AGENCY INTERNAL CONTROLS

CHARTER INTERNAL CONTROL REPORTING REQUIREMENT

Statements on the status of mayoral agencies' internal control environments and systems for Fiscal 2024 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 by 37 mayoral agencies. The review encompassed internal control evaluations 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 and security. 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 by continued coordination with the NYC Office of Technology and Innovation and its Cyber Command to carry out the most current level of cybersecurity and information technology protocols and procedures, including implementation of multi-factor authentication, as well as agency-wide cyber-security training. BIC regularly monitors its internal control environment to strengthen and protect against vulnerabilities through self-assessment, management review, increased efficiency of operations, efforts to update and document policies and procedures to ensure continuity, and information technology controls as well as various reporting and training.

City Commission on Human Rights

The following are the additional actions CCHR has taken in Fiscal 2024 and Fiscal 2025 to strengthen its internal control environment and systems: implementation of new policies and procedures to ensure uninterrupted workflow and strengthen internal controls.

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 maximizing the effectiveness and integrity of the Agency's operations and reducing the vulnerability of Agency waste, abuse, errors, or irregularities, while adhering to all applicable rules, regulations and laws. DCAS will continue to monitor its overall internal control environment through internal audits, and corrective action initiatives, information technology and risk assessments, and external audit engagements.

Department of Cultural Affairs

The Department of Cultural Affairs (DCLA) reports ongoing oversight and improvements to its system of internal controls, including the recent 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, self-assessment, 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. Furthermore, DCP can provide 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 on the continuation of oversight and activities with respect to maintaining an overall system of internal controls. The Agency continues to use these new IT applications to automate business processes, increase efficiency of operations and strengthen 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 reports the continuation of oversight and activities to support and strengthen its internal control environment. Specifically, during Fiscal 2024, the Agency launched an Environmental Code Compliance Unit and introduced an Environmental Audit Program. The program is designed to ensure environmental compliance at infrastructure construction sites and focuses on safeguarding the public, workers, natural resources, and wildlife across New York City. The Agency will continue the present course of action with the objective of maximizing the effectiveness and integrity of Agency operations and reducing the vulnerability of Agency waste, abuse, errors, or irregularities, and will monitor its overall internal control environment through internal audit activities 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

NYC Aging reports continued oversight with respect to its internal control environment. Specifically, NYC Aging reports ongoing enhancements to its budget and accounting systems as well as the Senior Tracking, Analysis and Reporting System (STARS), upgrading of information technology infrastructure, including training and technical assistance for new users, and data analysis in connection with measuring performance of its programs. NYC Aging will continue to monitor its internal control environment by conducting internal control testing, conducting management review and expansion of field audits.

Department of Buildings

The Department of Buildings (DOB) reports continued oversight and monitoring with respect to its internal control environment; specifically, DOB reports ongoing substantive reviews of current operations and implementation of procedural changes, updating technology to support data classification and encryption. Disaster recovery plan is not fully in compliance with the Comptroller's Directive, as the Agency's plan is being developed as part of the Agency's long-term infrastructure upgrade, which is currently in progress. Additionally, the Department will continue 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 will continue 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

In Fiscal 2024, the Department of Correction made significant strides in strengthening its internal control environment. Progress included the full implementation of a cybersecurity training program, development of division-level COOP plans, and enhanced Disaster Recovery capabilities. The Department addressed key findings from the Comptroller's IT audit, with 22 of 24 recommendations fully implemented, and continues to work on infrastructure modernization. Internal audits led to corrective actions in the Procurement Card program and operations at the Rikers Island Central Cashiers Office. Additionally, DOC launched a task force to address FMLA compliance gaps and recently promulgated a new FMLA policy to resolve audit findings. While work remains in areas such as IT upgrades and COOP integration, the Department's overall internal control framework is sound and supports its mission of accountability, efficiency, and risk mitigation.

Department of Homeless Services

The Department of Homeless Services (DHS) 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 that systems of internal control remain effective at enhancing operations. DOF will continue its efforts to implement corrective action plans including improved training and system upgrades. Furthermore, monitoring its overall internal control environment through internal audits, external audit follow-ups, internal management reports and risk assessments will be ongoing.

Department of Health and Mental Hygiene

The Health Department continues to serve as the lead Agency for design and oversight of citywide population health strategies by driving policy and programming that include health and mental health initiatives aimed at improving chronic disease outcome, reducing overdose deaths, impacts of violence and black maternal mortality. The Health Department's goals encompass assessing priority neighborhoods, advancing racial equity within the goal to increase life expectancy, and ensuring equitable service delivery across all public health clinics.

The Health Department continues to modernize data systems, data capabilities and data literacy that align with and complement the Department's continued initiative to improve internal processes and align work across divisions. The Health Department continues to enhance its internal processes and controls and to implement corrective actions to address recommendations from internal and external assessments.

Department of Investigation

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

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 continues to add 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 2025.

Department of Records and Information Services

The Department of Records and Information Services (DORIS) reports that taken as a whole its systems of internal controls were sufficient to ensure effective and efficient Agency operations in Fiscal 2024. The Agency conducted inventory reviews, implemented additional security controls on the computing infrastructure including automating security and other patching. Further, DORIS conducted an internal audit on the purchase receiving process and continued Cyber and Conflicts of Interest 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 ongoing efforts to segregate duties in the areas of cash receipts and inventory management, adoption of digital systems for the deposit of cash receipts, and formally document 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 Sanitation

DSNY reports additional controls and continued monitoring and enhancements with respect to its internal control environment. Specifically, the Agency reports the implementation of the Service Now discovery tool for all network assets, annual cyber CBT training to all computer system users, increasing the length of passwords in new password policy, continued efforts to contribute to a safe and secure computing environment including ongoing updates and 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, installation and configuration of identity and access management practices.

Further, DSNY reports continued distribution of applications and security patches remotely, consolidated data and inventory to centralize assets, implemented verification and return process for equipment, as well as monitoring the timeliness of inspections.

In Fiscal 2024 and Fiscal 2025, DSNY implemented several measures related to commercial waste, including the establishment of Commercial Waste Zone (CWZ) contracts with 60 zone awards and 5 citywide awards. It also built Salesforce-based systems for customer onboarding and program tracking.

DSNY will continue to monitor its internal control environment through internal audits, self-inspections, risk assessments, and external audit follow-up activity.

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 in Fiscal 2025, DVS continues to be run with constricted resources due to staff attrition and reduced headcount, vacancies, and overall reduced 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 aspects of planning and governance, and application development security. FDNY will continue to monitor its overall systems of internal controls through routine operations monitoring, audit activities and risk assessments.

Department of Housing Preservation and Development

The Department of Housing Preservation and 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 program areas. HPD continues its efforts to improve capital asset inventory operations and reconciliation to FMS records. 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 Resources Administration (HRA) 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 continues to review and monitor the operation of its internal controls environment, focusing on the development and implementation of access control policies and procedures. Over the past year, the department achieved several significant milestones, building on prior accomplishments. The Agency successfully executed a large-scale domain migration project, transitioning its legacy domain to a more secure and modern environment. The collaborative effort included the migration of approximately 2,300 Law desktops in the new domain, enhancement of cybersecurity, alongside key end-user benefits such as Password Self-Service, account consolidation, and streamlined single sign-on for cloud-based applications. The Agency also collaborated with OTI on the Proof of Concept (POC) for deploying an advanced Security Information and Event Management (SIEM) solution. Once the POC is concluded, procurement will be initiated by Law. The Law Cybersecurity team is also in the process of procuring the Progress Flowmon solution in collaboration with the OTI Cyber team for network security telemetry solution. These initiatives collectively strengthen the Agency's security posture and advance its mission to safeguard critical information systems.

Landmarks Preservation Commission

The Landmarks Preservation Commission (LPC) reports ongoing review and monitoring of programs and policies with respect to its system of internal controls. LPC will continue to monitor its internal control environment.

Mayor's Office of Criminal Justice

MOCJ is committed to developing a robust system of internal controls as it fully operationalizes its functions as a new standalone agency. To optimize audit resources and improve operational effectiveness, while adhering to financial limitations, MOCJ has adopted a risk-based evaluation tool that prioritizes audits based on contract risk levels. This strategic approach ensures internal and external auditors focus on higher-risk areas, maximizing efficiency. Within IT, MOCJ has handled expanded responsibilities as the Agency migrates into its own IT environment. MOCJ also continues to enhance financial and operations controls in Fiscal 2024 and Fiscal 2025 by implementing inventory tracking mechanisms, technology-driven monitoring, multilevel approval processes, stricter budget authorizations, and expenditure tracking and forecasting. Policy and procedure documentation is also being strengthened in finance and HR functional areas. These measures aim to bolster fiscal oversight, improve accuracy, and strengthen overall risk management.

New York City Emergency Management

Based on the Financial Integrity Compliance Statement for Calendar 2024 (City Comptroller's Directive #1) and on internal audits, agency management reviews, and audit investigations conducted by external agencies, in the opinion of New York City Emergency Management (NYCEM), NYCEM's present system of internal controls over its principal operations is sufficient to meet the objective of maximizing the effectiveness and integrity of operations and reducing the vulnerability of agency waste, abuse, errors, or irregularities that would be material to our agency.

New York City Emergency Management review the Agency controls on cash receipts, imprest funds, billings and receivables, expenditures and payables, inventory, payroll and personnel, IT controls & procedures, single audit, licenses/permits, violation certificates, leases, concessions, franchises, and internal audit functions and found the internal controls in these areas sufficient to meet internal control objectives of maximizing the effectiveness and integrity of agency operations and reducing the vulnerability of agency waste, abuse, errors, or irregularities.

We will continue to monitor our internal control environment through internal reviews, external audit follow-ups, and information technology, and will update this statement, in consonance with Section 12c(3) of the New York Charter for Fiscal 2025.

Police Department

Based on internal audits, audits and investigations by external agencies and the Comptroller's Directive #1 checklist, in our opinion, the New York Police Department presents a system of internal controls over its principal operations, cash receipts, imprest funds, billings and receivables, expenditures and payables, inventory, payroll and personnel, IT controls & procedures, single audit, licenses/permits, violation certificates, leases/concessions/franchises, and internal audit function that, when taken as a whole, meets internal control objectives of maximizing the effectiveness and integrity of agency operations and reducing the vulnerability of agency waste, abuse, errors, or irregularities. In addition, we have continued our efforts in the implementation of our data encryption process.

We will continue to monitor our internal control environment through our Information Technology Bureau, Internal Affairs Bureau, Professional Standards Division, Fiscal Accountability Unit and Integrity Control Officers, and will update this statement, in consonance with Section 12c(3) of the New York Charter for Fiscal 2025.

Office of Administrative Trials and Hearings

OATH has completed a full agency audit using the questions seen in prior year Directive 1 audits. Based on those audit results, OATH's present system of internal controls over its principal operations, taken as a whole, is sufficient to meeting internal control objectives of maximizing the effectiveness and integrity of OATH's operations and reducing the vulnerability of agency waste, abuse, errors, or irregularities.

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.

OATH will continue to monitor its internal control environment using an internal audit group and will update this statement, in consonance with Section 12c(3) of the New York Charter for Fiscal 2025.

Office of Chief Medical Examiner

The Office of Chief Medical Examiner (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 various measures, including but not limited to, risk self-assessment tools, 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 requirements relating 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.

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.

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.