring its internal control environment through Information Technology Bureau, Internal Affairs Bureau, Professional Standard Bureau, Fiscal Accountability Unit and Integrity Control Officers.

Office of Administrative Trials and Hearings

The Office of Administrative Trials and Hearings (OATH) reports ongoing oversight and enhancement of its systems of internal controls including, but not limited to the following functional areas: effectiveness and efficiency, IT control and procedures, expenditures and payables, inventory, and execution of transactions. In particular, the agency reports its continued effort to contribute to a safe and secure computing environment, including ongoing updates and addition of systems and resources, including enhanced security and controls in the remote environment. OATH will continue to monitor its internal control environment and risk assessment through internal audits and management reviews.

Office of Chief Medical Examiner

The OCME reports that the present internal control structure is sufficient to meet internal control objectives and will continue to monitor its internal control environment through internal audits, segregation of duties and information technology controls.

The Office of Technology & Innovation

The Office of Technology & Innovation (OTI) reports ongoing activities and oversight with respect to its internal control environment. These activities include efforts to comply with new information technology requirements, expanding cybersecurity protections, and the application of new and emerging technologies. OTI will continue to monitor its system of internal control through oversight, internal assessment, and external audit follow-up.

Taxi and Limousine Commission

The Taxi and Limousine Commission (TLC) reports that its internal control structure, including internal and external reporting indicators, is sufficient to meet the internal control objectives pertaining to the prevention and detection of errors or irregularities that would impact the agency. The TLC is continuously looking at day-to-day operations to ensure consistent application of these control tools. Through data analytics, including TLC's licensee database of record TAMIS, taxi and FHV trip data, and key indicators, TLC monitors and evaluates agency performance. The Finance Division of the TLC oversees its internal control environment by utilizing policies and procedures, reviewing external audit activity, and leveraging information technology.