

CHARTER INTERNAL CONTROL REPORTING REQUIREMENT

Statements on the status of mayoral agencies' internal control environments and systems for Fiscal 2012 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 ongoing activities to further strengthen its internal control environment, including with respect to Information Technology data classification. The ACS Office of Accountability and Audit continues to operate, working to help ensure a culture of integrity, efficiency and accountability across the agency; Corrective Action Plans facilitate the monitoring and completion of corrective measures. 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 the continuation of internal audits and management reviews to maintain its internal control environment, including an assessment with respect to data classification. Through internal audits and self inspections, 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 measures to strengthen internal controls with respect to Information Technology, specifically, the establishment of incident response policies based on City standards. 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 the continuation of activities to oversee and further strengthen its system of internal controls, including online filing to assist with the reduction of cash receipts submitted by mail. In addition, random audits are performed to enforce agency guidelines and relevant directives with respect to cash receipts. DOB will monitor and strengthen 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 continuing oversight with respect to its internal control environment, including adequacy to meet internal control objectives that pertain to the prevention and detection of errors or irregularities that would be material to the agency. 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 system of internal controls. Specifically, DCAS is implementing an equipment inventory system utilizing radio-frequency technology, improving the accuracy of its capital fixed asset records, assessing possible benefits of flat file storage-related encryption with respect to confidential information, and updating its disaster recovery plan. 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 continuous oversight and ongoing activities with respect to further enhancing its internal control environment. Specific actions include protocols and quality assurance examinations to help ensure accomplishments of mission-critical standards. 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 the continuation of activities to enhance its system of internal control. This work involves implementation of an inventory management system, the ongoing establishment of web-based applications and replacement of obsolete technologies, and the expansion of an initiative to reduce the handling of cash through-out DOC. Disaster recovery and business continuity remain areas of critical emphasis. 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 the continuation of activities to monitor its internal control environment. With respect to Information Technology, DCLA reports further enhancements which consolidate its enterprise applications with historical systems supporting management of artistic supplies distributed through Materials for the Arts. 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 to maintain and further strengthen its internal control environment, including measures to assess and help ensure construction site safety. In addition, DDC continues its Key Performance Indicator Program to monitor construction job performance. Also, oversight is ongoing with respect to adherence to prevailing wage requirements, and compliance with agency, City and federal grant expectations. Vendor fitness and job competitiveness remains areas of emphasis. 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 ongoing measures to oversee and further strengthen its internal control environment. These actions include establishment of computerized systems with respect to maintenance activities, inventory management as well as performance tracking. The agency is also working to enhance the accuracy, analysis and reporting of accounts receivable. 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 the continuation of activities to further strengthen its internal control environment, including completion of disaster recovery and back-up strategies for hosted systems, ongoing quality assurance reviews of property assessments and certain policies and procedures covering expense reimbursements. 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 activities to further enhance its system of internal controls. These measures include completion of a new database system to improve client oversight and reporting capability, with system implementation in all programmatic areas occurring in Calendar 2013, and full data entry and report generation by Calendar 2014. 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 relevant to inventory controls, the billing process for certain clinic services, system risk assessment, data classification, disaster recovery, and incident response. 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 ongoing monitoring and further progress with respect to its system of internal controls. Specifically, DHS is further implementing procedures to help ensure compliance with procurement requirements, as well as updating policies and procedures supporting disaster recovery testing in the area of computerized records. 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 measures to monitor and further enhance its internal environment, including procedures to support agency functions. Also, actions are underway to improve internal recordkeeping of capital assets. 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 ongoing activities with respect to the oversight and enhancement of its internal control environment, particularly in the area of vendor management and encryption. In this regard, DoITT continues to promote quality, cost-effectiveness and accountability with respect to the delivery of services, and has implemented centralized encryption and encryption management in connection with citywide operations. In addition, monitoring and adherence to grant requirements remains an area of critical importance for the agency. 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 ongoing activities particularly with respect to oversight and enhancement of the agency's Information Technology internal control environment. 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 measures to assess agency operations and further strengthen its internal control environment, including the examination of concession and non-concession operations. Further, DPR is upgrading and enhancing Information Technology systems with respect to inventory management, monitor human resources matters, and volunteers supporting certain tree and natural areas programs. DPR will continue to monitor its internal control environment through agency management reviews and follow-up on external audits.

DEPARTMENT OF PROBATION

The Department of Probation (DOP) reports continued oversight with respect to its system of internal controls. Quality Assurance methods are being applied to help ensure the delivery of high quality services along with independent verifications. 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 oversight and activities to support its internal control environment, including web-based security cameras to monitor off-site warehouse facilities and inventory tracking. 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 the continuation of activities to further strengthen its system of internal controls, including integration with citywide platforms supporting the inventory of computer equipment and helpdesk telephone calls, as well as oversight of snow removal services and payments. 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 strengthen its internal control environment, particularly with respect to safeguarding City assets, complying with City guidelines and oversight to help ensure computer data and equipment 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) continues to report ongoing efforts with respect to the oversight of its internal control environment. DOT will continue to monitor its internal control environment through internal and external audits.

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

The Department of Youth and Community Development (DYCD) reports the continuation of oversight and enhancements with respect to its internal control environment. Specifically, random worksite visit occur as well as the addition of new programs to database systems to help ensure program compliance. In addition, policies and procedures governing property management by contractors were updated, and new guidelines were issued concerning reimbursement of contractor expenses. DYCD will continue to monitor its internal control environment.

FIRE DEPARTMENT

The Fire Department (FDNY) reports the continuation of measures to oversee and further strengthen its internal control environment, including application of data analytics with respect to program management, upgraded procurement tracking tools, as well as the use of technology to enhance specialty units' inspection-related billing processes. 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 the continuation of activities to monitor and further strengthen its internal control environment. These measures include actions to update manuals and procedures affecting work order processing and security measures. Further, the Office of Constituent Communication continues to effectuate strategies to improve response times for resolving cases, and work is ongoing with respect to the agency's initiative to implement a bar-code system to facilitate inventory management and reconciliation 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 that its present system of internal controls, taken as a whole, is sufficient to meet internal control objectives pertaining to the prevention and detection of errors or irregularities that would be material to the Commission, as well as those objectives pertaining to maximizing the effectiveness and integrity of its operations. LPC will continue to monitor its internal control environment.

LAW DEPARTMENT

The Law Department reports ongoing oversight to ensure the adequacy of its internal control environment. 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 ongoing activities to maintain and enhance its internal control environment. 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 ongoing activities with respect to the oversight of its system of internal controls. 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.

