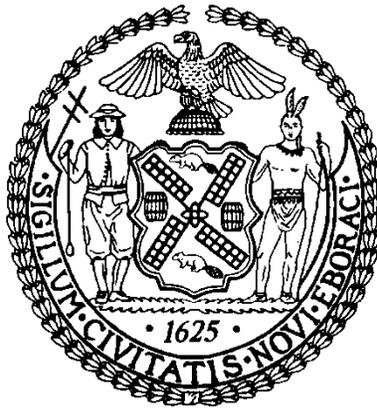


CITY OF NEW YORK OFFICE OF THE COMPTROLLER

**John C. Liu
COMPTROLLER**

**H. Tina Kim
Deputy Comptroller for Audit**



**Report To
The Mayor and City Council on
City Comptroller Audit Operations
Fiscal Year 2010**

March 1, 2011

<http://comptroller.nyc.gov>

John C. Liu
Comptroller

Deputy Comptroller for Audit
H. Tina Kim

Director, Management Audit
Edward Carey, Jr.

Director, Financial Audit
Vincent Liquori

Director, Non-GAGAS Audits & Special Projects
Faige Hornung

Special Projects Team
Shakawat Ali
Nancy Crerar
Susan Morrison-Goldfine
Iris Hinds
Michael Leinwand

Report Editors
Milton Garrison
Lesley Pink



COMPTROLLER OF THE CITY OF NEW YORK

1 CENTRE STREET

NEW YORK, NY 10007-2341

(212) 669-3500

JOHN C. LIU
COMPTROLLER

March 1, 2011

Mayor Bloomberg, Speaker Quinn, and Members of the City Council:

I hereby transmit the annual report on the operations of the audit bureau of the New York City Comptroller's Office for Fiscal Year 2010. This report is mandated under Section 93 (f) of the City Charter, which stipulates that no later than March 1 of each year, the Comptroller is to provide a report to the Mayor and City Council on all major audit activities of City agencies conducted in the previous fiscal year.

As Comptroller, I am committed to make aggressive and vigorous use of the power of audit to both champion and pursue the achievement of efficient, effective City operations and services. The severe national and local recessions have resulted in lower tax collections at the State and City level. As a consequence, the City is facing looming budget deficits in the billions of dollars in each of the next several years. Therefore, it is critical that we root out waste, mismanagement, and inefficiencies in City government. As New York City Comptroller, my audits will be crucial in accomplishing that task and in putting government resources to work to improve the lives of all New Yorkers.

In Fiscal Year 2010, the audit bureau issued 80 audits and special reports that resulted in \$129.5 million in actual revenues and savings, \$26.6 million in potential revenues and savings, and called into question another \$26.4 million associated with claims filed against the City.

Additionally, the audit bureau offered 562 recommendations to City agencies and other related entities to improve government programs and operations. While Agency managers are responsible for resolving and implementing recommendations promptly and effectively, auditors are responsible for following up to see that action is taken and that intended results are realized. Follow up of this year's recommendations found that Agencies reported implementing or partially implementing 435 recommendations (77%) and not implementing 127 recommendations (23%).

The Comptroller's Office welcomes your interest in ensuring that those recommendations [made by the audit bureau] which have not been implemented are carefully considered by City agencies. The benefit from audit work is not in the recommendations made, but in their

effective implementation. Corrective action taken by management is essential to improving the effectiveness and efficiency of Government operations. To that end, we have provided supplementary information on the status of all our recommendations by both audit report and by agency.

Finally, according to Generally Accepted Government Auditing Standards, government auditing entities must undergo an external peer review every three years. The audit bureau underwent such a review in 2010 by the Institute of Internal Auditors (IIA). In its review, the IIA concluded that the audit bureau complied with Generally Accepted Government Auditing Standards, reported no negative findings, and offered no recommendations for improvement. In addition, the review expressly noted that the bureau should be commended for its performance across several areas.

Sincerely

A handwritten signature in blue ink, appearing to read 'JCL', is positioned above the printed name 'John C. Liu'.

John C. Liu

SUMMARY OF AUDIT RESULTS

Actual savings and revenues identified in Fiscal Year 2010 totaled \$129.5 million.

Potential cost avoidance, savings, and revenues identified in Fiscal Year 2010 totaled \$53 million. These are estimates of what could be achieved if all the audit and special report recommendations were implemented. Of this \$53 million:

- \$26.6 million represents potential cost savings or revenues from a variety of management and financial audit findings, and
- \$26.4 million presents potential cost avoidance resulting from analyses of claims.

The Comptroller's Audit Bureau issued 80 audits and special reports in Fiscal Year 2010. Audits of managerial lump-sum and welfare-fund payments were also performed.

This report is divided into two sections: one section for audits and special reports of City agencies and public authorities, and one section for audits and special reports covering private entities that received funding from or generated revenue for the City. The audits were performed in accordance with generally accepted government auditing standards as required by the New York City Charter.

Many of the audit recommendations have been implemented, either in whole or in part. Information on implementation status of the recommendations (as described in the "Audit Follow-up" section of each audit summary) was provided by the auditees in response to our follow-up inquiries.

INDEX OF GOVERNMENT FY 2010 AGENCY AUDITS

(All Audits Unless Otherwise Indicated)

OFFICE OF THE ACTUARY	3
Audit Report on the Financial Practices of the Office of the Actuary	3
DEPARTMENT FOR THE AGING	5
Audit Report on the Department for the Aging Controls over Personally Identifiable Information	5
DEPARTMENT OF BUILDINGS.....	7
Audit Report on the Queens Quality of Life Unit of the Department of Buildings	7
ADMINISTRATION FOR CHILDREN’S SERVICES	9
Audit Report on the Controls of the Administration for Children’s Services over Personally Identifiable Information.....	9
Audit Report on the Compliance of the Harlem Dowling–West Side Center for Children and Family Services with Its Administration for Children’s Services Preventive Service Agreement	10
STATEN ISLAND COMMUNITY BOARDS.....	13
Audit Report on the Financial and Operating Practices of the Three Staten Island Community Boards.....	13
NEW YORK CITY COMPTROLLER’S OFFICE	15
Cost Allocation Plan Fiscal Year 2009	15
DEPARTMENT OF CONSUMER AFFAIRS	16
Audit Report on the Administration of the Department of Consumer Affairs Imprest Fund.....	16
DEPARTMENT OF CULTURAL AFFAIRS	18
Audit Report on the Process of the Department of Cultural Affairs for Awarding Program Grants to Cultural Organizations; July 1, 2007–June 30, 2008	18
NEW YORK COUNTY DISTRICT ATTORNEY	20
Audit Report on New York County District Attorney’s Administration of Deferred Prosecution and Non-Prosecution Agreements	20

DEPARTMENT OF EDUCATION.....	22
Audit Report on the Department of Education’s Compliance with Reading First Program Spending Guidelines	22
Audit Report on the Compliance of Vanguard High School with Department of Education Procurement Guidelines for Small Dollar Purchases	24
Audit Report on the Department of Education’s Administration of the Early Grade Class Size Reduction Program	25
Audit Report on the Administration of New York State Standardized Tests by the New York City Department of Education.....	27
Audit Report on the Department of Education’s Calculation of High School Graduation Rates	29
DEPARTMENT OF ENVIRONMENTAL PROTECTION.....	32
Audit Report on the Department of Environmental Protection’s Progress in Constructing the Croton Water Treatment Plant	32
Audit Report on Audit Report on Department of Environmental Protection’s Oversight of Costs To Construct the Croton Water Treatment Plant.	33
DEPARTMENT OF FINANCE	35
Audit of the Reliability and Accuracy of Commercial Motor Vehicle Tax Data Administered by the Department of Finance.....	35
Audit Report on the Implementation of 421(a) Incentive Program Tax Benefits for Properties in Manhattan.....	36
THE FINANCIAL INFORMATION SERVICES AGENCY	38
Audit Report on the Financial and Operating Practices of the Financial Information Services Agency	38
NEW YORK CITY FIRE DEPARTMENT.....	40
Audit Report on Fire Department Controls over the Professional Certification Process of the Fire Alarm Inspection Unit	40
HEALTH AND HOSPITALS CORPORATION	42
Audit Report on the Compliance of New York City Health and Hospitals Corporation with the Financial Provisions of the Ambulance and Pre-hospital Emergency Medical Services Memo of Understanding	42

DEPARTMENT OF HEALTH AND MENTAL HYGIENE.....	45
Audit Report on the Implementation of the Electronic Death Registration System by the Department of Health and Mental Hygiene.....	45
Audit Report on the Department of Health and Mental Hygiene Oversight of the Correction of Health Code Violations at Restaurants	46
Audit Report on the Monitoring by the Department of Health and Mental Hygiene of the Background Checks of School-Age Child Care Program.	48
DEPARTMENT OF HOMELESS SERVICES.....	50
Audit Report on the Compliance of the Department of Homeless Services with City Procurement Rules and Controls over Payments to Non-Contracted Providers	50
Audit Report on the Contract of Basic Housing, Inc., with the Department of Homeless Services to Provide Shelter and Support Services.....	52
Audit Report on Department of Homeless Services Controls over the Determination of Eligibility of Temporary Housing Benefits for Homeless Families.....	54
NEW YORK CITY HOUSING AUTHORITY	56
Follow-up Audit Report on User Access Controls of the New York City Housing Authority’s Tenant Selection System and Tenant Selection and Assignment Plan System	56
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT	58
Follow-up Audit Report on the Section 8 Housing Choice Voucher Program of the Department of Housing Preservation and Development	58
Audit Report on the Department of Housing Preservation and Development Cornerstone Program	59
HUMAN RESOURCES ADMINISTRATION.....	61
Follow-up Audit Report on the Development and Implementation of the Paperless Office System by the Human Resources Administration.....	61
INDEPENDENT BUDGET OFFICE.....	63
Audit Report on the Financial and Operating Practices of the New York City Independent Budget Office.....	63
DEPARTMENT OF INVESTIGATION	65
Audit Report on the Controls over Personnel, Payroll, and Timekeeping Practices at the Department of Investigation	65

DEPARTMENT OF JUVENILE JUSTICE (NOW UNDER ADMINISTRATION FOR CHILDREN’S SERVICES)	67
Audit Report on the Oversight of the St. John’s Group Home Contract by the Department of Juvenile Justice.....	67
LANDMARKS PRESERVATION COMMISSION	69
Audit Report on the Internal Controls of the Landmarks Preservation Commission Over Permits.....	69
MULTI-AGENCY	71
Follow-up Audit Report on the Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs.....	71
A Compilation of System Development Audits and an Assessment of Citywide Systems-Development Strategy.....	72
Audit Report on the Provision of Vision Screening Services to Elementary School Students in New York City Charter Schools.....	74
AUDITS OF MANAGERIAL LUMP-SUM PAYMENTS	77
AUDITS OF HIGH RISK WELFARE FUND PAYMENT VOUCHERS	78
STATEN ISLAND PUBLIC ADMINISTRATOR	79
Audit Report on the Financial and Operating Practices of the Richmond County Public Administrator’s Office.....	79
RETIREMENT SYSTEMS	81
Pensioners of the New York City Fire Department Working for the City after Retirement, January 1, 2008–December 31, 2008.....	81
Non-Pedagogical Pensioners of the New York City Department of Education Working for the City after Retirement, January 1, 2008–December 31, 2008.....	81
Pedagogical Pensioners of the New York City Teachers’ Retirement System Working for the City After Retirement, January 1, 2008–December 31, 2008.....	82
Pensioners of the New York City Employees’ Retirement System Working for the City after Retirement, January 1, 2008–December 31, 2008.....	83
Pensioners of the New York City Police Department Working for the City after Retirement, January 1, 2008–December 31, 2008.....	84
NYC Pensioners Working for New York State After Their Retirement, January 1, 2008–December 31, 2008.....	85
New York City Pensioners Working as Consultants for the City after Retirement, January 1, 2008–December 31, 2008.....	86

DEPARTMENT OF SMALL BUSINESS SERVICES.....	88
Audit Report on the Administration of The Minority- and Women-owned Business Enterprise Program by the Department of Small Business Services.....	88
NEW YORK CITY TRANSIT AUTHORITY	90
Audit Report on Vendor Contracts with New York City Transit to Provide Access-A- Ride Services	90
Audit Report on New York City Transit’s Maintenance and Repair of Subway Stations	91
DEPARTMENT OF TRANSPORTATION	94
Audit Report on the Controls of the Department of Transportation over City Disability Parking Permits	94
Audit Report on the Oversight of the Private Ferry Operators by the Department of Transportation.....	96
DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT	98
Audit Report on the Department of Youth and Community Development Out-of-School Youth Program	98

INDEX OF NON-GOVERNMENT FY 2010 AGENCY AUDITS

<u>TYPE</u>	<u>PAGE</u>
CLAIMS	103
FRANCHISE, CONCESSION, AND LEASE AUDITS	104
ECONOMIC DEVELOPMENT CORPORATION	105
Audit of the Financial and Operating Practices of the New York City Economic Development Corporation and Compliance with Its Master and Maritime Contracts, July 1, 2005 to June 30, 2008	105
Audit Report on the Operation and Management of Piers 92 and 94, January 1, 2007– December 31, 2009.....	107
DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS	109
Audit on the Payment by Empire City Subway of License Fees Due the City and Compliance with Certain Provisions of its License Agreement.....	109
DEPARTMENT OF PARKS AND RECREATION.....	111
Audit Report on the Compliance of Concert Foods with Its Department of Parks and Recreation Contract	111
Audit Report on the Compliance of Food Craft, Inc. (World Fair Marina Restaurant and Banquet) with Its License Agreement and Payment of License Fees Due the City	113
Audit Report on the Compliance of Fitmar Management, LLC with Its License Agreement	115
Audit Report on the Compliance of South Beach Restaurant Corporation with Its License Agreement.....	118
Audit Report on the Compliance of Lakeside Restaurant Corporation with Its License Agreement	119
Audit Report on the Compliance of the New York Mets with Their Lease Agreement; January 1, 2003 – December 31, 2007	121
Audit Report on the Compliance of Sunny Days in the Park, Inc., with Its License Agreement and Payment of Fees Due	123
AUDIT OF RENTAL CREDITS SUBMITTED BY THE NEW YORK YANKEES	125
WELFARE FUNDS.....	126
Audit Report on the Financial and Operating Practices of the Municipal Employees Welfare Trust Fund of the International Union of Operating Engineers Local 30	126

WELFARE FUNDS (Cont'd)	127
Audit Report on the Financial and Operating Practices of the Municipal Retired Employees Welfare Trust Fund of the International Union of Operating Engineers Local 30	127
Audit Report on the Financial and Operating Practices of the Superior Officers Council Health and Welfare Fund of the New York City Police Department.....	129
Audit Report on the Financial and Operating Practices of the Superior Officers Council Retiree Health and Welfare Fund of the New York City Police Department	130
Analysis of the Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2007	132

ECONOMIC IMPACT OF AUDITS OF GOVERNMENT AND NON-GOVERNMENT AGENCIES
ACTUAL/ POTENTIAL SAVINGS/REVENUE & POTENTIAL COST AVOIDANCE
FROM AUDITS AND SPECIAL REPORTS FOR FISCAL YEAR 2010

<u>REPORT TYPE</u>	<u>FISCAL YEAR 2010 NUMBER OF REPORTS</u>	<u>FISCAL YEAR 2010 ACTUAL SAVINGS/ REVENUE</u>	<u>FISCAL YEAR 2010 POTENTIAL SAVINGS/ REVENUE(1)</u>	<u>FISCAL YEAR 2010 POTENTIAL COST AVOIDANCE</u>	<u>TOTAL</u>
Government Agencies					
Audits	53	\$1,609,199	\$26,347,800	\$0	\$27,956,999
Managerial Lump Sum Reviews	NA	\$571,090	\$0	\$0	\$571,090
High Risk Voucher Reviews	NA	\$484,875	\$109,617	\$0	\$594,492
	53	\$2,665,164	\$26,457,417	\$0	\$29,122,581
Non-Government Agencies	27	\$126,847,327	\$110,666	\$26,446,171	\$153,404,164
Grand Total Government and Non-Government Agencies	80	\$129,512,491	\$26,568,083	\$26,446,171	\$182,526,745

(1) The potential savings/revenue amounts are estimates that could be achieved if recommendations are implemented.

SECTION I
GOVERNMENT AGENCIES

OFFICE OF THE ACTUARY

Audit Report on the Financial Practices of the Office of the Actuary

[Audit # MG10-074A](#)

Comptroller's Audit Library #8016

Issued: June 17, 2010

Monetary Effect: None

Introduction

This audit determined whether the Office of the Actuary (OA) had adequate controls over its purchasing, timekeeping, payroll, and inventory operations.

The OA provides actuarial services and information for the City's five actuarially-funded retirement systems, certain other pension and post-employment benefit funds, various City agencies, employers, labor organizations, and legislative bodies. According to the Fiscal Year 2009 Comptroller's Comprehensive Annual Financial Report, the OA had expenditures of \$3.3 million for Personal Services (PS) and \$1.4 million for Other Than Personal Services (OTPS) for the year.

Results

The audit found that while all of the OA purchases reviewed were for proper business purposes, the OA did not adequately verify billings for consulting work nor did it perform required performance evaluations of its largest vendor. In addition, the audit also found that the OA charged payments to the wrong fiscal years, did not pay all invoices on a timely basis, and incorrectly paid overtime to employees whose pay exceeded the amount allowed by the City. The audit also found that the OA's controls over its computer network need to be enhanced. With regard to its payroll and inventory procedures, the OA had adequate controls.

The audit made 11 recommendations, including that the OA should:

- Review the timekeeping report from its largest vendor, Buck Consulting, along with its monthly invoices so that the OA can more readily determine whether invoices are reasonable, accurate, and justified by the supporting documentation.
- Record the agency's expenditures accurately in the fiscal year in which they are incurred.
- Make payments to vendors within 30 days of the receipt of an invoice.
- Conduct annual performance evaluations for all contractors, specifically conducting a current performance evaluation prior to the renewal of its contract with Buck.
- In the absence of an overtime cap waiver, compensate those employees whose pay exceeds the amount allowed by the OT CAP with compensatory time rather than paid overtime.
- Prepare a disaster recovery plan for its computer network, including off-site storage for its database.

The OA generally agreed with all 11 recommendations but disagreed with a number of the audit's findings. A careful consideration of the OA's arguments found them to be without merit.

Audit Follow-up

The OA reported that it has either implemented or is in the process of implementing all of the audit's recommendations.

DEPARTMENT FOR THE AGING

Audit Report on the Department for the Aging Controls over Personally Identifiable Information

[Audit # 7A10-092](#)

Comptroller's Audit Library #8025

Issued: June 30, 2010

Monetary Effect: Not Applicable

Introduction

The objective of this audit was to determine whether the Department for the Aging (DFTA) has adequate controls over personally identifiable information (PII) collected and stored, is properly securing personal information from unauthorized personnel, and has followed the Department of Information Technology and Telecommunications' (DoITT) policies to ensure that personally identifiable information is being protected throughout its information-processing systems.

DFTA promotes the independence, health, and well-being of older New Yorkers through advocacy, education, and the coordination and delivery of services. DFTA contracts with more than 400 local contractors to provide services to help older persons maintain or enhance their quality of life in the community. These contractors may collect PII to provide Long Term Care Case Management program referrals or services at senior community centers.

In carrying out its mission, DFTA collects, processes, stores, and transmits many types of information about its clients. This data contains PII that is confidential or sensitive in nature, such as an individual's name, social security number, medical history and prescriptions, income, and any reports involving abuse. This data must be safeguarded to prevent theft, misuse, or disclosure to unauthorized persons that may result in criminal activities such as identity theft or other inappropriate use of the information.

Results

DFTA generally has controls over the storage of personal identifiable information that it has collected. Its "Computer Use and Electronic Processing Policy" defines personnel responsibilities to protect personal information on its systems. In addition, DFTA has case management standards for its contractors that require all case managers to be trained on the rights and privacy of clients. DFTA places records in a securely locked area, which includes locked file cabinets and storage rooms. Finally, DFTA's program officers conduct annual assessments to evaluate performance at the long-term care contractor sites.

However, DFTA does not adequately follow the DoITT policies concerning personal information protection through its information processing system. Specifically, DFTA does not have a data classification policy requiring the classification of data into public, sensitive, private, and confidential categories as specified by the DoITT Data Classification Policy. Also, DFTA lacks an adequate user access-control and password policy, which poses a threat to the security of PII by unauthorized personnel access. DFTA does not follow the DoITT information security policy to perform annual assessments of the electronic data collected and stored at contractor sites to identify patterns of security violations and to ensure that proper

controls are instituted to prevent unauthorized access to PII. Finally, while DFTA has a disaster recovery plan, the agency did not conduct any disaster recovery tests as specified in the plan.

To address these issues, the audit made six recommendations, including that DFTA should:

- Establish a data classification policy as specified by DoITT's policy, which requires all information collected concerning the City's general business be classified into four categories: public, sensitive, private, or confidential.
- Comply with DoITT's password policy to create a lockout feature that is activated within 15 minutes of unattended inactivity by users.
- Revise password policy and require passwords to contain at least eight characters at contractor sites.
- Require all users to change their passwords at least every 90 days.
- Perform annual assessments of electronic data collected and stored at the contractor sites.
- Comply with its disaster recovery plan and perform the required disaster recovery test twice per year.

DFTA officials generally agreed with the findings and recommendations of this audit.

Audit Follow-up

DFTA reported that it has either implemented or is in the process of implementing all of the audit's recommendations.

DEPARTMENT OF BUILDINGS

Audit Report on the Queens Quality of Life Unit of the Department of Buildings

[Audit# MG09-087A](#)

Comptroller’s Audit Library #7967

Issued: July 14, 2009

Monetary Effect: None

Introduction

The audit determined the adequacy of the Department of Buildings (DOB) Queens Quality of Life Unit’s (the Unit) response to complaints. DOB is responsible for the safe and lawful use of more than 975,000 buildings and properties throughout the five boroughs by enforcing the City’s Building Code, Electrical Code, Zoning Resolution, and other laws applicable to the construction and alteration of buildings. DOB’s main activities include performing examinations of building plans, issuing construction permits, inspecting properties, and licensing of construction trades. It also issues Certificates of Occupancy and Place of Assembly permits.

In March 1997, DOB created the Unit to oversee the increasing problem of illegal conversions in Queens. An illegal conversion is an alteration or modification of an existing building to create an additional housing unit without first obtaining approval from DOB.

Results

The Unit’s response to quality of life complaints is inadequate. The Unit’s inspectors were not able to gain access to almost 40 percent of the properties for which the Unit received complaints in Fiscal Year 2008. In fact, inspectors were unable to gain access to properties in approximately two-thirds of the field inspection attempts conducted during the year¹. When inspectors are not able to gain access to a property, they are required to leave a “Notice to Call for Inspection” (LS-4) form requesting that the property owner call the Unit and schedule an appointment for inspection. The LS-4 form is the primary method used by the Unit to reach absent property owners.

In addition, DOB only requested access warrants for less than 1 percent of the properties for which inspectors could not gain access. For those properties in which inspectors were able to gain access, violations were issued to owners of 2,232 of them. During the year, DOB issued vacate orders for 655 properties. However, DOB did not follow up with them to ensure that the properties remain vacated until the order was lifted.

The audit did find that the Unit generally responds to quality of life complaints in a timely manner, closes complaints for adequate reasons, attempts to perform second inspections when required, and follows standard procedures when rescinding vacate orders. However, these positive aspects are mitigated by the fact that the inspection attempts are not successful and by the other deficiencies cited above.

The audit makes 14 recommendations, five of which are listed below. The Unit should:

¹ There can be more than one inspection per complaint.

- Work with DOB's legal staff to obtain authority to impose incremental fines on property owners who deny access and/or do not respond to the LS-4 forms.
- Implement periodic inspection attempts on weekends and/or off hours for properties that show clear evidence of an illegal conversion (i.e., more than one mailbox, door bell, or water or electric meter for a one-family home) and to which access has been refused various times.
- Make a greater attempt to pursue access warrants for properties to which inspectors are unable to gain access.
- Ensure there is a clear understanding of and adherence to department procedures regarding the performance of inspections conducted on vacated properties.

DOB should:

- Ensure that the Queens Borough Commissioner's office follows up periodically with Unit officials to ensure that properties with vacate orders are periodically inspected and are not illegally reoccupied.

DOB officials agreed to implement 12 of the 14 audit recommendations.

Audit Follow-up

DOB reported that of the 12 recommendations that it agreed to implement, eight recommendations have been implemented, two recommendations have been partially implemented, and two recommendations are pending. The remaining two recommendations were not implemented. DOB noted that there must be sufficient legal evidence to support an access warrant request, and DOB does not have legal authority to impose penalties for failure to provide access.

ADMINISTRATION FOR CHILDREN'S SERVICES

Audit Report on the Controls of the Administration for Children's Services over Personally Identifiable Information

[Audit #7A09-108](#)

Comptroller's Audit Library #7992

Issued: December 10, 2009

Monetary Effect: None

Introduction

This audit assessed the controls of the Administration for Children's Services (ACS) over personally identifiable information (PII). ACS protects children from abuse and neglect. During Fiscal Year 2008, it investigated child abuse and neglect reports involving approximately 90,000 children, provided preventive services to approximately 32,000 children, provided foster care for approximately 17,000 children through 36 foster care agencies City-wide, and helped arrange for the adoption of approximately 1,200 children. ACS also funds and supports 257 Head Start centers and 75 preventive agencies and enrolls approximately 102,000 children in child care programs.

ACS collects, processes, stores, and transmits many types of case-record information from its clients and governmental agencies pertaining to every case processed by the agency. One of the types of data at risk of theft or misuse is personally identifiable information, which includes individuals' names, addresses, social security numbers, medical information, and other personal information. Disclosure of this information to unauthorized individuals may result in criminal activities such as identity theft or other inappropriate uses of the information. The audit fieldwork was conducted from November 2008 to May 2009.

Results

ACS has adequate controls over storage of personally identifiable information it has collected. Its Information and Internet Security Policy defines personnel responsibilities to protect personal information on its systems. ACS has guidelines requiring that personnel have proper authorization before destroying or removing documents under its stewardship. The ACS Division of Personnel (Personnel) places case records in a securely locked area, which includes file cabinets and storage rooms. Finally, the ACS Division of Personnel had shredding bins for the disposal of copies of original documents as required in ACS guidelines. ACS also follows DORIS retention and disposal standards.

However, ACS has an inadequate password policy for its local network and handheld Blackberry devices, which poses a threat to the security of ACS personal information by unauthorized personnel or other inappropriate parties. The audit uncovered 15 instances in which the access of terminated employees was not removed or disabled in the ACS computer environment. Also, ACS has not met the requirements of DoITT's policies concerning personal information protection throughout its information processing systems. Specifically, ACS does not follow the DoITT Data Classification Policy requiring the classification of data into public, sensitive, private, and confidential categories. In addition, while ACS had identified disaster recovery team members who were not familiar with the disaster recovery

plan or who did not periodically review the steps in the plan, it provided no evidence that it had corrected these weaknesses.

The audit made 12 recommendations, including that ACS should:

- Immediately send out the data classification survey to all the remaining divisions in order to continue the implementation process of the DoITT Data Classification Policy.
- Complete the data classification process of classifying data collected by each division to ensure the confidentiality, integrity, and availability of ACS personal information.
- Revise its password policy and require passwords to contain at least eight characters.
- Ensure that the access of employees whose services are terminated be removed from the ACS system on a timely basis.
- Create a record-booking process to keep accurate track of dates employee access is removed from the system.
- Require ACS staff who use a Blackberry for work purposes to take the necessary security precautions to protect critical information and to prevent access by unauthorized individuals.

ACS officials generally agreed with the findings and recommendations of this audit.

Audit Follow-up

ACS reported it has either implemented or is in the process of implementing all of the audit's recommendations.

ADMINISTRATION FOR CHILDREN'S SERVICES

Audit Report on the Compliance of the Harlem Dowling–West Side Center for Children and Family Services with Its Administration for Children's Services Preventive Service Agreement

[Audit # MH09-093A](#)

Comptroller's Audit Library #8006

Issued: March 18, 2010

Monetary Effect: None

Introduction

This audit determined whether Harlem Dowling-West Side Center for Children and Family Services (Harlem Dowling) complied with certain key service provisions of its preventive service agreement with the New York City Administration for Children's Services (ACS) and its own procedures with regard to the preventive services provided at the Queens Outreach Center.

Harlem Dowling, a not-for-profit child welfare agency, provides preventive services to families under a purchase-of-service agreement with ACS. The general preventive services provided by

Harlem Dowling, either directly or by referral, address the following areas: day care, homemaking, parent training, domestic violence, housing, job training, and health coverage. Harlem Dowling's four-year agreement with ACS covers the period January 1, 2006, through December 31, 2009. The agreement totals \$12,179,654 and requires Harlem Dowling to provide general preventive services to a maximum of 300 families (75 families at each of its four sites). There are four centers, two in Manhattan (the Central Harlem Center and the West Side Center) and two in Queens (the Far Rockaway Center and the Queens Outreach Center). This audit concentrated on the controls of the Queens Outreach Center and covered the period from July 2007 through February 2009.

Results

Harlem Dowling did not adequately comply with significant provisions of its preventive service agreement with ACS or its own procedures. Therefore, there is no reasonable assurance that Harlem Dowling properly helped families at the Queens Outreach Center to obtain the preventive services needed to become stabilized and to reduce the risk that their children might be placed in foster care. A major factor that allowed deficiencies to exist was Harlem Dowling's failure to adequately oversee the operations at its Queens Outreach Center. The audit found the following: case records did not contain all required Family Assessment and Service Plans (FASPs) and Progress Notes, the required number of minimum casework contacts with the families was not always conducted, Casework Supervisors did not always document their review of case records in case record review forms, as required, and some families' needs do not appear to have been met. In addition, Harlem Dowling could not provide evidence that some of its employees had the required work experience when hired, that some of the employees required to be fingerprinted were in fact fingerprinted before being hired, and that the required criminal-history records reviews were conducted for those employees who could not be fingerprinted.

Based on the audits findings, the audit made six recommendations, including that Harlem Dowling should:

- Strengthen its oversight of the Queens Outreach Center to ensure that it improves Case Planners' performance with regard to the adequate and timely preparation of all required FASPs and Progress Notes. FASPs and Progress Notes should be maintained in CONNECTIONS and/or the hard-copy case record, as required, based on the type of case. In addition, Harlem Dowling should ensure that it improves the performance of the Casework Supervisor and the Director in overseeing Case Planners' review and signing all required FASPs. It also should ensure that the Case Planners make the minimum number of casework contacts with the families and document in the case records their diligent attempts to address the needs of the families identified in the FASPs.
- Strengthen its oversight of the Queens Outreach Center to ensure that case record reviews are conducted and documented monthly, as required, for the duration of the cases and that administrative-level reviews are conducted and documented for cases that remain open 24 months or longer. In addition, it needs to ensure that the needs of the families identified in the FASPs have been met and Plan Amendments are approved prior to closing the general preventive service cases and discontinuing services.

- Comply with the personnel provisions of its preventive service agreement with ACS and ensure that all current and prospective employees have the related work experience required for their positions and that it submits fingerprints of all prospective employees to State Division of Criminal Justice Services (DCJS).

ACS and Harlem Dowling officials agreed with the audit's findings and recommendations.

Audit Follow-up

ACS reported that all of the audit's recommendations are being implemented.

STATEN ISLAND COMMUNITY BOARDS

Audit Report on the Financial and Operating Practices of the Three Staten Island Community Boards

[Audit # FP10-106A](#)

Comptroller's Audit Library #8021

Issued: June 25, 2010

Monetary Effect: None

Introduction

This audit determined whether the three Staten Island Community Boards (Boards)—Boards 1, 2, and 3—are complying with certain purchasing procedures as set forth in Comptroller's Directives #1, #3, #6, #11, and #24; applicable Procurement Policy Board (PPB) rules; and the Department of Investigation's (DOI) *Standards for Inventory Control and Management*.

There are Boards for each of the 59 Community Districts throughout the five boroughs of New York City. Each Board is appointed by the respective Borough Presidents and has a Chairperson and a District Manager, who manages day-to-day operations. During Fiscal Year 2009, the period covered by the audit, Other Than Personal Services (OTPS) expenditures for the three Boards totaled \$263,586.

Results

The Boards generally adhered to the requirements of Comptroller's Directives #3, #6, #11, and #24; applicable PPB rules; and the DOI's *Standards for Inventory Control and Management*. In addition, the Boards OTPS expenditures disclosed no instances in which monies were improperly used. However, there were minor instances in which the Boards did not comply with certain purchasing procedures. Specifically:

- Files for imprest fund expenses did not always contain purchase requisitions.
- Continuing monthly expenditures were inappropriately charged as imprest fund expenses.
- Four purchases were split to circumvent the \$250 expenditure limitation.
- Seven imprest fund checks did not have the inscription "void after 90 days," and four imprest fund checks were signed by the custodian of the account, who is not authorized to sign checks.
- Board 2 did not reconcile the imprest fund account on a monthly basis.
- Three purchases totaling \$2,162, for Board 2, were improperly processed using miscellaneous vouchers.
- Board 2 made eight purchases of office furniture using the incorrect purchase documents.
- Board 1 did not have sufficient documentation to support 10 rental payments, totaling \$1,000, that it made to a local church for space to conduct its monthly Board meetings.

- Boards' 2 and 3 inventory lists of computer and electronic equipment were not complete and accurate.
- Boards 1 and 2 did not maintain written policies and procedures for inventory control.

The audit made 10 recommendations to the Boards to address these issues, including the following:

- The Boards should ensure that all imprest fund expenditures comply with the provisions of Directive #3.
- Board 2 should ensure that appropriate purchasing documents are used for vendors that have a requirements contract and comply with the provisions of Directive #24.
- Board 1 should ensure that sufficient supporting documentation is maintained and comply with the provisions of Directive #24.
- Boards 2 and 3 should ensure that complete and accurate records of all pieces of equipment are maintained.
- Boards 1 and 2 should establish written policies and procedures for their inventory controls over equipment.

Board officials agreed with the 10 recommendations.

Audit Follow-up

Board 1 reported that all of the audit's recommendations are being implemented.

Board 2 reported that most of the audit's recommendations are being implemented.

Board 3 reported that all of the audit's recommendations are being implemented.

NEW YORK CITY COMPTROLLER'S OFFICE

Cost Allocation Plan Fiscal Year 2009

Report: #FM10-080S

Comptroller's Audit Library # N/A

Issued: December 9, 2009

Monetary Effect: None

Introduction

The Cost Allocation Plan of the City of New York is used to identify and distribute allowable indirect costs of certain support services to City agencies. A portion of these costs may eventually be passed on to programs eligible for federal funding and thus be reimbursed to the City.

The New York City Comptroller's Office review of its own costs resulted in a summary schedule that was sent to the Office of Management and Budget (OMB) for inclusion in the City's Cost Allocation Plan. The schedule indicated, by bureau, the percentage of staff time spent providing services to various City agencies during Fiscal Year 2009.

Results

A letter report was issued to the OMB indicating various statistics for inclusion in its annual Cost Allocation Plan.

DEPARTMENT OF CONSUMER AFFAIRS

Audit Report on the Administration of the Department of Consumer Affairs Imprest Fund

[Audit #FR10-105A](#)

Comptroller's Audit Library #8017

Issued: June 17, 2010

Monetary Effect: None

Introduction

This audit determined the compliance of the Department of Consumer Affairs (DCA) with Comptroller's Directives, Procurement Policy Board rules, and other City guidelines governing the administration of imprest funds. Imprest funds are agency-controlled checking accounts that can be used for small purchases and petty cash transactions. In Fiscal Year 2009, DCA made 537 imprest fund payments totaling \$40,569.20. Additionally, in Fiscal Year 2009, the period covered by the audit, DCA replenished the imprest fund account by \$27,249.44 for 346 reimbursements processed.

Results

DCA did not properly administer imprest funds in accordance with the guidelines governing imprest fund administration. Specifically, miscellaneous funds were improperly deposited in the imprest fund account; payments were made that were ineligible as imprest fund expenses; duplicate payments were processed for reimbursement; required monthly reconciliations of petty cash counts and bank accounts were not conducted; inadequate documentation was kept to substantiate payments; sales tax was improperly paid; and one check exceeded the threshold amount for imprest fund payments.

The audit makes a total of 12 recommendations, including that DCA ensure that:

- All deposits from sources other than imprest fund reimbursements are deposited in the general fund and not in the imprest fund.
- Monthly reimbursement vouchers are processed for imprest fund expenses.
- Imprest fund expenditures are not used for personal service costs, consultant fees, monthly expenditures, and other proscribed expenses.
- All processed payments and supporting documentation are stamped showing amount paid, check number, and check date.
- Monthly petty cash counts and bank reconciliations are performed.
- Comptroller's Directive requirements for maintaining a list of checks and for aging and following up outstanding checks are complied with.
- All documentation to substantiate payments is contained in DCA files.

In its response, DCA agreed with eight recommendations, partially agreed with three recommendations, and disagreed with one recommendation.

Audit Follow-up

DCA reported that it has implemented the eight recommendations that it agreed with and partially implemented two recommendations. DCA also reported that it is researching other money management systems to determine whether these systems have the capability to automate imprest fund deposits and transactions because its current system does not.

DEPARTMENT OF CULTURAL AFFAIRS

Audit Report on the Process of the Department of Cultural Affairs for Awarding Program Grants to Cultural Organizations; July 1, 2007–June 30, 2008

[Audit # FL09-106A](#)

Comptroller's Audit Library #8000

Issued: December 30, 2009

Monetary Effect: None

Introduction

The New York City Department of Cultural Affairs' (DCLA) is the largest public funder of culture in the country, providing support for non-profit organizations representing the visual, literary, and performing arts disciplines, as well as zoos, botanical gardens, and historical and science museums. DCLA awards program grants to roughly 800 cultural institutions in all five boroughs and oversees operating funds for 34 City-owned cultural institutions as well as a capital program for cultural facilities.

This audit determined whether DCLA awarded Cultural Development Fund program grants to cultural programs in compliance with DCLA's requirements.

For Fiscal Year 2008, DCLA awarded \$35.5 million in program grants to 848 cultural institutions—\$25.1 million in Cultural Development Fund (CDF) funds, \$6.2 million in Safety-Net funds, \$3.1 million in City Council Member-Item funds (discretionary funds), and \$1.1 million in Local Arts Council funds.

Results

The audit disclosed that DCLA generally complied with its requirements related to awarding CDF grants to cultural programs. Proposals that received grants were complete and submitted within the required deadline, and grants were made only to programs operating in New York City. The audit found no grants for fund-raising activities or receptions.

However, the audit found that DCLA asked that organizations alter their CDF Public Service Award Proposals to increase the amount requested to justify receiving Safety-Net and Member-Item funds in addition to the CDF funds. Altering proposals after receiving signed grant agreements is not only improper but greatly diminishes transparency and accountability for public money that funds hundreds of cultural programs through DCLA. Indeed, the practice has the appearance of possible misconduct. DCLA also altered unsigned grant agreements to distribute excess funds that it had set aside for the appeals process, which invites the conclusion that certain cultural institutions are more entitled than others to receive additional funding.

The audit also noted some instances of noncompliance with DCLA policy and procedures. These weaknesses include: payment by DCLA of the entire award amounts to 381 organizations at the beginning of the fiscal year in violation of its procedures, the staffing of three panels not in accordance with DCLA regulations, and the failure to submit for registration by the Comptroller's Office four agreements with cultural organizations that included Member-Item funding in excess of \$25,000 as required.

The audit report made six recommendations. DCLA should:

- Discontinue its practice of instructing organizations to alter the Synopsis Page of its Public Service Award Proposal to justify any addition of Safety-Net funds and Member-Item funds to the CDF Public Service Awards, if any. Safety-Net and Member-Item funds should instead be awarded through separate contracts, not commingled with competitively awarded CDF Public Service Awards.
- Discontinue its practice of altering grant agreements to distribute excess DCLA funds.
- Ensure that it follows its own procedures and guidelines when making payments to awardees.
- Ensure that all panels are staffed in accordance with DCLA guidelines.
- Ensure that all grant agreements are signed by all parties and maintained by DCLA.
- Ensure that all contracts funded with \$5,000 or more in Member-Items (discretionary funds) be submitted for registration to the Comptroller's Office of Contract Administration.

DCLA's General Counsel generally disagreed with the audit's recommendations.

Audit Follow-up

DCLA reported that five recommendations are being implemented and the remaining recommendation has not been implemented. DCLA stated that "consistent with the Law Department's Opinion 9-93, DCLA awards for cultural activities are grants and not procurements, and continue to be so processed." Alternatively, DCLA stated that it files grants of \$100,000 or more with the Comptroller's Office in accordance with Comptroller's Memo 95-09.

NEW YORK COUNTY DISTRICT ATTORNEY

Audit Report on New York County District Attorney's Administration of Deferred Prosecution and Non-Prosecution Agreements

[Audit #FM10-111A](#)

Comptroller's Audit Library #8008

Issued: March 24, 2010

Monetary Effect: None

Introduction

This audit determined whether New York County District Attorney (DANY) properly administers the receipt and distribution of proceeds received through deferred prosecution and non-prosecution agreements.

In November 2009, the Mayor and the DANY publicly discussed the distribution of funds received from deferred prosecution and non-prosecution agreement settlements and DANY's maintenance of private (non-City) bank accounts outside the City's fiscal control. On December 9, 2009, the Comptroller's Office initiated an audit of DANY focusing on DANY's administration of the receipt and distribution of funds received through the agreement settlements. From January 1, 2007, to December 31, 2009, DANY received \$448 million in settlement payments through three of these agreements. The funds were received, held, and transferred from DANY's private bank accounts.

According to DANY, as of October 31, 2009, more than \$86 million in ancillary funds was held in 58 different accounts—33 checking accounts, 11 money market accounts, and 14 certificates of deposit. The City treasury funds DANY, and ancillary funds supplement operations. Generally, ancillary funds comprise money received through state and federal asset forfeiture, proceeds from deferred prosecution and non-prosecution agreements, and other large cases. Also included among the ancillary funds are monies held in escrow. According to DANY, ancillary funds include more than \$30 million in funds on deposit that are held in escrow for use by other parties for such purposes as victim restitution or distribution to other government agencies.

Results

DANY received and properly accounted for all of the \$448 million in payments derived from deferred prosecution and non-prosecution agreements since 2007. However, there is a lack of transparency in the distribution of these funds between the City and the state because DANY has no formal distribution policy. Unless DANY formalizes a policy, the distribution of these funds will continue to be questioned and scrutinized.

DANY does not adequately segregate duties that mutually pose a potential risk of error within the Fiscal Department, a situation further exacerbated by the use of off-the-shelf personal financial management software (Quicken) to track ancillary funds. Furthermore, disbursements, totaling \$815,324 out of \$2,574,353 (31.6 percent), were made from one of DANY's escrow accounts that were supported only by e-mail correspondence from DANY's staff, not by court decree. Although proper documentation was later provided, the lack of support at the time of processing constitutes a control weakness that can result in errors. These control risks could have been mitigated had DANY placed these funds with the City's Department of Finance

(DOF). While audit tests revealed no evidence of fraud, the implementation of the report's recommendations will further reduce the possibility that an irregularity will occur.

As of October 31, 2009, DANY held approximately \$86 million in 58 private bank accounts that were not registered with the Comptroller's Office and that were outside the City's fiscal controls. The use of private bank accounts is contrary to the County and the Civil Practice Laws and Rules of New York State. Finally, DANY may have improperly transferred approximately \$47,200 from one of the escrow accounts to a less restrictive account. Funds that cannot be returned to the appropriate parties should not be retained by DANY but rather transferred to the New York State Comptroller as unclaimed funds.

The audit report made four recommendations. DANY should:

- Upon the expiration of existing legislation, establish a formal policy for the distribution of settlement payments derived from deferred prosecution and non-prosecution agreements.
- Separate duties among personnel of the Fiscal Department to ensure that no one person can both perpetrate and conceal errors or fraud.
- Ensure that proper documentation is submitted and reviewed by the Fiscal Department prior to the distribution of funds.
- Coordinate with DOF and the Comptroller's Bureau of Accountancy to transfer the funds currently held in private accounts to the City's custody, establish Fiduciary Accounts (Trust and Agency) where appropriate, and register any remaining accounts deemed confidential with the Comptroller's Office.

In their response, DANY officials generally agreed with the audit's findings and recommendations.

Audit Follow-up

DANY reported that three recommendations have been implemented and the remaining recommendation is pending.

DEPARTMENT OF EDUCATION

Audit Report on the Department of Education’s Compliance with Reading First Program Spending Guidelines

[Audit #FK09-079A](#)

Comptroller's Audit Library #7988

Issued: October 26, 2009

Monetary Effect: None

Introduction

This audit determined whether DOE complied with U.S. Department of Education Reading First spending guidelines and the New York State Education Department’s sub-grant application relating to school selection and allowable types of expenditures; obtained, maintained, and reviewed adequate supporting documentation to determine whether expenditures were reasonable, appropriate, and for Reading First schools only, and; ensured that Reading First program personnel were properly qualified.

Reading First was created under the federal No Child Left Behind Act of 2001. Reading First was established to ensure that every student could read at or above grade level by the end of the third grade and was intended to serve poorly-performing, low-income students. Under the program, states received formula grants from the federal government to apply to scientifically-based reading programs. Local educational agencies then applied for grants from states. The initial New York State grant covered the period 2003-2006, and the second grant covered the period 2006-2009. Reading First ended on June 30, 2010, because its federal statute was not renewed and Congress discontinued funding for the program.

During Fiscal Year 2008, the period covered by the audit, the Department of Education (DOE) received \$34.4 million in Reading First funds from New York State and expended these funds on 118 schools—64 public and 54 non-public. Federal and State guidelines stipulated that public elementary schools selected for Reading First should be among those with the highest percentages of students reading below grade level and the highest poverty levels, based on the most current available data, as well as on their neighboring non-public elementary schools. Also, funds were to be used to support scientifically-based reading programs for students enrolled in kindergarten through third grade and to increase professional development for teachers. Additionally, key Reading First personnel were required to have teaching and reading licenses.

Results

DOE did not comply with Reading First Federal and State spending guidelines because it failed to systematically identify and fund public elementary schools with the highest percentages of students reading below grade level and the highest poverty levels, based on the most current available data, as well as on their neighboring non-public elementary schools. Therefore, Reading First expenditures were fundamentally flawed because, for the most part, they were not expended on the most deserving schools. Further, DOE did not provide adequate supporting documentation—such as bills and invoices detailing amounts billed, descriptions, quantities,

delivery locations, and recipients of goods and services—for \$9.5 million of \$14.9 million of Reading First OTPS expenses, as follows:

- DOE did not provide documentation demonstrating that goods and services totaling \$9.3 million were provided for Reading First schools only.
- DOE did not provide documentation demonstrating that goods and services totaling \$164,433 were reasonable, appropriate, and for Reading First schools only.

DOE also expended Reading First funds totaling \$42,094 on goods and services that were not incurred during Fiscal Year 2008, not for Reading First schools and grades, and not related to Reading First.

DOE spent \$3.9 million to support an Internet portal that was difficult or impossible for users to access because of connectivity issues and shut down the portal on June 30, 2009, because of these issues and a lack of funding. Since DOE spent \$3.9 million on the portal, supporting devices, software, and services during the audit period—and at least \$34.4 million in total—DOE should have ensured that the portal was properly developed, implemented, and ultimately, usable.

Also, Reading First program personnel were not properly qualified because they lacked the required reading licenses.

Since the Reading First program ended on June 30, 2010, DOE will not be selecting new Reading First schools and program personnel. Therefore, the audit made no program-specific recommendations, but made six general recommendations. DOE should:

- Expend Federal and State grant money only for its intended purpose and populations, and in accordance with Federal and State guidelines.
- Monitor grant expenditures and ensure that they are reasonable, appropriate, and comply with Federal and State guidelines.
- Maintain adequate supporting documentation—including bills, invoices, and receiving reports—for all Federal and State grant expenditures.
- Require employees who authorize payments to compare receiving reports to invoices prior to rendering payments to vendors.
- Ensure that Internet portals and websites are properly developed, implemented, and functional.
- Employ only properly qualified pedagogical employees.

DOE agreed with five of the six recommendations. However, it disagreed with the specific Reading First assertions upon which those recommendations were based.

Audit Follow-up

DOE agreed with and maintained that it instituted internal controls to implement five of the six audit recommendations. However, DOE continues to disagree that it should require employees who authorize payments to compare receiving reports to invoices prior to rendering payments to vendors.

DOE maintains that its size and complexity render this recommendation infeasible.

DEPARTMENT OF EDUCATION

Audit Report on the Compliance of Vanguard High School with Department of Education Procurement Guidelines for Small Dollar Purchases

[Audit # FM08-113A](#)

Comptroller’s Audit Library #8004

Issued: March 18, 2010

Monetary Effect: Potential Revenue: \$18,431

Introduction

This audit determined whether Department of Education (DOE) officials properly administered the small dollar purchases made through SIPP for Vanguard and whether Vanguard made purchases in accordance with DOE rules and regulations.

DOE provides primary and secondary education to more than a million students between pre-kindergarten and the 12th grade in approximately 1,400 schools. Its Standard Operating Procedures (SOPs) allow the use of the Small Item Payment Process (SIPP) to facilitate small dollar purchases of Other Than Personal Services (OTPS). SIPP payments can be made directly to vendors or to reimburse employees who have already made small purchases. Vanguard High School (Vanguard) is one of 425 high schools in the system and serves approximately 380 students in grades 9-12.

The audit covered Fiscal Year 2007 (July 1, 2006, to June 30, 2007), during which Vanguard expended \$131,452 through SIPP that consisted of 381 payments.

Results

The audit could not determine whether Vanguard complied with DOE SOPs because of Vanguard’s inability to provide sufficient documentation for a significant portion of the audit population. However, based on the documents provided, the audit determined that Vanguard officials circumvented the procedures set forth in the SOPs. Vanguard officials paid a minimum of \$18,431 in questionable expenditures, processed payments without proper authorizations, circumvented the \$500 expenditure threshold, failed to maintain supporting documentation, paid for prior year purchases, and used incorrect object codes to record SIPP expenditures.

In addition, Vanguard officials improperly processed SIPPs by using a former school secretary’s user ID for the DOE Financial Accounting Management Information System (FAMIS). Lastly, Vanguard’s Principal did not safeguard his user ID and passwords for access to FAMIS and approval of SIPP transactions.

The audit report recommended that DOE:

- Investigate the validity of the questionable expenditures mentioned in this report and determine whether the school officials misappropriated and misused the school funds.
- Recoup the duplicate payments and any other funds that were misused.
- Provide additional training to ensure that school officials follow DOE SOPs including,
 - obtaining proper authorizations

- complying with the \$500 expenditure threshold
- maintaining supporting payment documents for six years
- properly recording the expenses in each fiscal year, and
- using the correct object codes to record SIPP expenditures.
- Require the Integrated Service Center (ISC) to perform periodic reviews of Vanguard’s SIPP expenditures to ensure compliance with SOPs.
- Promptly deactivate the FAMIS user ID for any staff members who have left DOE.
- Notify staff members on ways of properly safeguarding user IDs, passwords, and approval codes.

DOE officials generally agreed with the findings and recommendations.

Audit Follow-up

DOE reported that it referred the draft report to the Special Commissioner of Investigation (SCI), which completed its investigation in September 2010. DOE is waiting for SCI to issue the report and SCI’s recommendations before taking any actions to recoup misappropriated funds and duplicate payments. Moreover, training was provided to Vanguard personnel in 2009 and 2010 covering procurement rules and regulations as well as safeguarding user IDs, passwords and approval codes. In addition, DOE reported that effective July 1, 2010, ISCs were replaced with Children First Network Teams (CFN). The CFN is now responsible for monitoring Vanguard’s SIPP expenditures and compliance with DOE SOPs.

DEPARTMENT OF EDUCATION

Audit Report on the Department of Education’s Administration of the Early Grade Class Size Reduction Program

[Audit # FM09-113A](#)

Comptroller’s Audit Library #7980

Issued: September 9, 2009

Monetary Effect: None

Introduction

This audit determined whether those schools that received State Early Grade Class Size Reduction (EGCSR) funding created the number of classrooms required to reduce class size.

To reduce class size, the State Legislature passed legislation to create the EGCSR program. In 2007, EGCSR funding was incorporated into State Foundation Aid. Foundation Aid funding is used for increases in general operating costs and ongoing programs, with the major part of the funding also subject to the provisions of the State’s 2007 Contracts for Excellence legislation. That legislation required DOE to develop a five-year plan to reduce class size. DOE’s plan was

approved on November 19, 2007, and DOE continues to receive EGCSR funds to reduce class size in kindergarten to third grade.

In Fiscal Year 2008, the period covered by the audit, DOE received approximately \$88.8 million from the State and supplemented the program with \$14.9 million in federal contributions and \$76.2 million in City tax levy funds to maintain the total EGCSR classrooms established in previous years. The total of these funds, \$179.9 million, was to be used to create approximately 1,600 additional classes, with an expectation of reducing the average early grade class size to 20 students.

Results

During Fiscal Year 2008, DOE did not spend \$48.4 million (26.9 percent) of the \$179.9 million of EGCSR funds in accordance with EGCSR guidelines and fell significantly short of providing the required number of additional classrooms paid for with State EGCSR funds. DOE used nearly \$46.8 million of the \$179.9 million in EGCSR funds earmarked for reducing early grade class size to substitute \$46.8 million in tax levy funds, contrary to EGCSR guidelines. By using EGCSR funds in place of tax levy funds, schools freed up less restrictive money to spend on other budget items instead of further reducing classroom averages. The \$46.8 million should have been spent on creating an additional 414 general education classes at 245 schools across the City, but these funds were improperly used instead to pay for teacher positions that would have existed without the EGCSR program.

Of the total \$46.8 million that was misused, 115 elementary schools used more than \$17.9 million to substitute tax levy funds instead of creating 159 additional classes, even though they had the need and capacity to add classrooms. An additional \$21 million was improperly allocated to 108 schools that did not have the capacity to add 185 additional classrooms. Finally, \$7.9 million was given to 46 schools to add 70 additional classrooms but which already had class sizes of 20 students or less in kindergarten to third grade and had no need of additional EGCSR funding.

In addition, 15 schools misspent \$1.6 million on per diem absence coverage, cluster teachers, and teacher removals (transfers, resignations, maternity leave, etc.) instead of using the funds to create 14 new classrooms.

The audit report made eight recommendations to the DOE Central Office (Central) and Integrated Service Centers (ISCs), among them that:

DOE Central should:

- Continue to give priority to new classroom formation.
- Require schools to prepare a formal annual plan detailing whether funds will be used to add classrooms or to fund push-in teachers.
- Require ISCs to monitor the use of EGCSR funding to verify that it is in accordance with the plans established by those schools within their districts.

ISCs should:

- Closely monitor the schools that plan to add a classroom to ensure that funds are used only to create classrooms additional to those that would have existed without the EGCSR funds.

- Make use of Enrollment, Capacity, and Utilization Reports and projected enrollments for those schools that plan to add a push-in teacher to determine whether an additional classroom can be added instead.

In their response, DOE officials rejected the audit’s findings and recommendations.

Audit Follow-up

DOE reported that it continues to disagree with the audit’s recommendations and stated it has again “voluntarily earmarked and allocated unrestricted operating funds to the schools primarily to retain classes formerly funded with State Early Grade Class Size Reduction allocations.”

DEPARTMENT OF EDUCATION

Audit Report on the Administration of New York State Standardized Tests by the New York City Department of Education

[Audit # MD08-102A](#)

Comptroller’s Audit Library #7972

Issued: July 22, 2009

Monetary Effect: None

Introduction

This audit determined whether the Department of Education (DOE) has adequate internal controls over the administering of New York State standardized tests for grades 3, 4, and 5.

DOE provides primary and secondary education to more than 1 million pre-kindergarten to grade 12 students in over 1,400 schools. DOE prepares students to meet grade level standards in reading, writing, and math and tests students to determine how well they are meeting these mandated learning standards. Students in grades 3 - 8 take both the New York State standardized English Language Arts (ELA) Test and the New York State standardized Mathematics (Math) Test. This audit focused on the administration of ELA and Math tests for students in elementary school grades 3, 4, and 5 only. The scope period of the audit was the 2007–2008 school year.

Results

DOE has adequate internal controls with respect to ensuring that schools are familiar with established procedures when administering the New York State standardized tests at elementary schools. In addition, the schools that were visited generally complied with the New York State Education Department (NYSED) testing guidelines and the DOE Handbook and testing memoranda. However, DOE lacks sufficient preventive and detective controls aimed at deterring inappropriate manipulation of test scores, which would help to ensure the overall integrity of the assessment process.

DOE has established procedures for the administration of New York State standardized ELA and Math tests at elementary schools. DOE provides a Handbook and distributes test memoranda to its staff in an effort to keep them informed of all required procedures in administering State and Citywide tests. DOE also offers its staff annual training on proper methods in administering the tests as well as training of scoring staff to help identify testing irregularities when grading the long answer portions of the exam. The audit also found that, for the most part, the schools visited complied with the State guidelines and the guidelines outlined in the Handbook.

Since achieving a positive school performance rating provides an added incentive for school officials to ensure that students perform well on standardized tests, there is a potential risk for inappropriate test manipulation. Based on observations, significant weaknesses were identified that DOE has not addressed to help prevent or detect the manipulation of test scores. Specifically, DOE needs to improve its oversight of testing monitors to ensure that they are carrying out their duties properly and ensure that monitoring checklists are used more effectively. In addition, DOE should re-implement the use of analytics to identify possible testing irregularities and tampering and should institute stronger controls over the second and third sections of the tests. Finally, DOE should ensure that substantiated allegations of cheating are shared with the Office of Accountability (OA), the office primarily responsible for coordinating yearly testing and compliance with NYSED testing guidelines and DOE controls over the tests.

The audit made 14 recommendations, five of which are listed below. DOE should:

- Accurately track the assignment of testing monitors to ensure that they are being used effectively.
- Discuss with NYSED the possibility of obtaining the answer keys promptly after the administration of each test to enable DOE to perform a timely erasure analysis. However, DOE should perform erasure analysis to identify possible improprieties regardless of when it receives the answer key.
- Compile, maintain, and track data on the number of make-up exams that are taken for the Day Two and Day Three ELA and Math exams.
- Identify indicators to use in detecting unusual patterns that may be indicative of test tampering or irregularities and collect sufficient data to adequately track those indicators. Based on the information collected, DOE should target those schools with unusual patterns for further follow-up.
- Ensure that the Office of Special Investigations (OSI) formalizes a process to make certain that all instances of substantiated cheating are shared with OA, so that OA can strengthen existing controls or develop new ones in an effort to prevent cheating from occurring in the future.

DOE officials generally agreed with the audit’s recommendations, but disagreed with one of them and did not respond to one of them. Officials also disagreed with the tone of the report.

Audit Follow-up

DOE reported that of the 12 recommendations that it agreed with, six recommendations have been implemented, two recommendations are in the process of being implemented, one recommendation was not implemented, one recommendation was not addressed, and the remaining two recommendations are under consideration. Moreover, DOE explained additional steps taken to strengthen controls over its administration of standardized tests.

DEPARTMENT OF EDUCATION

Audit Report on the Department of Education’s Calculation of High School Graduation Rates

[Audit # ME09-065A](#)

Comptroller’s Audit Library #7971

Issued: July 21, 2009

Monetary Effect: None

Introduction

This audit determined whether the Department of Education (DOE) properly calculated high school graduation rates. The period covered by this audit was the Class of 2007, which includes students who entered a City public high school on or after September 1, 2003, and were expected to graduate by August 31, 2007.

DOE provides primary and secondary education to over one million students, pre-kindergarten to grade 12, in more than 1,400 schools. To graduate from one of the City’s 425 high schools, a general education student must accumulate 44 credits in designated subjects, pass five New York State Regents examinations, and maintain a 90 percent attendance rate.

DOE uses two computer systems, the High School Scheduling and Transcripts (HSST) system and the Automate the Schools (ATS) system, to track student schedules, performance, and attendance. HSST is used to record students’ schedules, grades, and transcripts. ATS is used to record students’ biographical information, admission and discharge data, attendance, and status.

The graduation rate is calculated by dividing the number of graduates by the total number of students in the cohort who either graduated, dropped out, or were still enrolled. Only those students who were discharged from the school system during the four years are excluded from the calculation. According to DOE, the 2003-2007 cohort (the focus of this audit) consisted of 88,963 students, including 43,651 graduates, 17,035 still enrolled, 18,524 discharges, and 9,753 dropouts. Using the City’s formula, DOE reported on August 11, 2008, that the four-year graduation rate increased from 58 to 62 percent between 2005 and 2007.

Results

The audit revealed that DOE needs to institute stronger controls to ensure that official records corroborate the classification of students as graduates. Our review of 197 sampled graduates

found that the transcripts for 19 (9.6%) of them did not appear to have evidence that the students had the required number of credits overall or in major subjects or passed all of the required Regents examinations needed to graduate. DOE provided internal documentation from schools that appears to support the graduation status of 17 of these 19 students. However, in a number of instances, the audit was unable to determine with reasonable assurance that the documentation provided to auditors was actually reviewed by the schools at the time the decisions to graduate the students were made.

The audit found that schools are given considerable authority with minimal oversight by DOE in determining whether State and DOE graduation standards are met. The audit also found that schools awarded students multiple credits for passing the same course two or more times and did not maintain evidence that all transcript changes were properly approved. Moreover, it appears that some students were classified as discharged without adequate evidence to support that classification. Finally, the audit concluded that the parameters set by the State for classifying students as dropouts, if not followed by DOE in a timely manner, result in a reported dropout rate that does not account for all students who have actually dropped out of school.

DOE did, however, establish a system of internal quality control reviews (i.e., data reliability checks) in an effort to ensure the accuracy of its graduation rate calculation. DOE also engaged an external audit firm to perform some agreed-upon procedures to assist in the validation of the graduation rate.

To address these issues, the audit made 12 recommendations, including that DOE:

- Establish that HSST reflects that a student has met graduation requirements before a diploma is given.
- Implement controls to ensure that schools make sure that the transcripts and permanent record cards of general education graduates reflect that they have accumulated the required number of credits overall and in major subjects and pass all required Regents examinations.
- Ensure that all grade and exam score changes made to student transcripts are permanently traceable in HSST.
- Implement controls to ensure that schools only classify students as having been discharged when the discharge has been appropriately documented and properly recorded in ATS.

DOE generally agreed with nine recommendations, disagreed with one, and did not address two. However, DOE disagreed with many of the findings upon which the recommendations were based.

Audit Follow-up

DOE reported that it has replaced the HSST data base with the Scheduling, Transcripts, and Academic Reporting System (STARS) in an effort to accurately update high school students' progress towards graduation. In addition, ATS was upgraded to include information on the documentation for student discharges. DOE also stated that in November 2009, Chancellor's

Regulation A-501 was amended “to clarify that achievement of 90 percent attendance is a promotional consideration and goal, but not a graduation requirement.”

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Audit Report on the Department of Environmental Protection's Progress in Constructing the Croton Water Treatment Plant

[Audit #FR08-121A](#)

Comptroller's Audit Library #7977

Issued: September 1, 2009

Monetary Effect: None

Introduction

The overall objective of this audit was to evaluate the Department of Environmental Protection's (DEP) effectiveness in carrying out the mandate in the Consent Decree to construct the Croton Water Treatment Plant.

DEP executed a 1998 Consent Decree after the federal government alleged that the City had failed to safeguard the quality of Croton water, thereby violating federal drinking water regulations. According to the Consent Decree and its supplements, DEP must construct the Croton Water Treatment Plant (Plant) by October 31, 2011, to filter drinking water from the City's Croton water system.

Failure to attain intermediate milestones and complete the Plant on time will subject the City to monetary penalties. In 2003, the estimated cost to build the Plant was \$992 million. The current estimated construction cost to build the Plant is more than \$2 billion. The scope of this audit covered calendar years 2003 to 2009.

Results

While much of the work completed to date is in accordance with established timeframes, DEP will not be able to complete overall construction of the Plant and commence operations in accordance with the terms of the Consent Decree. DEP has already missed certain milestone dates for which it was penalized \$4.7 million. Moreover, the City may be liable for more than \$10 million in additional penalties (almost \$15 million overall) because DEP will not commence Plant operations until April 2012—six months later than the required milestone date of October 31, 2011.

The Plant will not be completed on time because a contractual problem extended the start of construction, and DEP lagged in completing designs and awarding construction contracts for required improvements (i.e., off-site facilities) that are near the site of the Plant and are needed to deliver treated drinking water from the Plant to the City's water distribution system. Moreover, the delay in awarding off-site facility contracts has hindered DEP's ability to complete required Plant startup testing by October 31, 2011.

DEP has a project management system to carry out the Plant's design and construction. However, it did not effectively adhere to its system to carry out required work associated with the designs and procurement of the off-site facilities.

The audit made 10 recommendations, including that DEP should:

- Immediately complete any outstanding designs, solicit bids, award contracts, and commence work for all remaining off-site facility construction contracts.

- Incorporate construction schedules for off-site facility work in the overall Plant progress schedule.
- Effectively plan and manage the critical off-site facility work to ensure its completion within sufficient time to undertake adequate Plant testing operations.
- Ensure that it completes all required work in accordance with the timeframes prescribed in the Consent Decree.
- Consult with the New York State Department of Health and seek a waiver for any assessed and potential penalties.
- Ensure that the work of design consultants is properly supervised and tracked.

DEP agreed with only two of the 10 audit recommendations.

Audit Follow-up

DEP reported that eight recommendations have either been implemented or are in the process of being implemented. DEP disagreed with, and does not plan to implement, the remaining two recommendations concerning assessing liquidated damages.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Audit Report on Audit Report on Department of Environmental Protection's Oversight of Costs To Construct the Croton Water Treatment Plant.

[Audit #FR09-110A](#)

Comptroller's Audit Library #7976

Issued: September 1, 2009

Monetary Effect: None

Introduction

This audit determined whether the Department of Environmental Protection (DEP) has effectively administered the construction of the Croton Water Treatment Plant (Plant) to ensure that costs were substantiated, reasonable, and necessary.

DEP executed a 1998 Consent Decree after the federal government alleged that the City had failed to safeguard the quality of Croton water, thereby violating federal drinking water regulations. According to the Consent Decree and its supplements, DEP must construct the Plant by October 31, 2011, to filter drinking water from the City's Croton water system.

Failure to attain intermediate milestones and complete the Plant on time will subject the City to monetary penalties. In 2003, the estimated cost to build the Plant was \$992 million. The current estimated construction cost to build the Plant is more than \$2 billion. The scope of this audit covered calendar years 2003 to 2009.

Results

DEP has generally administered the construction of the Croton Water Filtration Plant effectively to ensure that actual costs are substantiated, reasonable, and necessary. While the audit identified some problems in maintaining records for substantiating voucher payments, its review indicated that DEP has appropriate processes and internal controls for reviewing and approving payments to contractors.

However, the audit noted that the actual cost to construct the Plant is much higher than was estimated by DEP when it reported in 2003 that the cost would be \$992 million. The actual cost of the contracts awarded by DEP by February 2009 totaled \$2.13 billion—\$1.14 billion higher than estimated. Had the conceptual cost estimate complied with engineering standards for accuracy, the actual cost of construction would not have been expected to exceed \$1.29 billion. Accordingly, the audit concluded that the conceptual cost estimate was unreliable and could not be used as a gauge of the actual costs that would be incurred by DEP to construct the Plant.

The audit made six recommendations, including that DEP:

- Prepare written procedures for auditing payment vouchers in accordance with Comptroller's Directive No. 7.
- Ensure that engineering audit office files contain appropriate evidence to show that substantiating documentation was reviewed.
- Ensure that conceptual cost estimates adhere to estimating guidelines in the Department's "Cost Estimating Manual."
- Develop conceptual cost estimates that contain sufficient substantiating information.
- Adjust cost estimates to include the anticipated effects of inflation in labor, equipment, and material costs.
- Adequately oversee the work of consultants preparing cost estimates, and review documentation used in their development.

In its response, DEP agreed with all six recommendations of the audit report.

Audit Follow-up

DEP reported that it has implemented all the audit recommendations and that it has formed a new Cost Estimating Division to ensure compliance with its Cost Estimating Manual.

DEPARTMENT OF FINANCE

Audit of the Reliability and Accuracy of Commercial Motor Vehicle Tax Data Administered by the Department of Finance

[Audit #7A09-101](#)

Comptroller's Audit Library #8002

Issued: January 29, 2010

Monetary Effect: Potential Revenue: \$8 million

Introduction

This audit examined the reliability and accuracy of the Commercial Motor Vehicle Tax data administered by the Department of Finance (DOF), which is responsible for collecting City revenues efficiently and encouraging compliance with City tax and other revenue laws.

DOF administers a Commercial Motor Vehicle Tax (CMVT) that is levied on the following vehicles: medallion taxicabs, non-passenger commercial motor vehicles weighing more than 10,000 pounds (and those weighing less than 10,000 pounds if they are registered outside of New York City), and all motor vehicles used for transportation of passengers that are registered outside New York City but used within the City limits. All other types of motor vehicles are handled by the New York State Department of Motor Vehicle (DMV). Every month, the DMV electronically forwards to DOF the data for the vehicles it registers that are subject to the CMVT. DOF handles the CMVT billing and collection process. DOF collected \$47.5 million dollars in CMVT revenue for Fiscal Year 2008. Fieldwork for this audit was performed from October 2008 to August 2009.

Results

The CMVT data exists in a secure environment and is readily accessible to all essential users identified by DOF. CMVT data is generally accurate and reliable for collection purposes and generally contains the required information for enforcement and penalty collection purposes. However, while conducting the tests that addressed the objectives to this audit, the auditors identified an outstanding balance (unpaid) of \$8 million. Included in this balance were accounts that were underpaid due to dishonored checks but that nevertheless received a tax stamp. Also, DOF has a rule that permits a tax stamp to be issued if an account owes less than \$5. In addition, DOF does not notify account holders who have made an overpayment. Finally, CMVT billing periods are kept independent of each other. As a result, previous balances are not carried over to the next billing period, allowing accounts with an outstanding balance for a prior period to receive a tax stamp in subsequent periods.

The audit made five recommendations. DOF should:

- Ensure that the billing process is corrected and previous years' account balances are carried forward.
- Develop a memo of understanding with the Taxi and Limousine Commission (TLC) and New York State DMV to ensure that all CMVT are collected before the TLC approves the licenses for medallions and non-medallion automobiles, thereby improving its collection of outstanding CMVT balances.

- Comply with the Rules of the City of New York, Title 19, to ensure that all uncertified checks have been converted to collectible funds before issuing a tax stamp.
- Identify and notify account holders of overpayments to allow them the opportunity to request a refund in writing to DOF.
- Determine whether the system should write off account balances of less than \$5 or carry them over to the next billing

DOF officials agreed with three recommendations, partially agreed with one recommendation, and disagreed with one recommendation.

Audit Follow-up

DOF reported that it is attempting to implement the four recommendations that it agreed with or partially agreed with. In addition, DOF reported that it has met with the Law Department and is still researching the best way to hold TLC licensees accountable for their outstanding CMVT balances.

DEPARTMENT OF FINANCE

Audit Report on the Implementation of 421(a) Incentive Program Tax Benefits for Properties in Manhattan

[Audit #FR08-123A](#)

Comptroller's Audit Library #7985

Issued: October 6, 2009

Monetary Effect: Potential Revenue: \$15,187,548

Introduction

The objectives of this audit were to determine whether the Department of Finance (DOF) is implementing tax exemptions appropriately under the Section 421(a) program, and; is calculating tax benefits accurately.

The Section 421(a) program provides tax exemption benefits to owners of residential real property who construct new multiple dwellings or convert, alter, or improve existing buildings for residential use. The Department of Housing Preservation and Development (HPD) is responsible for administering the program and issuing a certificate-of-eligibility to property owners it deems eligible and who meet program requirements. DOF is then responsible for calculating and implementing tax benefits granted under the program.

The program was created in 1971 under legislation authorized by Section 421(a) of the New York State Real Property Tax Law as a means of encouraging housing development in the City. Exemptions are granted for a period of up to three years for construction, and either 10, 15, 20, or 25 additional years on a sliding scale, depending on the property's location in the City, whether construction is carried out with substantial government assistance, and whether

requirements for affordable housing have been met. In Fiscal Year 2009, 37,485 properties received \$607 million in tax benefits.

Results

DOF is inaccurately calculating tax exemption benefits under the Section 421(a) program. As a result, for 50 sampled properties, the City has lost more than \$15 million in real estate tax revenue from the date that properties were originally granted tax exemptions until Fiscal Year 2008. Moreover, certain properties overpaid \$1.2 million in taxes. Furthermore, the audit estimated that DOF could under-bill approximately \$130.2 million in additional taxes for the sampled properties in future years throughout the remaining terms of the exemption benefits. DOF also lacked reliable program records and written procedures for calculating tax information. Finally, certain DOF files lacked required documentation.

The audit made 10 recommendations, including that DOF:

- Review and adjust the calculations of taxable assessed values and taxes due for the 50 sampled properties and for all other properties.
- Recoup \$9,896,149 in real estate taxes from 37 properties.
- Recoup \$4,849,389 in improperly allowed real estate tax benefits for two properties.
- Adjust base year assessed value calculations for four properties as required by program rules and recoup \$442,010 in lost real estate taxes.
- Implement adequate internal controls to ensure that all program information is accurately recorded in FAIRTAX and the hard copy property files (e.g., property cards, etc.) In that regard, information in FAIRTAX and the property cards should be periodically reconciled.
- Prepare formal written policies and procedures for calculating assessed values and exemptions. Ensure that appropriate DOF staff is instructed in program policies and procedures.

In its response, DOF strongly disagreed with the report's findings. DOF disagreed with eight of our 10 recommendations, partially agreed with our recommendation to implement adequate internal controls, and agreed with our recommendation to prepare formal written policies and procedures for calculating assessed values and exemptions.

Audit Follow-up

In response to the recommendation to implement adequate internal controls, DOF reported that it has replaced the hard copy property files and property cards with a Shared Internal File entitled: "421 a Exemption Description." Information in this file is periodically reconciled with FAIRTAX. DOF also reported that it is in the process of finalizing a policy and procedures manual for the 421a program. However, DOF continues to disagree with eight recommendations and did not address the remaining recommendation.

THE FINANCIAL INFORMATION SERVICES AGENCY

Audit Report on the Financial and Operating Practices of the Financial Information Services Agency

[Audit # FP10-054A](#)

Comptroller's Audit Library #8007

Issued: March 25, 2010

Monetary Effect: None

Introduction

This audit determined whether the Financial Information Services Agency (FISA) complied with certain purchasing procedures as set forth in the New York City Charter, the New York City Comptroller's Internal Control and Accountability Directives (Comptroller's Directives) #3, "Procedures for the Administration of Imprest Funds;" #6, "Travel, Meals, Lodging and Miscellaneous Agency Expenses;" #24, "Agency Purchasing Procedures and Controls;" applicable Procurement Policy Board (PPB) rules; and the New York City Department of Investigation's (DOI) *Standards for Inventory Control and Management*. The audit covered the period July 1, 2008, through June 30, 2009.

FISA is responsible for the data processing systems that support the activities of City personnel who work with the City's central financial records, employee payroll, and personnel records. One such system is the Financial Management System, which is used by officials to administer the City budget and account for public funds.

Results

With the exception of the issues noted below, the audit found that FISA generally adhered to the requirements of Comptroller's Directives #3, #6, and #24, DOI's inventory standards, and applicable PPB rules. In addition, an examination of the FISA's Other Than Personal Service (OTPS) expenditures disclosed no instances in which moneys were improperly used. However, FISA did not always comply with certain aspects of Comptroller's Directive #3, #6, and #24, and DOI's inventory standards. Specifically, FISA:

- Charged expenses to the incorrect object codes;
- Improperly used miscellaneous vouchers to pay two expenditures;
- Improperly used the imprest fund for recurring expenditures; and
- Maintained incomplete and inaccurate inventory records.

The audit made four recommendations to FISA to address these deficiencies. FISA should:

- Charge all purchases to the correct object codes;
- Ensure that miscellaneous vouchers are used only for purposes that are allowed by Comptroller's Directive #24;
- Ensure that the imprest fund is used for appropriate expenses in accordance with Comptroller's Directive #3; and
- Maintain complete and accurate inventory records.

FISA officials agreed with the four recommendations.

Audit Follow-up

FISA reported that all of the recommendations have either been implemented or are in the process of being implemented.

NEW YORK CITY FIRE DEPARTMENT

Audit Report on Fire Department Controls over the Professional Certification Process of the Fire Alarm Inspection Unit

[Audit # MH09-086A](#)

Comptroller's Audit Library #7969

Issued: July 16, 2009

Monetary Effect: Potential Revenue: \$5,635

Introduction

This audit determined whether the Fire Department (FDNY) had adequate controls over the Alarm Unit's professional certification process to ensure that certifications are timely and legitimate. The audit scope was July 2007 through April 2009.

FDNY's Bureau of Fire Prevention is responsible for conducting inspections of bulk fuel, hazardous cargo, range hoods, sprinklers and standpipes, and fire alarm systems. Its Fire Alarm Inspection Unit (Alarm Unit) is responsible for conducting initial inspections of fire alarm systems of commercial buildings (e.g., schools, hotels, factories, office buildings, department stores, hospitals) and high-rise residential buildings and issuing Letters of Approval or Letters of Defect. When it finds more severe problems, the unit immediately issues Violation Orders.

To ensure compliance with a Letter of Defect, an inspector is to follow up by either going to the premises or by allowing the building owner to have a registered architect, a professional engineer, or a licensed electrical contractor attest to the proper operation of the fire alarm system (known as a "self" or "professional" certification). Throughout the year, the Alarm Unit selects approved professional certifications for audit. The Alarm Unit reported that it met its 5 percent audit goal by auditing 57 of the 1,139 professional certifications that it approved during Fiscal Year 2008.

Results

FDNY does not have adequate controls over the professional certification process of the Alarm Unit to ensure that certifications are timely and legitimate. Collectively, the inadequate controls create an environment in which the likelihood of corruption or the abuse of authority is increased and the risk of danger to the public is heightened.

The following include the areas of concern: 1) property owners for 49 percent of the 51 audited professional certifications reviewed failed their inspections, 2) an unreliable system for tracking professional certifications, 3) inadequate procedures for the timeliness of the professional certification process, 4) inadequate procedures for categorizing fire alarm system deficiencies based on their seriousness and for selecting audits, 5) missing hard-copy inspection files, 6) an inadequate goal for the audit of professional certifications, 7) the lack of an annual rotation program for inspectors and supervisors, and 8) inaccurate billings for audit inspections, resulting in a potential revenue of \$5,635.

In addition, there were questionable matters in hard copy case files that further illustrate the need for FDNY to strengthen its controls.

The audit made 21 recommendations, including:

- Until the new computer system that is in the process of being developed is fully operational by the Alarm Unit, FDNY should ensure that Alarm Unit officials effectively use whichever application (the Fire Prevention Information Management System or Self-Certification Database) is selected to monitor the professional certification process from the receipt of the certifications to their audit and any subsequent enforcement inspections.
- FDNY should develop and implement adequate written procedures that are sufficiently detailed for the Alarm Unit to follow for its professional certification process. The procedures should include time frames for reviewing professional certifications and conducting audit inspections of professional certifications. In addition, the procedures should include fire alarm system deficiencies categorized by their seriousness, the circumstances in which the Alarm Unit would not allow a Letter of Defect to be professionally certified, and the factors that should contribute to the Audit Supervisor's decision to select a professional certification for audit.
- FDNY should comply with its established time frame and cease accepting professional certifications that are submitted later than 90 days of the issuance of a Letter of Defect.
- FDNY should investigate the 10 professional certifications identified in this report for which the building owners may have either been incorrectly billed for inspections that did not occur, not billed at all, or inaccurately billed for inspections that did occur. If warranted, revised bills should be sent to the owners.

In their response, FDNY officials generally agreed with 16 of the 21 recommendations and disagreed with four. The remaining recommendation was rendered not applicable because FDNY changed the relevant practice.

Audit Follow-up

FDNY reported that it is in the process of implementing the recommendations that it agreed with. In addition, FDNY stated that “a combination of new staff, use of the enhanced Access database and the increase of audits performed from five percent to ten percent, clearly indicate a large unacceptable level of failure. As a result, and with the recommendation of BFP Executive Management, the professional certification process and program will be suspended indefinitely on December 31, 2010.” FDNY also stated that it is in the process of conducting an “in-depth-analysis” of the current hourly inspection fee structure.

HEALTH AND HOSPITALS CORPORATION

Audit Report on the Compliance of New York City Health and Hospitals Corporation with the Financial Provisions of the Ambulance and Pre-hospital Emergency Medical Services Memo of Understanding

[Audit # FM08-080A](#)

Comptroller's Audit Library #7991

Issued: November 24, 2009

Monetary Effect: Actual Revenue: \$1,503,131

Potential Revenue: \$947,447

Introduction

The audit's objective was to determine whether the New York City Health and Hospitals Corporation (HHC) paid New York City the appropriate amounts in accordance with the Memorandum of Understanding (MOU) (i.e., "Services by the City and Compensation by HHC" and "Property and Contracts of HHC and Related Matters").

A January 19, 1996, MOU set forth terms and conditions for the transfer of Emergency Medical Services (EMS) from HHC to the New York City Fire Department (FDNY). The transfer of responsibilities sought to improve the effectiveness of ambulance and pre-hospital emergency medical services by combining EMS personnel with the FDNY emergency response system.

The MOU specifies that HHC will bill and receive all amounts arising from EMS's delivery of patients to HHC hospitals pending FDNY's assumption of the billing and collection responsibilities itself. The MOU requires the City Budget Director and President of HHC jointly to project the amount of EMS-anticipated collections (projected collections) prior to each fiscal year. The amount of projected collections must be repaid to the City by HHC in four payments, three at the end of each of the first three quarters, and one final payment within 60 days of the end of the City's fiscal year. The final payment may require adjustment based on differences between actual and projected collections and from adjustments or expenses incurred or paid by HHC on behalf of EMS.

In 2002, FDNY assumed responsibility for billing and collection of non-Medicaid payments, third-party insurance, self-pay patients, and Medicare—for EMS services provided to patients delivered to HHC hospitals. Currently, those payments are sent to a lockbox and transferred daily to an HHC bank account. HHC remits these amounts, less any HHC deductions, as part of its quarterly payments to the City. The audit covered Fiscal Years 2006, 2007, and 2008 (July 1, 2005, through June 30, 2008).

Results

HHC did not adhere to the financial terms of the MOU and may owe the City nearly \$2.4 million. Since 2000, HHC improperly deducted \$2,450,578 in offsets against EMS payments due the City. These offsets include \$1,454,638 for use of space to operate the fleet maintenance facility at Sea View, even though an agreement exists between the City and HHC for use of the premises; \$947,447 in bank charges for its own lockbox account; and \$48,493 in unsubstantiated payments to vendors. Furthermore, HHC and the City did not negotiate a payment schedule once FDNY assumed the responsibilities of billing and collecting of non-

Medicaid revenue. As a result, there has been an unwarranted delay in payments by HHC to the City of non-Medicaid revenue. In addition, HHC did not obtain prior written approval from the City when it delayed making quarterly Medicaid payments in 2006. Finally, FDNY made untimely rental payments for a radio transmittal tower resulting in \$5,052 in unnecessary late fees for Fiscal Year 2008.

The City could have prevented these issues through closer oversight, enhanced controls, and better coordination. Although the City may be able to recoup the improper deductions from HHC, the City is at risk of losing potential interest income until the parties establish new due dates and associated late payment penalties.

The audit made 13 recommendations: seven to HHC, four to OMB and two to FDNY, including the following.

HHC should:

- Pay the City \$2,450,578.
- Abide by the terms of the July 20, 2000, license agreement and cease assessing the City an indirect cost associated with the City's use of Sea View Hospital and surrounding area.
- Cease charging the City bank fees associated with HHC's lockbox account.
- Negotiate with OMB a more expeditious payment schedule, establish a liquidated damages clause for any delayed non-Medicaid revenue payments, and formalize any modifications to the MOU accordingly.

OMB should ensure that:

- HHC pays the City \$2,450,598.
- HHC adheres to the terms of the MOU and payments of EMS funds are promptly made to the City.
- An annual reconciliation is performed to verify that all adjustments and credits taken by HHC against the final payment are valid.

FDNY should:

- Ensure that rental payments are processed on time.
- All EMS lease renewals should be in the name of FDNY and all lease payments should be processed through the FDNY's normal budgetary process.

In their response, HHC officials stated it reimbursed the City \$1,503,131 of the \$2,450,578 assessed by the audit as part of the June 30, 2009, EMS final settlement reconciliation. However, HHC officials stated, "We do not concur with several findings (e.g., 'Improper Bank Charges,' 'Untimely Payment for EMS Services' and 'Lack of Documentation Supporting Approval of Delayed Medicaid Payments')." Regarding the seven recommendations directed to HHC, the HHC response agreed with three, partially agreed with one, and disagreed with three.

In its response, OMB officials generally agreed with two of four recommendations, partially agreed with one recommendation, and disagreed with the remaining recommendation. OMB decided not to pursue the \$947,447 associated with lockbox bank charges.

In their response, FDNY officials stated that FDNY will ensure that all rental payments are paid on time. However, they disagreed with the other recommendation that suggested all EMS leases should be in the name of FDNY.

Audit Follow-up

HHC reported that all of the audit recommendations that it agreed with have been implemented.

FDNY reported that it is implementing the recommendation to make timely payment on all invoices. FDNY continues to disagree that all EMS lease renewals should be in the name of FDNY. FDNY stated that ambulance Medicaid reimbursement rates would decrease should the recommendation be implemented.

OMB reported that it is currently implementing the recommendations that it agreed with.

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Audit Report on the Implementation of the Electronic Death Registration System by the Department of Health and Mental Hygiene

[Audit # 7A09-083](#)

Comptroller's Audit Library #7989

Issued: November 24, 2009

Monetary Effect: None

Introduction

This audit determined whether: the Electronic Death Registration System (EDRS) functions reliably, and information recorded in the database is accurate and secure from unauthorized access; the system design allows for future enhancements or upgrades; EDRS has been built within the anticipated cost estimate; users are satisfied with the system; and; a disaster recovery plan has been devised for EDRS and has been incorporated into the Department of Health and Mental Hygiene (DOHMH) disaster recovery plan.

The mission of DOHMH is to promote and protect the health and mental health of all New York City residents. Among DOHMH's responsibilities is the registration and issuance of birth and death certificates. DOHMH's Bureau of Vital Statistics (Vital Statistics) issues all Certificates of Death for deaths that occur within the City of New York. The Burial-Death Registration Unit of Vital Statistics records information pertaining to each death in the DOHMH computer system and issues certified death certificates and permits for the burial, cremation, and transportation of human remains. In 2006, DOHMH began using EDRS for its paper-based death registration with a link to the Social Security Administration for verification of decedents' Social Security numbers. Audit fieldwork was conducted from October 2008 through April 2009.

Results

EDRS functions reliably, and information recorded in the database is accurate and secure from unauthorized access. EDRS is based on the national EDRS standards model, allows for future enhancements or upgrades, and was completed within original cost and time estimates. It has a disaster recovery and business continuity plan in place. Users are generally satisfied with the system. However, there were reporting and performance-monitoring issues that should be resolved to improve system usefulness. In addition, DOHMH needs to develop a policy and procedures for handling future EDRS enhancements or upgrades, and review all open items previously recorded in Web Tracker for problem resolution.

To address these issues, the audit made five recommendations, that DOHMH:

- Have the vendor correct the EDRS ad hoc report generating capability to meet the required specifications.
- Test all available EDRS standard reports produced by the system, request resolution of all reports where problems were noted, and test the reports after the problems have been addressed.
- Institute or develop a proper system monitoring facility and set it to record EDRS service performance.

- Develop a policy and procedures for handling EDRS enhancements or upgrades.
- Review the status of all issues reported in Web Tracker, and where appropriate, close the reported issues and institute a stricter monitoring and periodic updating procedure for all those issues.

In their response, DOHMH officials generally agreed with the five findings and recommendations of the report.

Audit Follow-up

DOHMH reported that all of the audit's recommendations have been implemented.

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Audit Report on the Department of Health and Mental Hygiene Oversight of the Correction of Health Code Violations at Restaurants

[Audit # ME09-074A](#)

Comptroller's Audit Library #7970

Issued: July 20, 2009

Monetary Effect: None

Introduction

The audit determined whether the Department of Health and Mental Hygiene (DOHMH) had adequate internal controls to ensure that conditions that led to health code violations being issued to restaurants are corrected in a timely manner. DOHMH is charged with protecting and promoting the health and mental well-being of all City residents through health-promotion and disease-prevention programs and through the enforcement of City health regulations. The DOHMH Bureau of Food Safety and Community Sanitation is the unit responsible for enforcing the City Health and Administrative Codes, the State Sanitary Code, and various local laws of the City of New York. The scope period of this audit was Fiscal Year 2008 (July 1, 2007, through June 30, 2008). During Fiscal Year 2008, BFSCS conducted 61,848 restaurant inspections.

Results

DOHMH's internal controls for ensuring that health code violations at restaurants are corrected in a timely manner need to be strengthened. Follow-up inspections of sampled restaurants were often not conducted in a timely manner; DOHMH did not ensure that all restaurants were inspected annually; and documentation was inadequate on why restaurants that repeatedly failed sanitary inspections were allowed to remain open. Furthermore, DOHMH did not adequately track its inspectors or supervisors to ensure that inspections were being properly conducted and monitored.

However, for the sampled restaurants, the audit determined that the reinspections were conducted by a different inspector than the inspector who conducted the initial visit. In addition, the audit

confirmed that the restaurants in the Golden Apple program, which is aimed at encouraging food safety, were removed from the program if they failed an inspection.

To address these issues, the audit recommended, among other things, that DOHMH:

- Ensure that all permitted restaurants are given a full sanitary inspection at least once a year in accordance with its procedures.
- Consistently conduct compliance inspections of restaurants in a timely manner.
- Ensure that those restaurants that have failed three or more consecutive regular sanitary inspections or two or more consecutive Accelerated Inspection Program (Program) inspections are reinspected in a timely manner.
- Ensure that reasons for not closing restaurants that fail a minimum of three consecutive regular sanitary inspections or two consecutive Program inspections are documented in the DOHMH tracking system.
- Analyze inspection data to ascertain whether significant variances exist with respect to inspection scores given by inspectors. If such variances exist, determine the reasons for the variances and, if needed, make modifications (e.g., increase training) to ensure that inspections are performed in a consistent manner.
- Ensure that supervisors conduct supervisory inspections as required to ensure that sanitary inspections are being properly conducted and to minimize the risk of corruption in the inspection process.

In its response, DOHMH officials disputed many of the audit's findings but agreed or partially agreed with seven of the audit's recommendations and stated that it would consider implementing the other recommendation.

Audit Follow-up

DOHMH reported that six recommendations have either been implemented or are in the process of being implemented, and one recommendation is no longer applicable. DOHMH argued that the remaining recommendation is not needed. DOHMH stated that the Accelerated Inspection program was phased out as part of the agency's move to a system of rating restaurants with letter grades. In addition, DOHMH stated that its controls over food inspections are effective. Therefore, a recommendation that the agency ensure that supervisors conduct supervisory inspections is not necessary.

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Audit Report on the Monitoring by the Department of Health and Mental Hygiene of the Background Checks of School-Age Child Care Program.

[Audit # MH10-070A](#)

Comptroller's Audit Library #8023

Issued: June 30, 2010

Monetary Effect: None

Introduction

This audit determined whether the Department of Health and Mental Hygiene's (DOHMH's) Bureau of Child Care (Bureau) conducted the required inspections for registered School-Age Child Care (SACC) programs in accordance with its State contract and determined whether individuals working at the facilities obtained State Central Register of Child Abuse and Maltreatment (SCR) clearances and criminal background checks.

DOHMH is responsible for monitoring programs that provide child care. According to data for calendar year 2009 maintained by the Bureau on the State's Child Care Facility System, the Bureau conducted 2,559 inspections for the 1,273 SACC programs registered by the New York State Office of Children and Family Services. The audit scope was July 1, 2008, through February 17, 2010.

Results

DOHMH's Bureau of Child Care conducts the required compliance inspections of registered SACC programs in accordance with its State contract. The Bureau exceeded the 50 percent inspection requirement and performed compliance inspections of more than 90 percent of the programs during calendar years 2008 and 2009. The Bureau also maintained documentation as evidence that compliance inspections were performed for the 30 sampled SACC programs, and when violations were found, Corrective Action Plans were provided to the Program Directors detailing the violations found and the length of time the program was given to correct the problem. Follow-up inspections were conducted to make certain that the violations were corrected. In addition, face-to-face safety assessment interviews were conducted for the four employees in the audit sample whose criminal history background checks had an indication of an arrest or conviction.

However, an SCR clearance was not obtained, nor was an application even completed, for two of the 162 sampled workers requiring them at the time of the auditors' site visit. There was no evidence that SCR clearances were obtained for 24 (15 percent) workers as well, although there were SCR applications on file. Also, fingerprinting was not conducted, nor were criminal history checks completed, for 24 (12 percent) of the sampled 198 workers requiring them at the time of our visit. In addition, DOHMH Inspectors were inconsistent in maintaining evidence to verify the review of each worker's personnel file during the compliance inspection.

The audit made five recommendations, including that DOHMH should:

- Ensure that SACC Program Directors immediately follow up on individuals cited in this report for lacking SCR clearances.

- Advise SACC Programs Directors to maintain a tracking system of all documents required for their workers to ensure that lacking documents can be identified and obtained.
- Ensure that DOHMH inspectors and Program Directors are informed that volunteers over the age of 16 require fingerprint clearances.
- Require DOHMH inspectors to complete the Staff Information Chart along with the SACC Inspection Checklist.

In their response, DOHMH officials generally agreed with the recommendations.

Audit Follow-up

DOHMH reported that four recommendations have been implemented and the remaining recommendation has not been implemented. DOHMH stated that the State OCFS has decided not to allow DOHMH to conduct assessments of individuals whose records show a history of child abuse. The State requires SACC program directors to perform these assessments.

DEPARTMENT OF HOMELESS SERVICES

Audit Report on the Compliance of the Department of Homeless Services with City Procurement Rules and Controls over Payments to Non-Contracted Providers

[Audit #FK09-069A](#)

Comptroller's Audit Library #8009

Issued: March 25, 2010

Monetary Effect: Actual Savings: \$6,803

Potential Savings: \$996,616

Introduction

This audit determined whether the Department of Homeless Services (DHS) complied with Title 6 of the New York City Administrative Code, Chapter 13 of the New York City Charter, PPB rules, and the *New York City Comptroller's Internal Control and Accountability Directives*, Directive #24, "Agency Purchasing Procedures and Controls," when procuring and paying for shelter and social services; maintained adequate controls over payments made to providers for shelter and social services to homeless families, and; adequately monitored providers to ensure that they satisfactorily provided shelter and social services for which they were paid.

DHS is responsible for providing temporary emergency shelter and social services to eligible homeless families and individuals in a safe and supportive environment. Services for homeless families are primarily delivered by approximately 150 providers under both formal written contracts and unwritten or handshake agreements with DHS. DHS pays non-contracted providers for services based upon mutually-agreed-upon daily rates and provider-reported lodging data. In Fiscal Year 2008, DHS made payments totaling \$152.7 million to 107 non-contracted providers. This audit covered the period July 2007 through October 2009.

Results

In Fiscal Year 2008, DHS failed to contract with providers of shelter and social services and did not account for and process provider payments through the City's Financial Management System (FMS) as required by the New York City Administrative Code, the City Charter, the Procurement Policy Board (PPB) rules, and Comptroller's Directive #24. Instead, DHS operated using unwritten agreements and paid providers from an agency bank account.

Previous Comptroller's Office audits and letters in June 1998, October 2003, June 2007, and June 2008 cited DHS for its failure to contract formally for shelter services. Although DHS stated in October 2003 that it would make "every effort to convert to contract," it failed to do so. As of February 2008, DHS did not have contracts with 91 of 154 providers. These 91 providers accounted for 5,150 of 9,649 units—more than 53 percent—used to house homeless families. During the course of the audit, DHS made progress towards contracting with providers. As of January 2010, DHS contracted for 60 percent of units, and DHS provided documentation that it is in the process of contracting for an additional 8 percent of units used to house homeless families. However, DHS needs to make additional progress and should do so expeditiously.

In November 2008, DHS began to account for and process all provider payments through FMS. However, DHS continues to violate Comptroller's Directive #24 because it is improperly using

Purchase Orders to process payments to non-contracted providers. Purchase Order Documents should be used only for special, non-procurement expenditures for which a contract is not required.

DHS failed to institute sound and effective internal controls and did not monitor providers to ensure that they accurately recorded and reported client-lodging days. Therefore, when DHS calculates payments to providers, it relies on an honor system and simply uses the unchecked client-lodging days submitted by providers. We reviewed the Aladdin Hotel monthly invoice and sign-in logs for June 2008 and found that DHS made duplicate payments totaling \$25,918. In eight instances, DHS provided families with two hotel rooms. DHS also paid the Aladdin Hotel for 221 unsupported client-lodging days totaling \$23,866.

Additionally, DHS made unjustified payments to a provider totaling \$953,635. DHS maintained that these payments were for expenses, such as real estate taxes, prior year close-out payments, start-up budget costs, and interest on start-up budget costs. However, DHS is not obligated to reimburse providers for expenses in addition to paying them substantial rates of between \$810 and \$4,836 per family per month. Moreover, since the DHS billing system did not allow lump-sum payments to be made to providers, DHS generated the unjustified payments using duplicate lists of clients and service dates and invented rates and provided this data to support and justify the payments.

DHS also failed to adequately monitor providers to ensure that they provided safe and sanitary shelter to homeless families and transitioned them to permanent housing in a timely manner.

The audit made 15 recommendations, including that DHS should:

- Enter into contracts with all providers of shelter and social services that delineate services to be provided, establish performance standards, and provide termination clauses and remedies.
- Comply with New York City Administrative Code, the City Charter, and PPB rules regarding contracting.
- Comply with Comptroller's Directive #24 and record contracts and associated payments in FMS and use prescribed purchasing documents to process payments.
- Immediately institute a sound and effective system of internal controls and monitor providers to ensure that they accurately record and report client-lodging days. These controls should include, but not be limited to, conducting random, periodic inspections of client sign-in logs.
- Recoup duplicate and overpayments for unsupported client-lodging days totaling \$49,784 made to the Aladdin Hotel for June 2008.
- Pay providers only for shelter and social services and calculate provider payments based on accurate client-lodging data and mutually-agreed-upon daily rates.
- Conduct unannounced periodic site inspections and interviews with clients and staff.
- Work with providers that consistently fail to meet placement targets to improve their performance.

DHS strongly disagreed with the report's findings and generally disagreed with or stated it was already in compliance with the report's recommendations

Audit Follow-up

DHS agreed only to recoup from the Aladdin Hotel overpayments for unsupported client-lodging days and to conduct unannounced periodic site inspections and interviews with clients and staff. In its response, DHS reported that it is in the process of recouping \$6,803 from the Aladdin Hotel. DHS also reported that for cluster site apartment program providers, it conducts bi-annual reviews composed of: programmatic evaluations, physical inspections of a sample of units, corrective action plans, and follow-up re-inspection. Additionally, all cluster site apartment units are inspected quarterly.

DEPARTMENT OF HOMELESS SERVICES

Audit Report on the Contract of Basic Housing, Inc., with the Department of Homeless Services to Provide Shelter and Support Services

[Audit # ME09-088A](#)

Comptroller's Audit Library #7968

Issued: July 17, 2009

Monetary Effect: Actual Savings: \$51,856

Potential Savings: \$411,865

Introduction

The audit determined whether Basic Housing, Inc. (Basic Housing) complied with the key financial and programmatic provisions of its contract with the Department of Homeless Services (DHS) to provide services to clients. DHS is responsible for providing emergency shelter and social services to homeless families and individuals in New York City. DHS provides services through 11 City-run and 205 privately-run shelters, consisting of 49 adult and 167 family facilities.

DHS refers clients to shelters such as Basic Housing, a non-profit organization that runs shelters for homeless families in Manhattan, the Bronx, and Brooklyn (Basic Housing is an affiliate of Basics, Inc.). In 2004, Basic Housing entered into a four-year, 11-month contract with DHS to provide 143 families with transitional housing and social services, such as arranging for childcare services, assistance in the search for permanent housing and employment, and health screening. On January 1, 2007, the contract was amended to provide only social services to an additional 178 families located in the Bronx and Manhattan, increasing the total contract amount to \$26,410,637. The funding allocation of the contract is 33 percent Federal, 28 percent State, and 39 percent City. DHS paid Basic Housing \$7,224,802 in Fiscal Year 2008, as recorded in the City's Financial Management System.

Results

Basic Housing did not adequately comply with certain administrative and financial provisions of its contract with DHS to provide services to the homeless. The audit found significant noncompliance issues with Basic Housing concerning the funds it received from DHS, such as noncompliance with documentation requirements, insufficient evidence that all funds received were used appropriately, and inadequate accounting practices. As a result, \$1.19 million (31 percent) of the \$3.86 million the audit reviewed represents overpayments and unsupported costs that should be recouped. The City would be entitled to 39 percent of the recoupment, or \$463,721. The audit also identified an additional \$78,752 in unallocated costs for which a portion should be recouped. In addition, there were questionable transfers of almost \$1.3 million from Basic Housing to Basics, Inc., that DHS should reconcile or, if unreconcilable, recover. Furthermore, Basic Housing did not consistently provide required social services to clients. Consequently, some clients were compromised in their efforts to obtain permanent housing and become self-sufficient.

However, Basic Housing has established an accounting system to record its transactions and a client-tracking system to track client services. Basic Housing has also developed a comprehensive set of procedures for providing social services, which enables it to help families obtain permanent housing.

To address these issues, the audit recommended, among other things, that Basic Housing:

- Obtain and maintain the required documentation as per the contract.
- Reexamine its Fiscal Year 2008 close-out request and identify and remove any expenses not related to the contract in order to accurately report all expenses incurred under the contract. Ensure that future close-out requests include only those expenses incurred in relation to the service of the contract.
- Ensure that clients' files contain documentation and evidence of the provision of all required assistance to clients to address their needs.

The audit also recommended, among other things, that DHS:

- Conduct a periodic examination of Basic Housing books and accounting records to ensure that all funds are used exclusively for Basic Housing's contract operations and ensure that Basic Housing develops appropriate cost-allocation plans relative to its affiliate and to other vendors or programs served by Basic Housing.
- Recover the \$1.19 million in overpayments and unsupported costs and the appropriate portion of the \$78,752 in unallocated costs.
- Require Basic Housing to provide a corrective action plan to correct the problems noted in this audit.

In their responses, DHS officials agreed or partially agreed with 10 of the 12 recommendations addressed to them and disagreed with the remaining two recommendations, and Basic Housing officials agreed or partially agreed with nine of the 11 recommendations addressed to them and disagreed with the remaining two recommendations.

Audit Follow-up

DHS reported that six recommendations have been or are in the process of being implemented and that four recommendations have been partially implemented. DHS recouped a total of \$132,963. Of this amount, \$51,856 was allocated to the City. However, DHS did not address 13 recommendations.

DEPARTMENT OF HOMELESS SERVICES

Audit Report on Department of Homeless Services Controls over the Determination of Eligibility of Temporary Housing Benefits for Homeless Families

[Audit# MG09-058A](#)

Comptroller's Audit Library #7987

Issued: October 15, 2009

Monetary Effect: None

Introduction

The audit determined whether the Department of Homeless Services (DHS) maintains adequate controls over the determination of eligibility for temporary housing benefits for homeless families.

DHS, in partnership with public and private agencies, is tasked to provide temporary and emergency shelter for homeless families and single adults in New York City. In addition, DHS provides job training, substance abuse and mental health services, as well as housing search support. The services are designed to help homeless families gain self-sufficiency and make the transition from temporary to permanent housing. DHS manages 11 City-run and 205 privately-run shelter facilities consisting of 49 single adult facilities and 167 family facilities.

In an effort to address and resolve the problem of family homelessness without the intervention of the courts, the New York City Family Homelessness Special Master Panel (the Panel) was created by a New York State Supreme Court Order in January 2003 and was active until April 2005. DHS adopted various recommendations made by the Panel regarding a variety of aspects of the family shelter system, including the creation of a central family intake center called the Prevention Assistance and Temporary Housing Office (PATH), which provides assistance to families seeking emergency housing. PATH operates 24 hours a day, seven days a week.

Results

DHS must improve its controls over the eligibility determination process with respect to ensuring that its investigative guidelines have been followed when families are found to be ineligible for shelter. Also, DHS is not accurately reporting the reasons that some families are determined to be ineligible for benefits.

DHS has established a number of guidelines to govern the overall process of determining eligibility for temporary housing benefits for homeless families. However, in instances in

which families are determined to be ineligible for temporary housing, DHS has not implemented sufficient controls to ensure that its investigative guidelines for determining eligibility are followed by its staff in a consistent manner. For 32 sampled cases in which families filed more than one application (encompassing 138 applications), DHS staff did not consistently adhere to its procedures when processing the applications and determining eligibility for seven (22 percent) of the cases. As a result, families were delayed or denied assistance for which they may have been eligible.

The audit did find that PATH staff responsible for the eligibility verification process generally followed DHS guidelines for meeting with applicants in an initial screening, scheduling eligibility assessment conferences within the required time frame after the filing of the application, and referring applicants who claimed to be victims of domestic abuse to No Violence Again (NOVA). However, these positive aspects are mitigated by the weaknesses in the eligibility determination process cited above.

Based on the evidence maintained in the case files sampled, neither the auditors nor DHS could ascertain whether there were sufficient efforts to investigate applicants' situations before making determinations of eligibility. The absence of controls to ensure that guidelines are consistently followed increases the risk of incorrectly denying temporary housing benefits.

The audit makes four recommendations. DHS should:

- Improve its oversight of the eligibility determination process and ensure that the Team Leaders and quality review staff diligently review the case files and assess eligibility in accordance with the guidelines.
- Modify its guidelines to reflect further action that investigators are required to take when one of the multiple prior residences cannot be verified so as not to delay the eligibility process.
- Ensure that training, both initial and ongoing, is adequate so that employees are thoroughly familiar with and adhere to all DHS policies and procedures when processing applications and determining eligibility.
- Ensure that it reviews the reasons for determining ineligibility and accurately reports detailed reasons families are found not eligible for services.

DHS officials did not directly address the four audit recommendations; however, they acknowledge the validity of two of our recommendations pertaining to training and the assessment of eligibility in accordance with the guidelines. DHS also stated, "however, in accordance with State regulations and as a result of the settlement of the *McCain* litigation, DHS is no longer required to—and does not—give presumptive validity to primary tenants' statements about whether or not their housing is available to the applicant."

Audit Follow-up

DHS reported that because it disagreed with the findings and recommendations in the audit, and is not going to implement the recommendations, it did not provide a status update.

NEW YORK CITY HOUSING AUTHORITY

Follow-up Audit Report on User Access Controls of the New York City Housing Authority's Tenant Selection System and Tenant Selection and Assignment Plan System

[Audit # FS10-056F](#)

Comptroller's Audit Library #8013

Issued: May 19, 2010

Monetary Effect: None

Introduction

This follow-up audit determined whether the New York City Housing Authority (NYCHA) implemented the six recommendations made in the previous audit entitled *Audit Report on User Access Controls of the New York City Housing Authority's Tenant Selection System and Tenant Selection and Assignment Plan System*, (7A04-138) issued June 30, 2006.

NYCHA is the largest public housing authority in the United States. NYCHA's goal is to provide decent and affordable housing in a safe and secure living environment to low- and moderate-income residents throughout the five boroughs. NYCHA's Conventional Public Housing Program serves approximately 403,581 authorized residents in 178,554 apartments in 336 public housing developments throughout the City.

To be considered for an apartment in a public housing development, an applicant must complete and submit an application. NYCHA screens the application, assigns a priority code, and enters the applicant's information on its preliminary waiting list—the Housing Authority Tenant Selection (HATS) system. An applicant's movement through the application and selection process is tracked by the HATS system. When an applicant is “certified” as eligible for NYCHA housing, this data is manually entered in the Tenant Selection and Assignment Plan (TSAP) system. When an apartment in a development becomes available, TSAP automatically selects the next applicant on that development's waiting list based on the applicant's priority rating, application certification date, and apartment-size needs. The fieldwork for this follow-up audit was conducted from September 9, 2009, through February 24, 2010.

Results

This follow-up audit disclosed that of the six recommendations made in the previous audit, NYCHA has implemented three, partially implemented one, and has not implemented two. The HATS and TSAP systems are still not integrated. In addition, the outcome of three matching tests performed on HATS and TSAP data revealed some improvement. However, the two systems still contained different data. Audit tests found: 23 active applicants who appeared on TSAP's waiting list, although there was no record that those applicants were first processed in HATS; 95 uncertified applicants with “active” status in TSAP, indicating that those applicants were on a rental waiting list; and 2,177 instances in which applicants listed as certified in HATS should have appeared in the TSAP database but did not.

The audit made two recommendations that NYCHA should:

- Ensure that the new system is up and running no later than the fourth quarter of 2010 to allow information from HATS to be sent to TSAP in a timely manner, to allow for

system reconciliation, and to create audit logs that identify the user ID of the person making changes to the system.

- Review and correct the items for both systems mentioned in this report to ensure that the information in HATS and TSAP are consistent.

In their response, NYCHA officials generally agreed with the audit recommendations.

Audit Follow-up

NYCHA reported that the new NYCHA Improving Customer Experience (NICE) system is scheduled to be implemented during the first quarter of 2011. NYCHA also reported that the discrepancies between HATS and TSAP mentioned in the audit report have been corrected.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Follow-up Audit Report on the Section 8 Housing Choice Voucher Program of the Department of Housing Preservation and Development

[Audit #FS09-105F](#)

Comptroller's Audit Library #7974

Issued: July 30, 2009

Monetary Effect: None

Introduction

This audit determined whether the Department of Housing Preservation and Development (HPD) implemented the five recommendations made in a previous audit entitled *Audit Report on the Section 8 Housing Choice Voucher Program of the Department of Housing Preservation and Development*, (FN04-060A) issued October 17, 2005.

HPD is the largest municipal developer of affordable housing in the nation. It protects the existing housing stock and expands housing options for New Yorkers as it strives to improve the availability, affordability, and quality of housing in New York City. Section 8 is a federally funded housing subsidy program that offers low-income families the opportunity to lease safe, decent, and affordable privately-owned rental housing that they otherwise could not afford by providing additional, supplemental funds. HPD applies for and provides Section 8 funds to eligible families in accordance with federal rules and regulations and currently administers vouchers for approximately 26,000 households. The scope of the audit covered the period October 10, 2008, to February 28, 2009.

Results

This follow-up audit disclosed that of the five recommendations made in the previous audit, HPD has implemented two and partially implemented three. Of the sample 25 files reviewed, 12 files lacked 16 required documents (HPD subsequently submitted eight documents for eight files). A review of HPD's Housing Assistance Payment (HAP) Register Payment History Reports determined that payments were being made to four cases of the 25 files reviewed that lacked proper documentation, which indicated a lack of internal controls. The previous audit estimated that \$5,525,493 was questionable due to a lack of required documentation. For comparative purposes, the follow-up audit estimated that some \$3.9 million paid to landlords could be in question due to lack of proper documentation. In addition, HPD was able to recoup only \$1,122 of the total \$11,141 in incorrect HAP payments found previously.

The audit made two recommendations that HPD should:

- Ensure that all necessary documents are included in the files, specifically those related to HAP contracts and that it adheres to all applicable HUD and HPD regulations and guidelines.
- Determine whether the four files for which payments were made despite the lack of proper documentation are eligible for Section 8 subsidies, and if necessary, begin recoupment procedures.

In their response, HPD officials generally agreed with the audit recommendations.

Audit Follow-up

HPD reported that both recommendations have been implemented.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Audit Report on the Department of Housing Preservation and Development Cornerstone Program

[Audit # ME09-077A](#)

Comptroller's Audit Library #7975

Issued: August 5, 2009

Monetary Effect: None

Introduction

The audit determined whether the Department of Housing Preservation and Development (HPD) ensured that the goals of the Cornerstone Program were met. HPD's mission is to improve the availability, affordability, and quality of housing in New York City. To fulfill this mission, HPD uses a variety of preservation, development, and enforcement strategies and works with private, public, and community partners to strengthen neighborhoods and to enable more New Yorkers to become homeowners or renters of well-maintained, affordable housing. In 2000, HPD established the Cornerstone Program, a multi-family, new construction initiative, designed to expand private housing and create affordable rental and homeownership units. As of March 2009, a total of 51 sites (encompassing 4,536 units) had been approved for the Cornerstone Program; construction had been completed at 20 (39%) of the 51 sites. The 20 sites had 2,191 units.

Results

Although the audit determined that HPD generally ensured that the primary goals of the Cornerstone Program were met, there were a number of deficiencies in its implementation of the program. Through the Cornerstone Program, HPD expanded private residential development by making City-owned land available for private developers to create rental and homeownership opportunities. HPD also expanded affordable housing by requiring that developers sell or rent some units at less than market rate to lower- and middle-income applicants. Through the first three Cornerstone RFPs as of March 2009, 22 percent of the 2,191 completed units were designated for low-income families and another 78 percent were designated for households earning at least 115 percent of area median income, with approximately one-third of the completed units sold or rented at market rate.

However, HPD did not maintain accurate information on the number of developments participating in the Cornerstone Program or any information on the number of affordable units being developed as a result of the first three Cornerstone requests for proposal (RFP). As a result, HPD was unable to adequately track its progress in meeting the program's primary goals. In addition, HPD did not maintain adequate evidence of its detailed evaluations of

developer responses to the fourth Cornerstone RFP. The audit was, therefore, unable to ascertain whether the proposals upon which HPD based its decisions to award development opportunities were fairly evaluated in a transparent and consistent manner. Furthermore, the housing lottery process, which HPD uses to select applicants for interviews for available Cornerstone Program units, has control weaknesses that increase the potential for some applicants to receive preferential treatment. Finally, HPD did not adequately ensure that tenants or homeowners were qualified for the affordable units.

To address these issues, the audit recommended, among other things, that HPD:

- Ensure that it accurately tracks its Cornerstone Program developments.
- Ensure that all relevant documentation for the RFP process is maintained, including the scores given by individual reviewers and the scores given by the panel of reviewers in each category.
- Allow applications for the housing lottery to be filed online or by phone as well as by mail.
- Assume the responsibility for the selection of applicants for the affordable units by developing a new set of procedures for listing and randomly selecting applicants, and incorporating appropriate segregation of duties and supervisory oversight into this process.
- Require that developers provide copies of applicants' employment-income documentation along with evidence that they validated this documentation.
- Include, in future agreements with developers, income limits for subsequent owners or renters of affordable units and ensure that these limits are enforced.

In its response, HPD agreed or partially agreed with six of the audit's recommendations and stated that it would consider the remaining two.

Audit Follow-up

HPD reported that seven recommendations have either been implemented or are in the process of being implemented. HPD stated that it is currently studying the feasibility of allowing applications to be filed online. HPD did not implement the remaining recommendation; however, HPD is currently researching technology options for random electronic selection of lottery list orders.

HUMAN RESOURCES ADMINISTRATION

Follow-up Audit Report on the Development and Implementation of the Paperless Office System by the Human Resources Administration

[Audit #FS10-057F](#)

Comptroller's Audit Library #8010

Issued: April 21, 2010

Monetary Effect: None

Introduction

The objective of this follow-up audit was to determine whether HRA implemented nine recommendations contained in a previous audit, *Audit Report on the Development and Implementation of the Paperless Office System by the Human Resources Administration*, (7A04-099) issued May 2, 2005.

HRA's mission is to enhance the quality of life for all City residents by providing temporary assistance to eligible individuals and families to help them lead independent and productive lives. HRA accomplishes its mission through the administration of a wide range of social welfare benefits and services, including public assistance, Medicaid, food stamps, and job training centers. In 1993, HRA reviewed its benefit application process and found it labor-intensive, inefficient, and error-prone. To address these problems and to prepare for an anticipated increase in service demand, HRA decided to develop the Paperless Office System (POS).

POS was intended to serve as a single data entry point for several HRA programs and to automate the process of determining and re-certifying public assistance eligibility. Automation was to be accomplished by integrating direct data entry and image processing, workflow management, decision-support software, and communications links to the New York State Welfare Management System and other databases. Specific POS objectives were to electronically verify applicant eligibility data; significantly reduce the number of fraudulent claims and fair hearing losses; improve eligibility worker productivity and client service; and promote accountability and responsive case management. Fieldwork for this audit was performed from October 2009 to January 2010.

Results

The current follow-up audit disclosed that of the nine recommendations made in the previous audit, HRA implemented six recommendations, partially implemented one, and did not implement one. Auditors found one recommendation to be no longer applicable. HRA has implemented changes in the following areas: POS is currently linked to several of its own agency systems, the State systems, and other City agency systems; HRA incorporated a tracking system to monitor POS enhancement phases, which includes the testing phase; and HRA has complied with the City's procurement rules. In addition, based on the POS user survey, users are generally satisfied with the system. HRA has an adequate disaster recovery plan that includes POS and a written policy and procedure for POS. HRA has developed policies and procedures to ensure that user accounts are adequately controlled; however, some POS users are listed as inactive employees. Also, HRA did not engage an independent quality-assurance consultant for system development. Finally, the recommendation regarding inclusion

of complete POS data in the MMR is no longer applicable since the MMR format has changed significantly since 2005.

To address the outstanding issues from the previous audit that still exist, audit recommends that HRA officials:

- Employ an independent quality-assurance consultant in future systems developments to oversee and monitor HRA's entire systems development process from its inception.
- Periodically review the status of inactive user accounts and terminate access where appropriate.

HRA officials agreed with the recommendations.

Audit Follow-up

HRA reported that it has either implemented or is in the process of implementing both audit recommendations.

INDEPENDENT BUDGET OFFICE

Audit Report on the Financial and Operating Practices of the New York City Independent Budget Office

[Audit # FP09-135A](#)

Comptroller's Audit Library #7993

Issued: December 11, 2009

Monetary Effect: None

Introduction

This audit determined whether the New York City Independent Budget Office (IBO) is complying with certain purchasing procedures as set forth in the New York City Comptroller's Internal Control and Accountability Directives (Comptroller's Directives) #1, #3, #6, #11 and #24; applicable Procurement Policy Board (PPB) rules; and the Department of Investigation's (DOI) *Standards for Inventory Control and Management*.

IBO serves as a publicly funded agency responsible for enhancing official and public understanding of the New York City budget. The IBO's principal responsibilities include providing nonpartisan budgetary, economic, and policy analysis for elected officials and the residents of the City. The IBO publishes reports and responds to requests for information and analysis related to the City budget.

During Fiscal Year 2008, the period covered by the audit, Other Than Personal Service (OTPS) expenditures for the New York City Independent Budget Office amounted to \$474,539.

Results

The audit disclosed that the IBO generally adhered to Comptroller's Directives #6, #11, and #24; applicable Procurement Policy Board rules; and the Department of Investigation's *Standards for Inventory Control and Management*. However, there were minor instances in which the IBO did not comply with certain purchasing procedures. The IBO:

- Did not maintain 14 original invoices totaling \$1,603.
- Lacked segregation of duties over the imprest fund.
- Incorrectly charged the imprest fund for two staff meetings held outside the office.
- Included imprest fund checks outstanding more than 90 days in the checkbook balance.
- Improperly processed a miscellaneous voucher for the purchase of postage totaling \$5,000.

The audit made five recommendations to the IBO to address these issues. The IBO should ensure:

- All reimbursement request forms include original receipts and supporting documentation.
- Individuals authorizing the purchase should not sign the checks. The employee requesting reimbursement should not sign as the pre-audit examiner. The custodian of

the imprest fund account should not be assigned any other duties related to the imprest fund.

- Meals outside the office for City employees are not paid for with City funds under any circumstances.
- Checks outstanding more than 90 days are recredited to the checkbook balance to comply with Directive #3 requirements.
- Miscellaneous vouchers are used when appropriate.

IBO officials agreed with the five recommendations.

Audit Follow-up

The IBO reported that all of the audit's recommendations are being implemented.

DEPARTMENT OF INVESTIGATION

Audit Report on the Controls over Personnel, Payroll, and Timekeeping Practices at the Department of Investigation

[Audit # MH09-092A](#)

Comptroller's Audit Library #7998

Issued: December 30, 2009

Monetary Effect: None

Introduction

This audit determined whether the Department of Investigation (DOI) has adequate controls over its personnel, payroll, and timekeeping practices and whether its controls are in accordance with applicable City rules, Comptroller's Directives, and its own formal procedures.

DOI acts as an independent and nonpartisan watchdog for New York City (City) government, City-funded programs, and City contracts with private or community organizations. The major functions of DOI include investigating and referring for prosecution cases of fraud and unethical conduct by City employees, contractors who do business with the City, and others who receive City money either directly or indirectly.

Candidates seeking employment at DOI must fill out various documents, such as a Comprehensive Personnel Document and a Background Investigation Questionnaire, which are necessary for DOI to review each candidate's credentials and to conduct an extensive background review. All employees of DOI are responsible for completing weekly time sheets that are reviewed by their supervisors. DOI's timekeepers are then responsible for reviewing the time sheets for accuracy and for recording use of leave, accrual and use of compensatory time (comp time), and accrual of paid overtime. A total of 304 employees worked for DOI at some time from July 2007 through October 24, 2008. In addition, some City agencies provided DOI a total of 89 of their own employees to help DOI with its investigations. DOI's personal service expenditures totaled \$17.4 million for Fiscal Year 2008. The audit scope was July 2007 through May 2009.

Results

DOI's controls over its personnel, payroll, and timekeeping practices were generally in accordance with applicable City rules, Comptroller's Directives, and its own formal procedures. Nevertheless, this audit identified certain minor areas where improvement is warranted.

The audit found that employees who were required to be City residents all lived within the five boroughs, that employees were paid within the salary ranges of their associated titles set by the Department of Citywide Administrative Services (DCAS), that salary increases were authorized and adequately justified, that proposed lump sum payments made to employees who separated from DOI were approved by the Comptroller's Office prior to issuing the actual payments, and that managerial employees did not accrue comp time to which they were not entitled.

The following are some of the areas identified where DOI could improve its controls: maintenance of personnel documents, security of timekeeping files, segregation of duties

between the payroll and timekeeping functions, and monitoring of annual leave and comp time balances and paid overtime.

The audit made nine recommendations, including that DOI:

- Strengthens the controls over its record-keeping practices. All records pertaining to the personnel and timekeeping processes should be securely maintained in an organized manner.
- Continues its communication with DCAS to ensure adherence to the title specifications set by DCAS for all employees appointed to positions in competitive and non-competitive class titles. If DOI believes that any DCAS specifications need to be modified, it should file an appeal.
- Ensures that approved waivers are granted for any employees whose annual leave balance exceeds the maximum limit and for any employees in competitive and non-competitive class titles whose non-Fair Labor Standards Act (FLSA) comp time has not been used within 120 days of its being earned. Any excess annual leave or non-FLSA comp time balances for which approved waivers are not obtained should be converted to sick leave in accordance with City regulations.
- Ensures that its *Employee Manual* is updated to include regulations for both managerial and non-managerial employees, including but not limited to, DCAS's "Leave Regulations for Management Employees," "Leave Regulations for Employees who are Under the Career and Salary Plan," and "Regulations Governing Compensatory Time Off, Compensation for Overtime, and Meal Allowances for City Employees."

In their response, DOI officials generally agreed with all of the audit's nine recommendations.

Audit Follow-up

DOI reported that all of the audit's recommendations have been implemented.

DEPARTMENT OF JUVENILE JUSTICE (NOW UNDER ADMINISTRATION FOR CHILDREN'S SERVICES)

Audit Report on the Oversight of the St. John's Group Home Contract by the Department of Juvenile Justice

[Audit # MD10-062A](#)

Comptroller's Audit Library #8022

Issued: June 30, 2010

Monetary Effect: None

Introduction

This audit determined whether the St. John's Group Home (St. John's) operated in accordance with the key terms of its contract with the Department of Juvenile Justice (DJJ) and whether DJJ adequately monitored the contract.

DJJ is responsible for providing detention facilities for juveniles whose cases are pending adjudication or who are awaiting post-adjudication transfer to state facilities. DJJ oversees a network of secure and non-secure detention group homes in Queens, Manhattan, Brooklyn, and the Bronx that admit nearly 5,000 juveniles each year. In 1986, DJJ entered into a contract with St. John's for the purchase of non-secure detention group care for juveniles. The term of the most recent contract between DJJ and St. John's was May 1, 2008, through April 30, 2011. Programs include services such as case management, education, health, dental, and mental health; and activities, such as field trips, museum visits, sports, and recreation. The audit scope was Fiscal Year 2009.

In January 2010, the Mayor announced that DJJ will be merged into the Administration for Children's Services (ACS) as a new division called the Division of Youth and Family Justice.

Results

The audit found limited evidence to demonstrate that St. John's operated in accordance with the key terms of its contract with DJJ. For the 12 performance standards in effect, there was evidence that St. John's met only four of them. A major contributing cause was inadequate monitoring of these standards on the part of DJJ; although DJJ did perform some monitoring of the contract's other areas, it could provide evidence of monitoring St. John's compliance for only 6 of the 12 standards.

Regarding other key contract terms, St. John's conducted the required background checks and sent inquiries to the Statewide Central Register of Child Abuse and Maltreatment for all employees sampled and monitored the driving records of the employees. A review of the case management files for the sampled youths indicated that they received medical assessments and educational services. However, there was no evidence that St. John's provided case management services to all the youths in the sample, and its facility and visitor logbooks were not maintained in accordance with the contract requirements. The audit also found that DJJ did not prepare discharge plans for all youths in the sample, did not ensure that annual external audits of St. John's were completed in a timely fashion, and lacked evidence of corrective action plans.

To address these issues, the audit made 14 recommendations, including that DJJ should:

- Ensure that St. John's is aware of the performance standards to which it is being held, complies with the performance standards, and maintains evidence of its compliance.
- Ensure that St. John's provides the required case management services to all youths and maintains evidence of the services, such as progress notes, in the case management files.
- Instruct St. John's employees on the correct procedures for filling out the logbooks.
- Ensure that it establishes mechanisms and uses them to monitor all performance standards to determine St. John's compliance with the contract.
- Ensure that discharge plans or reentry plans are prepared for all youths to identify their needs and to use for follow-up after discharge.
- Ensure the timely completion of annual external audits of the St. John's facility.
- Ensure that St. John's prepares and submits corrective action plans for all conditions requiring attention that are found during site visits.

DJJ and ACS officials generally agreed with the audit's recommendations.

Audit Follow-up

ACS reported that DJJ has either implemented, is in the process of implementing, or plans to implement all of the audit's recommendations. ACS stated that St. John's new contract will be updated after the current contract expires in April 2011.

LANDMARKS PRESERVATION COMMISSION

Audit Report on the Internal Controls of the Landmarks Preservation Commission Over Permits

[Audit # MG10-073A](#)

Comptroller's Audit Library #8015

Issued: June 17, 2010

Monetary Effect: None

Introduction

This audit determined whether the Landmarks Preservation Commission (LPC) had adequate controls over its permit issuance process.

LPC is responsible for safeguarding the City's historic, aesthetic, and cultural heritage; improving property values in historic districts, and promoting the use of landmarks for the education, pleasure and welfare of the public. By law, the agency must review any proposals for alterations to landmark buildings and determine whether they have any effect on the significant features of a building or a historic district. Before performing work on landmark properties, building owners or tenants must apply for a permit from LPC. All LPC permits fees are calculated and collected by the New York City Department of Buildings (DOB). During Fiscal Year 2009, DOB reported collecting 3,435 permit fees, totaling \$1.4 million, on behalf of LPC.

Results

The audit found that LPC has inadequate controls for its permit issuance: it lacks written documentation of supervisory reviews, lacks adequate controls over its perforation machines (which are used to authenticate approved permits and documents with LPC's official imprint), and lacks secure storage for LPC files. Although the audit found no instances in which unauthorized permits were issued, LPC's poor controls create an environment that could allow the issuance of unauthorized permits without detection. In addition, LPC did not track or reconcile LPC permit fees collected by the Department of Buildings with LPC permits issued. Finally, the audit found that LPC's computer permit database was not secure.

To address these issues, the audit makes eight recommendations, including that LPC should:

- Ensure that supervisory reviews are documented in writing (initialed and dated) at key steps throughout the permit process.
- Restrict access to its perforation machines to protect its official LPC imprint.
- Reconcile DOB Revenue Reports with permits LPC has issued and promptly report discrepancies to DOB for follow-up.
- Deactivate inactive user accounts on PATS.
- Periodically review activity on the computer system to detect unauthorized uses.

LPC officials generally agreed with five recommendations, did not address one recommendation, disagreed with one recommendation, and deemed the remaining recommendation no longer applicable.

Audit Follow-up

LPC reported that six recommendations have been implemented or are in the process of being implemented, one recommendation was not implemented, and the remaining recommendation is no longer applicable. LPC stated that it is in the process of implementing PILLAR – a database integration and mapping project that it will be able to use to run reports to reconcile the permit fees collected at DOB.

MULTI-AGENCY

Follow-up Audit Report on the Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs

[Audit #FS09-124F](#)

Comptroller's Audit Library #7981

Issued: September 21, 2009

Monetary Effect: None

Introduction

This follow-up determined whether the Department of Health and Mental Hygiene (DOHMH) and the Department of Consumer Affairs (DCA) have implemented the 11 recommendations contained in the previous audit, *Audit Report on the Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs*, (MH07-092A) issued June 27, 2000.

DOHMH and DCA are the key agencies responsible for overseeing and licensing the horses, carriage horse drivers, carriages, and stables. During Fiscal Year 2008, there were approximately 203 licensed horses, 283 licensed drivers, and 68 licensed carriages that provided horse-drawn carriage rides to the public. The horses are monitored by the office of Veterinary Public Health Services (VPHS) at DOHMH. Drivers who operate horse-drawn carriages are licensed by DCA.

The previous audit determined that in general, DOHMH and DCA had adequate controls over the licensing and oversight of carriage horses, drivers, carriages, and stables, and complied with applicable rules and regulations of the City of New York concerning the carriage horses, drivers, owners, and stables. The scope of the audit covered the period January 1, 2007, to June 3, 2009.

Results

This follow-up audit disclosed that of the 11 recommendations made in the previous audit, DOHMH and DCA have implemented 7 recommendations. One recommendation was partially implemented, two recommendations were not implemented, and one recommendation was not applicable. Our review of DOHMH policies verified that they established the Advisory Board, as required in the Administrative Code. DOHMH stated that it has received the recommendations submitted by the Advisory Board and is currently reviewing them. However, to date, none of the recommendations have been implemented. DOHMH has established procedures for conducting field and stable inspections. DOHMH has also updated its horse licensing and Certificate of Health forms to reflect issues noted in the previous audit. Auditors' observations verified that the stables and horses appeared to be adequately maintained. In addition, DCA inspection cards were found for all drivers observed in the field. The audit noted several new issues not cited in the previous audit: unlicensed horses may be working after licenses have expired and DOHMH inspectors do not use a detailed stable inspection form (VPHS 100) to record stable inspections. DCA continues to be noncompliant with the Administrative Code and the Rules of the City of New York that require they conduct carriage inspections at least once every four months.

The audit made six recommendations, including that:

- DOHMH should implement the recommendations made by the Advisory Board.
- DCA and DOHMH officials should comply with the Administrative Code and ensure that all working horses are healthy and currently licensed.
- DOHMH require inspectors to use form VPHS 100 when inspecting horse stables.
- DOHMH require inspectors to examine horses against a current license inventory to ensure that inspections properly monitor the conditions of all working horses. The inventory list should be periodically provided to outside organizations, such as the ASPCA, that assist in the oversight of the carriage-horse industry.

In their response, DCA officials disagreed with one of the two recommendations addressed to them. DOHMH officials agreed with two recommendations and disagreed with three recommendations addressed to them.

Audit Follow-up

DCA reported that it will continue to ensure that carriage inspections are conducted as required. However, DCA also stated that it will continue to issue horse licenses after receiving proper authorization from DOHMH.

DOHMH reported that four recommendations have been implemented and the remaining recommendation was not addressed.

MULTI-AGENCY

A Compilation of System Development Audits and an Assessment of Citywide Systems-Development Strategy

[Report #FS10-136S](#)

Comptroller's Audit Library #8012

Issued: May 13, 2010

Monetary Effect: None

Introduction

Given the amount of taxpayer money spent on computer systems, the Comptroller's Office has dedicated a portion of the resources of the Audit Bureaus to conduct audits of computer system-development projects implemented by City agencies.

Audits conducted by the information technology (IT) division during the period of fiscal years 2005 through 2009, have documented instances of mismanagement of system-development projects. These instances of mismanagement have included: excessive cost overruns; missed deadlines; systems not developed as planned; and systems that simply did not meet agency needs and were abandoned.

Results

For this compilation report, we revisited the lessons learned from these audit reports when viewed in total. The report focused on the system development process and the costs associated with these projects. Based on a re-evaluation, this report concludes that up to \$190.7 million of the \$299.6 million IT system-development projects examined may have been poorly spent, specifically: up to \$125.3 million on cost overruns; \$50 million on a system that did not meet its initial business and system requirements; and, up to \$15.4 million on systems that due to issues of functionality are at risk of not accomplishing the intended tasks. In general, based on the results of audits of IT system development projects, the report determined that the City has not created a successful unified City-wide strategy for developing IT systems. As a consequence, the resources invested in these projects are at risk.

However, the report did conclude that there appears to be an improvement in the process of developing IT system projects. Earlier audit reports identified cost overruns or funds wasted, as well as reservations regarding whether the systems met their original business and systems requirements and overall goals. More recent audit reports disclosed systems that are operational, although they identified instances of deficiencies or incomplete deliverables from which it may be concluded that some portion of the associated investment in the system may be at risk.

To address these issues, the report makes seven recommendations for improvement:

- Management must be realistic about the results they want from the new system and when the system will be fully operational. The use of performance indicators can help identify potential problems early in the development.
- Requirement planning should include all users that are able to specify the requirements precisely as to what the finished system should include in order for it to be well-designed and effective. These users should be involved in planned tests, adequately trained as testers, and they must be allowed sufficient time to achieve the testing objectives.
- Project time frames should be short, which means that large system development projects should be split into separate modules.
- The consistent use of the System Development Life Cycle as defined by Department of Information Technology and Telecommunications' (DoITT) Project Management Office by all City Agencies.
- An independent Quality Assurance (QA) consultant must be employed at the outset of project development with specific instructions to objectively evaluate the progress of the development and evaluate the performance of the vendor as defined in VENDEX (Vendor Information Exchange System) to augment the evaluation performed by the specific City Agency.
- An Oversight Committee composed of City representatives with technical expertise should be established to review all project plans to see if they are realistic. Participants of the Oversight Committee should be encouraged to challenge the development team as to the viability of the timely completion of the project. Also, this Committee should be empowered to monitor the progress of each technology project undertaken

throughout the City with a specific ‘go or no go’ process. This would thereby help to close the void that currently exists in the development of system projects.

- A team consisting of agency management, an independent oversight committee, and the QA consultant should evaluate the impact that requested changes (either legal or user-specified) will have on system requirements cost, and it should consider the magnitude of project risks caused by these changes.

Report Follow-up

Not Applicable

MULTI-AGENCY

Audit Report on the Provision of Vision Screening Services to Elementary School Students in New York City Charter Schools

[Audit #ME10-077A](#)

Comptroller’s Audit Library #8024

Issued: June 30, 2010

Monetary Effect: None

Introduction

This audit determined whether the Department of Education (DOE) adequately monitored the provision of vision screening services to chartered elementary school students and whether the Department of Health and Mental Hygiene (DOHMH) effectively provided vision screening services to kindergarten and first grade students in the charter schools.

DOE provides primary and secondary education to more than one million pre-kindergarten to grade 12 students in over 1,500 schools. In 1998, the New York State Charter Schools Act allowed the creation of independent public schools that operate based on the terms of five-year performance contracts, or “charters.” The Chancellor, through DOE’s Office of Charter Schools, is one of the entities or authorizers empowered to award charters in New York City. During school year 2008-2009, there were 78 charter schools in the City serving over 23,000 elementary, middle, and high school students. Fifty-eight of the 78 charter schools started at the elementary grade level.

Charter schools must ensure that their students receive required health assessments and immunizations, that health records are properly maintained, and that nursing or comparable health services are provided to students. The State Education Law requires all schools in the State to provide vision screening services to all new entrants within six months of admission to the school. DOE works with DOHMH to provide vision screening services. Health services in the schools are provided through the Office of School Health (OSH), a joint program of DOE and DOHMH, whose mission is to provide health care and preventative services to City schoolchildren.

Results

The audit concluded that DOE did not adequately oversee the provision of vision screening services to chartered elementary school students in the City to ensure that they were conducted in accordance with applicable laws and regulations. DOE initially argued that the charter schools did not need to provide vision screening services to its students and therefore DOE did not need to oversee the schools' practices in this regard. However, State law clearly requires all schools to provide vision screening services to all new entrants within six months of admission to the school. Despite DOE's lack of oversight, the audit found that the sampled charter schools ensured that 92 percent of the new entrants at the second grade or higher received vision screenings.

The audit also concluded that DOHMH appears to be consistently providing vision screening services to kindergarten and first grade students in the chartered elementary schools. However, there is a need for improvement in DOHMH's follow-up contacts with the parents of students who failed their vision screening examinations. Although follow-up contacts were made for sampled students who had the most serious eye conditions, little follow-up was done for those sampled students who failed their vision screenings but had less serious eye problems.

On a related matter, the audit also found that since charter schools are not obligated to follow the Chancellor's Regulations, students attending charter schools are not required to receive the same level of vision screening services as those attending public schools.

The audit recommended, among other things, that DOE:

- Ensure that DOE-authorized charter schools provide the required vision screening examinations to all new entrants within six months of admission. This should include new entrants who transfer into charter schools from regular City public schools but for whom there is no record of them having received vision screening services.
- Consider requiring that the charter schools authorized by DOE or using DOE facilities follow the Chancellor's Regulations with regard to vision screening.

The audit recommended, among other things, that DOHMH:

- Directly or through the charter schools follow up with all parents who do not respond to notices indicating that their children failed their vision screening examinations.

In their responses, DOE officials agreed to implement two of the three recommendations addressed to them, while DOHMH officials stated that they would consider implementing one of the two recommendations addressed to them.

Audit Follow-up

DOE reported that "early in this school year, charter schools were advised in writing that they are required by law to vision screen new entrants within six months of enrollment regardless of grade at entry and that their students' vision screening history can be accessed through the NYCDOE's pupil tracking system (ATS). The NYCDOE Office of School Health and Office of Charter Schools have scheduled training in conducting vision screening and retrieving ATS data.

DOHMH reported that it “will look into the feasibility of implementing an alternative strategy of providing principals of each school with a list of students who did not return an E12S.”²

² When a student fails the vision screening examination, a letter and an E12S form are given to the student by the DOHMH staff to take home to their parents. The E12S form is to be filled out by the student’s doctor and returned to DOHMH.

AUDITS OF MANAGERIAL LUMP-SUM PAYMENTS

Monetary Effect: Actual Savings: **\$571,090.01**

The Bureau of Financial Audit audits lump-sum payments to employees covered by the Management Pay Plan upon their final separation from City employment.

The employees covered by this plan receive a lump-sum payment for both vested and current accrued annual leave, sick leave, and compensatory leave. The payment is calculated in accordance with Personnel Orders 16/74, 78/3, 24/77, 78/9, 88/5, 88/6 and 99/6. Employees who were in the Managerial or Executive Pay Plan on December 31, 1977, were given vested rights for their previously accrued annual leave, sick leave, and compensatory leave. After January 1, 1978, the plan became the Management Pay Plan.

Upon final separation from service, each employee's agency submits a lump-sum payment claim to the Comptroller for audit.

For Fiscal Year 2010, those audits of the managerial lump-sum requests submitted by city agencies resulted in a savings to the City of New York of **\$571,090.01**:

Total number of claims in Fiscal Year 2010	535
Total amount of agency-prepared lump-sum claims	\$ 13,122,399.65
Total amount of lump-sum claims approved for payment	\$ 12,551,309.64
Claims correctly prepared by the agency	289
Claims reduced during audit	203
Claims increased during audit	43
Claims denied	0
Total dollar value of agency overpayments, before audit	\$ 577,756.43
Total dollar value of agency underpayments, before audit	\$ 6,666.42
Net Savings resulting from audit	\$ 571,090.01

AUDITS OF HIGH RISK WELFARE FUND PAYMENT VOUCHERS

Monetary Effect: Actual Savings: \$484,875*
 Potential Savings: \$109,617

Financial Audit ensures that agencies are in compliance with provisions contained in more than 600 agreements between the City and various unions covering welfare and annuity benefits for active and retired employees.

Copies of all payment vouchers are submitted to the Comptroller by City agencies in accordance with Comptroller's Directive 8 (Special Audit Procedures on High Risk Vouchers).

The payments are reviewed to ensure that they conform to the terms and conditions of all agreements, Office of Labor Relations (OLR) stipulations, Personnel Orders, Office of Collective Bargaining decisions, etc. Audits have revealed the following types of errors:

- Contributions made in error for unauthorized titles or rates
- Contributions made for retirees prior to their actual retirement date
- Duplicate payments for a title or a group of titles under two different agreements or the same agreement

During Fiscal Year 2010, 4,930 vouchers totaling over \$616.6 million were audited with these results:

	<u>Number of Vouchers</u>	<u>Amount</u>
Total Number of Vouchers Audited:	4,930	\$616,621,173.88
Vouchers Accepted:	4,555	\$399,601,171.49
Vouchers Not Accepted:	375	\$217,020,002.39
Overpayments:		\$ 265,544.35
Questionable:		\$ 0.00
Underpayments:		\$ 19,751.03

*Collections during Fiscal Year 2010 totaled \$484,875. Part of the collection amount, \$328,947 is from overpayments identified in previous years. Agencies recouped this amount either by check from the appropriate fund or by deducting the overpayment from subsequent payment vouchers.

STATEN ISLAND PUBLIC ADMINISTRATOR

Audit Report on the Financial and Operating Practices of the Richmond County Public Administrator's Office

[Audit # FN09-097A](#)

Comptroller's Audit Library #7997

Issued: December 30, 2009

Monetary Effect: None

Introduction

The objective of this audit was to determine whether the Richmond County Public Administrator's Office (RCPA) complied with Article 11 of the New York State Surrogate's Court Procedures Act, the Report and Guidelines of the Administrative Board for the Offices of the Public Administrators, and other applicable City and State laws and regulations.

RCPA administers the estates of decedents in the borough of Staten Island. As the estate administrator, the RCPA makes funeral arrangements, collects debts, pays creditors, manages the decedents' assets, searches for possible heirs, and files tax returns on behalf of the decedents.

Results

The audit found that the RCPA adequately handled certain estate management responsibilities including the filing of the required monthly suspense account report with Surrogate's Court, ensuring that expenses funded by the suspense account were appropriate and necessary for the administration of the estates, and submitting monthly reports to the Comptroller's Office.

However, audit found some issues of concern. Specifically, the RCPA improperly maintained checking accounts in the RCPA's name totaling \$813,961, did not allocate the funds in checking accounts to the corresponding estates, and maintained average monthly balances that exceeded the FDIC insurance limit. In addition, there were significant inadequacies in RCPA's internal control procedures as they relate to the recording and reporting of the estate funds, payment of legal fees to estates, tracking the progress of each estate, reconciling the books and bank account balances, and segregating key responsibilities.

To address these issues, the audit makes six recommendations, that the RCPA:

- Immediately close all checking accounts under the RCPA's name and ensure the checking accounts are reopened under the names of the appropriate estates.
- Reconcile all bank accounts with the estates and ensure the estate assets are accurately reported.
- Monitor all bank balances to ensure they are within the FDIC insurance limit.
- Ensure that affidavits of work are submitted and reviewed before payments are made to attorneys.
- Develop a system to monitor cases adequately, including the use of a "tickler" function that would inform the RCPA of any unusual delays in estate administration and allow for the prompt and appropriate action to be taken.

- Conduct an annual independent audit and properly address all recommendations in a timely fashion.

In their response, RCPA officials noted that certain issues cited were the direct result of the office being understaffed and that to implement the audit's recommendations, funding must be made available for an accounting clerical employee.

Audit Follow-up

RCPA reported that it is in the process of implementing some of the audit's recommendations; however, the remaining recommendations cannot be implemented without funding for an additional staff person and updated software.

RETIREMENT SYSTEMS

Pensioners of the New York City Fire Department Working for the City after Retirement, January 1, 2008–December 31, 2008

[Audit #FL10-114A](#)

Comptroller’s Audit Library #8027

Issued: June 30, 2010

Monetary Effect: None

Introduction

This audit determined whether any New York City Fire Department pensioners were reemployed by a City agency and illegally collected a pension from the New York City Fire Department Pension Fund (FIRE), and quantified the amounts of improper pension payments to any individuals who appeared to be violators of New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2008.

Results

The audit found no individuals who received pension payments during 2008 that appeared to violate applicable sections of State and City laws. Consequently, the audit made no recommendations to FIRE officials.

RETIREMENT SYSTEMS

Non-Pedagogical Pensioners of the New York City Department of Education Working for the City after Retirement, January 1, 2008–December 31, 2008

[Audit #FL10-115A](#)

Comptroller’s Audit Library #8028

Issued: June 30, 2010

Monetary Effect: Potential Savings: \$4,708

Introduction

This audit determined whether any New York City Department of Education (non-pedagogical) pensioners were reemployed by a City agency and illegally collected a pension from the New York City Board of Education Retirement System (BERS), and quantified the amounts of improper pension payments to any individuals who appeared to be violators of New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2008.

Results

One BERS retiree obtained \$4,708 in pension payments that appeared to violate applicable sections of State and City laws.

The report made four recommendations, that BERS officials:

- Investigate the individual identified as receiving a pension while being reemployed in public service. BERS officials should also commence prompt recoupment action against this individual if he is found to be illegally collecting a pension.
- Forward to the Department of Investigation, if the circumstances warrant such action, the name of this individual if he is found to be illegally collecting a pension.
- Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as “double-dippers” or “disability violators.”
- Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state their responsibilities regarding public service reemployment.

In their response, BERS officials agreed with one audit recommendation and did not respond to the remaining three.

Audit Follow-up

BERS reported that all of the audit recommendations are being implemented.

RETIREMENT SYSTEMS

Pedagogical Pensioners of the New York City Teachers’ Retirement System Working for the City After Retirement, January 1, 2008–December 31, 2008

[Audit # FL10-116A](#)

Comptroller’s Audit Library #8029

Issued: June 30, 2010

Monetary Effect: Potential Savings: \$156,991

Introduction

This audit determined whether any New York City Teachers’ Retirement System (TRS) pensioners were reemployed by a City agency and illegally collected a pension from the TRS, and quantified the amounts of improper pension payments to any individuals who appeared to be violators of New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2008.

Results

Twenty TRS retirees obtained \$156,991 in pension payments that appeared to violate applicable sections of State and City laws.

The report made four recommendations, that TRS officials:

- Investigate those individuals identified as receiving pensions while being reemployed in public service. TRS officials should also commence prompt recoupment action against those individuals found to be illegally collecting pensions.
- Forward to the Department of Investigation, if the circumstances warrant such action, the names of those individuals found to be illegally collecting pensions.
- Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as “double-dippers” or “disability violators.”
- Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state their responsibilities regarding public service reemployment.

In their response, TRS officials stated that they were in full compliance with the report’s recommendations.

Audit Follow-up

TRS restated that it is in full compliance with the audit’s recommendations.

RETIREMENT SYSTEMS

Pensioners of the New York City Employees’ Retirement System Working for the City after Retirement, January 1, 2008–December 31, 2008

[Audit #FL10-117A](#)

Comptroller’s Audit Library #8030

Issued: June 30, 2010

Monetary Effect: Potential Savings: \$32,835

Introduction

This audit determined whether any New York City Employees’ Retirement System (NYCERS) pensioners were reemployed by a City agency and illegally collected a pension from NYCERS, and quantified the amounts of improper pension payments to any individuals who appeared to be violators of New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2008.

Results

The audit found five individuals who received \$32,835 in pension payments during 2008 that appeared to violate applicable sections of State and City laws.

The report made four recommendations, that NYCERS officials should:

- Investigate those individuals identified as concurrently receiving pensions while being reemployed in public service. NYCERS officials should also commence prompt recoupment action against those individuals found to be illegally collecting pensions.

- Forward to the Department of Investigation, if the circumstances warrant such action, the names of individuals found to be illegally collecting pensions.
- Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as “double-dippers” or “disability violators.”
- Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state their responsibilities regarding public service reemployment.

NYCERS officials agreed with the first recommendation but differed on the resolution of the cited cases; they agreed with the remaining three recommendations.

Audit Follow-up

NYCERS reported that all recommendations have been implemented, and all overpayments for pensioners in violation of the applicable laws have been recouped or are in the process of being recouped.

RETIREMENT SYSTEMS

Pensioners of the New York City Police Department Working for the City after Retirement, January 1, 2008–December 31, 2008

[Audit #FL10-118A](#)

Comptroller’s Audit Library #8031

Issued: June 30, 2010

Monetary Effect: Potential Savings: \$22,202

Introduction

This audit determined whether any New York City Police Department pensioners were reemployed by a City agency and illegally collected a pension from the New York City Police Pension Fund (POLICE), and quantified the amounts of improper pension payments to any individuals who appeared to be violators of New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2008.

Results

Four POLICE retirees obtained \$22,202 in pension payments that appeared to violate applicable sections of State and City laws.

The report made four recommendations, that POLICE officials:

- Investigate those individuals identified as receiving pensions while being reemployed in public service. POLICE officials should also commence prompt recoupment action against those individuals found to be illegally collecting pensions.

- Forward to the Department of Investigation, if the circumstances warrant such action, the names of the individuals found to be illegally collecting pensions.
- Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as “double-dippers” or “disability violators.”
- Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state their responsibilities regarding public service reemployment.

In their response, POLICE officials generally agreed with the audit recommendations.

Audit Follow-up

POLICE reported that all of the audit’s recommendations are being implemented.

RETIREMENT SYSTEMS

NYC Pensioners Working for New York State After Their Retirement, January 1, 2008–December 31, 2008

[Audit #FL10-119A](#)

Comptroller’s Audit Library #8032

Issued: June 30, 2010

Monetary Effect: Potential Savings: \$296,202

Introduction

This audit determined whether any New York City pensioners returned to public service as employees of New York State and illegally collected a pension from New York City, and quantified the amounts of improper pension payments to any individuals who appeared to be violators of New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2008.

Results

Sixteen New York City pensioners working for New York State obtained \$296,202 in pension payments that appeared to violate applicable sections of State and City laws.

The report made four recommendations, specifically that officials of the five New York City retirement systems:

- Investigate those individuals identified as receiving pensions while being reemployed in New York State public service. City retirement system officials should also commence prompt recoupment action against those individuals found to be illegally collecting pensions.
- Forward to the Department of Investigation, if the circumstances warrant such action, the names of the individuals found to be illegally collecting pensions.

- Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as “double-dippers” or “disability violators.”
- Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state their responsibilities regarding public service reemployment.

Officials of the New York City retirement systems generally agreed to implement or stated that they were already in the process of implementing the audit’s recommendations.

Audit Follow-up

New York City Fire Department Pension Fund (FIRE) reported that all of the audit recommendations are being implemented.

New York City Teachers’ Retirement System (TRS) restated that it is in full compliance with the audit’s recommendations.

New York City Board of Education Retirement System (BERS) reported that the only recommendation that applied to BERS - sending reminders to retirees, is being implemented.

New York City Employees’ Retirement System (NYCERS) reported that all recommendations have been implemented and all overpayments for pensioners in violation of the applicable laws have been recouped or are in the process of being recouped.

New York City Police Pension Fund (POLICE) reported that all of the audit’s recommendations are being implemented.

RETIREMENT SYSTEMS

New York City Pensioners Working as Consultants for the City after Retirement, January 1, 2008–December 31, 2008

[Audit #FL10-120A](#)

Comptroller’s Audit Library #8032

Issued: June 30, 2010

Monetary Effect: Potential Savings: \$238,490

Introduction

This audit determined whether any New York City pensioners returned to public service as consultants and illegally collected a pension from New York City, and quantified the amounts of improper pension payments to any individuals who appeared to be violators of New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2008.

Results

Thirteen New York City pensioners working as consultants for the City obtained \$238,490 in pension payments that appeared to violate applicable sections of State and City laws.

The report made four recommendations, specifically that officials of the five New York City retirement systems:

- Investigate those individuals identified as receiving pensions while receiving payments from the City for providing professional services as consultants. City retirement systems officials should also commence prompt recoupment action against those individuals found to be illegally collecting pensions.
- Forward to the Department of Investigation, if the circumstances warrant such action, the names of individuals found to be illegally collecting pensions.
- Ascertain whether previous pension overpayments have been recouped and whether current pensions have been suspended for those individuals who have been cited in previous audits as “double-dippers” or “disability violators.”
- Send special reminders to all retirees that clearly state their responsibilities when returning to public service after retirement.

Officials of the New York City retirement systems generally agreed to implement or stated that they were already in the process of implementing the audit’s recommendations.

Audit Follow-up

New York City Fire Department Pension Fund (FIRE) reported that all of the audit recommendations are being implemented.

New York City Teachers’ Retirement System (TRS) restated that it is in full compliance with the audit’s recommendations.

New York City Board of Education Retirement System (BERS) reported that the only recommendation that applied to BERS - sending reminders to retirees, is being implemented.

New York City Employees’ Retirement System (NYCERS) reported that all recommendations have been implemented and all overpayments for pensioners in violation of the applicable laws have been recouped or are in the process of being recouped.

New York City Police Pension Fund (POLICE) reported that all of the audit’s recommendations are being implemented.

DEPARTMENT OF SMALL BUSINESS SERVICES

Audit Report on the Administration of The Minority- and Women-owned Business Enterprise Program by the Department of Small Business Services

[Audit # MD09-062A](#)

Comptroller's Audit Library #7986

Issued: October 8, 2009

Monetary Effect: None

Introduction

The audit determined whether the Department of Small Business Services (DSBS) has complied with the key provisions of Local Law 129 and §6-129 of the Administrative Code.

The mission of DSBS is to make it easier for businesses in New York City to form, do business, and grow. It provides direct assistance to business owners, fosters neighborhood development in commercial districts, links employers to a skilled and qualified workforce, and promotes economic opportunity for minority- and women-owned businesses.

DSBS also runs the Minority and Women-owned Business Enterprise (M/WBE) Program, newly created in December 2005 when Mayor Bloomberg signed Local Law 129 into effect. Local Law 129 was enacted to address the disparities in the procurement of construction, professional and standard services and goods that were revealed by a study commissioned by the New York City Council. Under the law, DSBS administers, coordinates, and enforces the program as implemented by City agencies.

Results

DSBS did not comply with the key provisions of Local Law 129 and §6-129 of the Administrative Code related to its monitoring of City agencies' M/WBE utilization and how well agencies met their goals. As a result, DSBS could not fully assess the M/WBE program's effectiveness in increasing the participation of M/WBEs in the City's procurement process. The agency generally complied with key provisions only with regard to outreach, training, counseling, and certification. DSBS stated it was not able to fully comply with provisions related to auditing M/WBE contracts due to the low number of qualifying contracts in effect during the audit period.

DSBS received the M/WBE utilization plans from all City agencies required to prepare them. However, there was little evidence that DSBS reviewed the plans in a timely manner or that it met with the City agencies that did not meet their goals to determine the causes of noncompliance and to discuss possible remedies. Notwithstanding DSBS's outreach, training, counseling, and certification efforts, the audit noted that the fundamental goal of the program is to increase M/WBE participation in the City's procurement process, not merely to give these companies an opportunity to compete. By failing to adequately monitor agencies' compliance with M/WBE utilization goals, DSBS could not fully assess the program's overall effectiveness and recommend improvements where necessary.

The audit also noted two significant internal control weaknesses to be immediately rectified— (1) DSBS did not adequately discuss, document, and follow up with the contractors and the contracting agencies regarding the results of its audits of contracts with M/WBE subcontracting

goals and (2) DSBS did not conduct client assessments for 16 percent (115) of the newly certified M/WBEs in Fiscal Year 2008.

The audit made seven recommendations, including that DSBS should:

- Immediately meet with all agencies not meeting their goals to discuss ways that they could improve, and document the results of those meetings.
- At least annually review and document its review of the utilization of M/WBEs by the agencies subject to the local law requirements to determine if they are meeting the goals stated in their M/WBE utilization plans.
- Meet and document its meetings with the agencies that are not achieving their M/WBE utilization goals to determine the reason(s) the goals are not being met and whether the agencies are making all reasonable efforts to do so. In addition, based on the results of these meetings, DSBS should determine whether any common factors exist among the agencies that may need to be addressed.
- Establish a system whereby audit findings are followed up with contractors (both prime and subs as appropriate) and contracting agencies in a timely manner.

DSBS officials generally agreed with the audit's seven recommendations but claimed that it already performed the tasks identified in three of them.

Audit Follow-up

DSBS reported that it already performed the tasks for three of the seven audit recommendations and has taken steps to implement the remaining four recommendations. DSBS claims that it had consistently met with agencies to discuss their progress and to solicit their input as to what DSBS might do in order to improve their ability to succeed. In addition, DSBS stated that its audit process includes procedures for the notification of audit findings, a requirement for agencies to develop corrective action plans to address findings, and requires ongoing follow-up by DSBS to ensure that corrective action plans are being implemented and followed.

NEW YORK CITY TRANSIT AUTHORITY

Audit Report on Vendor Contracts with New York City Transit to Provide Access-A-Ride Services

[Audit #ME09-078A](#)

Comptroller's Audit Library #7973

Issued: July 28, 2009

Monetary Effect: None

Introduction

This audit determined whether New York City Transit (NYCT) adequately monitored Access-A-Ride vendors' compliance with certain key contract provisions. Access-A-Ride provides door-to-door transportation for people with disabilities who are unable to use public bus or subway service. Service is available 24 hours a day, seven days a week (including holidays), throughout the five boroughs. While NYCT's Paratransit Division administers the Access-A-Ride program, private carriers under contract with NYCT provide the service. During Calendar Year 2008, NYCT contracted with 14 private companies. (Contracts with three of these vendors were not renewed by NYCT for Calendar Year 2009.) In Calendar Year 2008, the total cost of the program for the 14 carriers was \$242.8 million for approximately 5 million completed trips.

Results

The audit concluded that 6.3 percent of the 5.8 million assigned trips were no-shows. Otherwise, NYCT generally monitored the compliance of its Access-A-Ride vendors with certain key contract provisions. A review of on-time performance reports generated by NYCT's ADEPT system found that these reports were generally accurate. The audit reviewed 448 trips for 50 routes and found that although vendor-recorded vehicle-arrival times, driver-recorded arrival times, and automatic vehicle locator system-recorded arrival times varied, the times were sufficiently similar so as not to affect the calculation of on-time performance. The audit also found that Access-A-Ride drivers had valid licenses that authorized them to drive Access-A-Ride vehicles. Furthermore, Access-A-Ride carriers had ensured that its drivers complied with Article 19-A regulations.

However, NYCT's monitoring of no-shows reported by Access-A-Ride vendors had significant deficiencies. The 14 NYCT Access-A-Ride vendors had 362,587 no-shows in Calendar Year 2008, or 6.3 percent of the 5.8 million assigned trips during this period. While NYCT identified instances of vendors incorrectly classifying contractor no-shows as either customer no-shows or no-fault no-shows, the agency was not able to specify the number of no-shows reviewed and the percentages that were misclassified because it did not adequately document its reviews. Consequently, neither NYCT nor the audit could determine the extent to which no-shows were misclassified and whether the instances identified were indicative of a much larger problem. By not ensuring that vendors accurately reported the number of contractor no-shows, NYCT might have been allowing vendors to provide an inflated view of their performance, resulting in NYCT not being able to determine whether contractors were receiving incentive payments they were not entitled to, or avoiding penalties for which they were liable.

Finally, although NYCT tracks customer complaints against Access-A-Ride vendors and has procedures in place to investigate and respond to those complaints, there was insufficient evidence that the agency regularly discussed complaint trends with each vendor or that vendors took corrective action to address identified problems. Consequently, opportunities to reduce customer complaints—and improve customer service—appear not to have been consistently used by NYCT.

To address these issues, the audit recommended that NYCT:

- Prepare written guidelines to ensure that no-shows are reviewed in a systematic and consistent manner.
- Enhance its monitoring of no-shows to ensure that each vendor is reviewed continually.
- Include the total number of no-shows that are reviewed in its no-show reconciliation-review reports so that the error rates for vendor no-show classifications can be determined.
- More closely monitor analysts' no-show reviews to ensure that questionable no-show classifications by vendors are adequately identified and reclassified.
- Contract managers should more effectively utilize complaint-tracking data by discussing negative trends with vendors and requiring them to take necessary action to correct the identified problems.
- Contract managers should more clearly document their discussions with vendors on performance issues.

NYCT did not provide a formal response to this report.

Audit Follow-up

NYCT reported that all of the audit's recommendations are being implemented.

NEW YORK CITY TRANSIT AUTHORITY

Audit Report on New York City Transit's Maintenance and Repair of Subway Stations

[Audit #MJ09-056A](#)

Comptroller's Audit Library #7982

Issued: September 22, 2009

Monetary Effect: None

Introduction

This audit assessed the adequacy of New York City Transit's (NYCT) efforts to identify and repair defective conditions in commuter areas of its subway stations.

NYCT is the largest agency in the Metropolitan Transportation Authority (MTA) regional transportation network. It operates 27 subway lines consisting of nearly 6,500 subway cars that

travel over 660 miles of track connecting 468 active stations throughout four of the five City boroughs. The subways serve an average of 4.5 million riders daily. In addition, NYCT operates bus service throughout the four boroughs and rail service on Staten Island. In Fiscal Year 2008, NYCT had more than 48,000 employees and an operating budget totaling \$7.9 billion. For the same year, exclusive of capital projects, NYCT spent approximately \$144 million on station maintenance, of which the City reimbursed \$81 million for the operation, maintenance, and use of the stations.

NYCT's Division of Station Operations (Division of Stations) is responsible for ensuring that all subway stations and station facilities are properly maintained in a clean, safe, and sanitary condition at all times. The Division's Maintenance and Support Unit (MSU) operates eight maintenance shops that are directly responsible for maintaining the stations and related facilities within each of their geographic regions. The shops employ a workforce of approximately 1,000 employees, including skilled-trade workers (i.e., electricians, ironworkers, masons, and carpenters) and are responsible for providing scheduled and unscheduled maintenance at stations throughout the subway system.

Results

NYCT does not adequately inspect and repair defective conditions in commuter areas of the subway stations and does not adequately ensure that all existing defects are identified and reported to maintenance shops, and subsequently repaired. Consequently, defective conditions that constitute a danger to the public, including trip hazards and potential exposure to lead paint and asbestos, remain unrepaired for extended periods of time.

About two-thirds (99) of the (144) defects initially observed by the auditors at the 50 sampled stations between November 6 and December 12, 2008, were not reported by NYCT station supervisors to the maintenance shops for follow-up. NYCT asserted that station supervisors do not report certain conditions (i.e., peeling paint) because they either cannot be remedied by the maintenance shops or are the responsibility of another division. They noted that paint and iron defects are alternatively identified "through Capital Programs, Capital Program Management, and Budget, consultant structural surveys; Subways Infrastructure Engineering structural inspections and station condition assessments." However, many of these surveys may not be conducted frequently enough to ensure that all defective conditions that could pose potentially hazardous to the riding public are identified, reported, and addressed promptly.

In addition, the audit found that NYCT lacks a clear standard for the frequency of station inspections, and it does not routinely use inspections reports or keep them on file.

Audit tests involving 425 sampled trouble calls at the 50 stations found that when station supervisors report defective conditions to the maintenance shops, they are not always repaired. About 15 percent (15%) of the defects associated with trouble calls that were observed at the sampled stations had not been repaired, despite being reported to the maintenance shops well over 60 days prior to our station inspections. Of greater concern was that the NYCT trouble-call database showed that some of the unrepaired conditions had been closed out as completed, when the auditors observed that the conditions had not been repaired.

Regarding the maintenance shops, the audit also found weaknesses in NYCT existing procedures governing how trouble calls are recorded, assigned, closed out, tracked, and reported. Further, the audit found that NYCT lacks a reliable computerized system to manage

and assess maintenance activities and facilitate accurate record keeping, data collection, and analysis. Last, there is a general lack of accountability and supervisory review of maintenance work performed.

To address these issues the audit made 16 recommendations, among them that NYCT should:

- Ensure that station inspections are appropriately performed by station supervisors and that all observed defects are reported to the maintenance shops.
- Establish a minimum requirement for frequency of station inspections and include this requirement in the Station Supervisor Training Program Manual and other applicable operating procedures.
- Ensure that required inspection and frequency reports are used to evidence inspections and establish record maintenance requirements for such reports.
- Establish minimum requirements for supervisors to randomly review the work performed by maintenance personnel and to report on these observations. These reviews should be used as part of employee evaluations.
- Consult the Information Technology-Information Systems (IT-IS) department within the agency to discuss the weaknesses and needs of the MSU in tracking trouble calls.

Audit Follow-up

NYCT reported that all of the audit's recommendations have either been implemented or are in the process of being implemented.

DEPARTMENT OF TRANSPORTATION

Audit Report on the Controls of the Department of Transportation over City Disability Parking Permits

[Audit # MD09-076A](#)

Comptroller's Audit Library #8003

Issued: February 5, 2010

Monetary Effect: Unable to Determine

Introduction

The audit determined whether the Department of Transportation (DOT) has adequate controls over the issuance of City disability parking permits.

DOT's mission is to provide for the safe, efficient, and environmentally responsible movement of people and goods in New York City. One of DOT's functions is the issuance of parking permits. DOT's Parking Permits for People with Disabilities (PPPD) unit is responsible for the issuance of both the City and State disability parking permits. The focus of this audit was the issuance of City disability parking permits. The PPPD unit reported that it issued a total of 24,369 City disability parking permits during Fiscal Year 2008, the period covered by the audit.

A City disability parking permit allows individuals to park at most curbsides on City-owned streets, to park at meters without using an authorized payment method, and to park in areas where regular parking is prohibited. An applicant for the permit must be a New York City resident or a non-resident who is either employed full time or attending school in New York City. The applicant must also be certified by a New York City physician as having a disability that severely and permanently or temporarily impairs the applicant's mobility, requiring the use of a private vehicle for transportation.

Results

DOT's controls over the issuance of disability parking permits are inadequate. Although the audit did not find any instances of permits being issued to non-eligible individuals, the PPPD unit's poor procedures and controls create an environment that allows for the issuance of fraudulent permits without detection. DOT's recordkeeping practices for its inventory of permit seals are grossly deficient. The audit found at least 22,000 seals that were unaccounted for, which is a problem since anyone can create fraudulent permits using these seals. Fraudulent permits would undermine DOT's efforts to ensure that only those who need and qualify for permits receive them and would also result in lost revenue to the City. DOT does not monitor the permits it generates, nor does it reconcile the generated permits with applicants' files to ensure that all printed permits are valid and warranted. DOT is not capable of generating key reports on demand, contributing to its inability to monitor permit issuance. Moreover, PPPD personnel share user identifications and passwords in e-Permits (DOT's computerized processing system) to record applicants' medical certification assessment information. As a result, DOT is unable to track the identities of those who recorded the certification information and is therefore unable to determine whether the information was recorded only by authorized personnel.

In addition, the audit found that permits of living individuals were deactivated by the PPPD unit because DOT's match procedure to identify deceased permit holders is inadequate. Also,

DOT does not comply with its own procedures by accepting out-of-state driver's licenses as proof of identification for applicants who state that they reside within New York City and who are not non-residents employed or attending school in the City.

The audit made 16 recommendations, some of which are highlighted:

- Conduct an immediate investigation to determine the disposition of the 11 boxes of seals (totaling 22,000 disability parking permit seals) that were unaccounted for, as identified in the report;
- Ensure that inventory records of the disability parking permit seals are accurately maintained and that all seals and their storage location are included in its inventory records;
- Conduct periodic physical inventory counts of the disability parking permit seals to ensure that its inventory records are accurate. If discrepancies are identified between the physical inventory counts and the inventory records, they should be investigated and the results of the investigation documented;
- Ensure that user identifications and passwords are not shared by its employees. User-specific identifications should be created for each employee authorized to record the certification assessment information in the e-Permits system;
- Periodically monitor e-Permits data (e.g., compare permits issued to applications) to ensure the accuracy and legitimacy of the permits being issued;
- Develop reports to assist in their monitoring of e-Permit data and printed permits to identify duplicate permits that may have been processed and to ensure accuracy of the recorded data; and
- Ensure that all applicants possess a New York State Department of Motor Vehicle Driver's License or New York State Non-Driver's Identification card before processing a City disability parking permit, as required by DOT procedures. If DOT changes the requirements for obtaining a disability parking permit, the procedures should be revised accordingly.

DOT officials generally agreed with the audit's recommendations. However, they disagreed in part with the finding related to the missing disability parking permit seals.

Audit Follow-up

DOT reported that 13 recommendations have either been implemented or are in the process of being implemented, one recommendation was implemented in an alternative way, and the remaining two recommendations will not be implemented. DOT stated that it revised the permit application to require the applicants' nine-digit social security numbers instead of the last four digits because DOHMH's system only uses complete social security numbers. In addition, DOT stated that it has investigated the discrepancy of the 11 boxes and concluded that "there is no evidence of any missing, misplaced or misappropriated disability Permit Holographic seals". Moreover, DOT stated that it is required to issue disability parking permits to drivers who live outside of New York City.

DEPARTMENT OF TRANSPORTATION

Audit Report on the Oversight of the Private Ferry Operators by the Department of Transportation

[Audit # MG10-061A](#)

Comptroller's Audit Library #8020

Issued: June 24, 2010

Monetary Effect: Actual Revenue: \$47,409

Potential Revenue: \$28,830

Introduction

This audit determined whether the Department of Transportation (DOT) ensured that private ferry operators complied with the requirements of their permits and license agreements and that the New York City Economic Development Corporation (EDC) provided a safe, clean, and well-maintained environment at DOT piers. The audit also determined whether DOT ensured that private ferry operators correctly paid their permit fees, and that EDC collected the landing fees and security deposits.

DOT is responsible for regulating public and private ferry operations originating or terminating within New York City. DOT issues all permits and license agreements. Based upon an agreement, it is responsible for collecting private ferry permit fees and the EDC is responsible for maintaining DOT piers and collecting private ferry landing fees and security deposits.

During Fiscal Year 2009, five private ferry operators provided private ferry service in New York City, and DOT reported an average weekday ridership of 30,694 passengers on 20 private ferry routes. During this time, EDC reported collecting \$852,059 in ferry-related revenue, using \$741,863 in pier-related expenses, and receiving \$59,644 for its administrative fee. As of June 30, 2009, EDC had a balance of \$272,550 in the reserve fund.

Results

The audit found that DOT ensured that private ferry operators complied with the operational aspects of their permits and license agreements. In addition, the overall structural conditions and routine maintenance for all DOT piers appeared to generally be in good condition.

However, DOT's controls over the billing and collection of fees from private ferry operators are inadequate. As a result, DOT was not able to ensure that operators correctly paid their permit fees, landing fees, and security deposits. In addition, staff failed to forward checks for deposit in a timely manner. Consequently, since Fiscal Year 2009, DOT failed to properly administer all 30 permits and five (29 percent) of 17 license agreements, resulting in \$76,239 in fees and security deposits not being collected. At the time the report was issued, DOT had collected \$47,409 of the funds and \$28,830 remained uncollected. The current collection practices increase the risk that non-collection, or misappropriation, of funds may occur and go undetected.

The audit made nine recommendations, including that DOT should:

- Develop written policies and procedures to ensure that all fees are billed, collected, and deposited in a timely manner.
- Track all permits issued and reconcile fees collected with corresponding permits.

- Reconcile landing fees collected and reported by EDC with the corresponding license agreements.
- Reconcile security deposits collected and reported by EDC with the corresponding license agreements.

DOT agreed with the audit's findings and all nine recommendations.

Audit Follow-up

DOT reported that all of the audit's recommendations are being implemented.

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

Audit Report on the Department of Youth and Community Development Out-of-School Youth Program

[Audit #ME10-076A](#)

Comptroller's Audit Library #8019

Issued: June 23, 2010

Monetary Effect: None

Introduction

This audit determined whether the Department of Youth and Community Development (DYCD) effectively monitored Out-of-School Youth (OSY) program contractors to ensure that they complied with key provisions of their contracts. DYCD is charged with administering the City's youth employment and training programs. One of DYCD's programs, the OSY program, provides educational and employment services to 16 to 21 year olds who are not connected to school or work, or who need assistance upgrading their occupational skills. In Fiscal Year 2009, DYCD had a budget of about \$8.1 million for the OSY program. During this period, the contractors registered 890 OSY program participants. Payments to OSY vendors are based 80 percent on reimbursement of line-item expenditures and 20 percent on performance.

Results

The audit concluded that DYCD adequately monitored the OSY program providers to ensure that they generally complied with key provisions of their DYCD contracts. DYCD program managers made periodic site visits to the OSY providers and prepared informal site visit reports and comprehensive annual monitoring reports. The providers' participant files generally contained adequate supporting documentation relative to participant eligibility, assessments, and service plans. In addition, the program facilities the auditors visited were in good condition and provided adequate space for classroom instruction. Furthermore, OSY provider claims for milestone payments were adequately supported.

However, the audit determined that DYCD did not adequately follow up to ensure that providers implemented the corrective action plans OSY program providers developed in response to weaknesses identified in DYCD monitoring reports. In addition, the audit found that the four sample providers (1) did not sufficiently complete the required biweekly updates of pre-exit participant progress and monthly updates of post-exit participant progress and (2) did not ensure that each staff member who had direct contact with participants had the required fingerprinting, criminal background checks, and training. Finally, DYCD monitoring reports did not note most of these deficiencies.

To address these issues, the audit recommended, among other things, that DYCD:

- Conduct follow-up visits to ensure that identified deficiencies are promptly corrected.
- Ensure that participant progress is regularly updated.
- Ensure that fingerprints and criminal background checks are documented for all OSY staff members who have direct contact with participants.

- Ensure that all staff members are adequately trained, especially on how they should interact with the participants.
- Ensure that program managers effectively assess contractor compliance with all key contractual requirements, including but not limited to those related to biweekly and monthly updates, fingerprinting, criminal background checks, and training; such assessments should be included in the monitoring reports.

In its response, DYCD disputed one of the audit's findings but generally agreed to implement the audit's recommendations.

Audit Follow-up

DYCD reported that all of the audit's recommendations are being implemented. DYCD, however, noted that while training on interacting with participants is important, it is not a key standard.

SECTION II

NON-GOVERNMENT AUDITS

CLAIMS

During Fiscal year 2010, reports were issued on claims filed against the City. The analyses accepted amount for those claims totaled \$3,761,485. This resulted in a potential cost avoidance of \$26,446,171 as shown below:

Total Claim Amount	\$30,207,656
Less: Analyses Accepted Amount	\$ 3,761,485
Potential Cost Avoidance	\$ 26,446,171 *

*Note: As stated, these cost-avoidance figures are only “potential.” They are based on results of analyses, and these are only the first step in the claim process. As claims are further processed, and as they are concluded via settlement or lawsuits, the actual figures will be different because of other factors that need to be considered at other steps of the claim process.

A listing of the 11 claims follows.

REPORT NUMBER	CLAIMANT	DATE ISSUED	CLAIM AMOUNT	ANALYSES ACCEPTED AMOUNT	DISPOSITION SETTLEMENT AMOUNT
FP09-127S	Franklin Parrasch	07/06/09	*	*	*
FP09-115S	Joslin Diabetes Center	07/29/09	*	*	*
FP09-128S	United Pipe Nipple Co., Inc.	07/29/09	*	*	*
FP09-133S	Brooklyn Union Gas Co. – Ave. X	09/24/09	*	*	*
FP09-132S	Keyspan Energy Delivery Inc.	09/24/09	*	*	*
FP09-134S	Brooklyn Union Gas Co. – Metropolitan Ave.	09/24/09	*	*	*
FP09-125S	Frontier Kemper	03/01/10	*	*	*
FP10-103S	Project Reach Youth, Inc.	01/28/10	*	*	*
FP10-104S	KForce, Inc.	12/11/09	*	*	*
FP10-113S	King Liquors	01/28/10	*	*	*
FP10-128S	The LiRo Group	03/15/10	*	*	*
	FISCAL YEAR 2010 TOTALS		\$30,207,656	\$3,761,485	\$26,446,171

FRANCHISE, CONCESSION, AND LEASE AUDITS

Franchise, concession, and lease agreements between various City agencies and private organizations result in revenues to the City, based on formulas defined in the agreements. City agencies that enter into such agreements include the Economic Development Corporation (EDC), Department of Information Technology and Telecommunications (DoITT), and the Department of Parks and Recreation (Parks). Our audits evaluate the payments made by such entities as sports franchises and hotels. As shown below, Fiscal Year 2010 audits resulted in collecting actual revenues totaling \$125,906,097, potential revenues totaling \$110,666, and actual savings totaling: \$774,513. Additional revenue can be collected if all audit recommendations are followed.

<u>Audit Number</u>	<u>Audit Library No.</u>	<u>Agency/Title</u>	<u>Date Issued</u>	<u>Actual Revenue To Date</u>	<u>Remaining Potential Revenue</u>	<u>Actual Savings</u>
FN09-104A	8011	EDC–Master and Maritime Contracts	4/27/10	\$125,500,000	0	0
FN10-086A	8026	EDC–Piers 92 and 94	6/30/10	\$ 6,968	0	\$774,513
FP08-103A	8014	DoITT–Empire City Subway	6/2/10	0	0	0
FK09-129A	7994	Parks–Concert Foods	12/21/09	\$ 65,900	\$ 110,666	0
FL09-067A	7978	Parks–World Fair Marina	9/3/10	\$ 22,957	0	0
FM08-104A	7979	Parks–Fitmar Management	9/4/09	\$ 86,686	0	0
FM09-091A	8005	Parks-South Beach Restaurant Corp.	3/18/10	\$ 6,888	0	0
FM09-130A	8001	Parks-Lakeside Restaurant Corp.	1/29/10	\$ 30,915	0	0
FN09-063A	7966	Parks-New York Mets	7/15/09	\$ 181,720	0	0
FR10-081A	8018	Parks-Sunny Days in the Park, Inc.	6/23/10	\$ 4,063	0	0
		TOTAL		\$125,906,097	\$110,666	\$774,513

ECONOMIC DEVELOPMENT CORPORATION

Audit of the Financial and Operating Practices of the New York City Economic Development Corporation and Compliance with Its Master and Maritime Contracts, July 1, 2005 to June 30, 2008

[Audit #FN09-104A](#)

Comptroller's Audit Library #8011

Issued: April 27, 2010

Monetary Effect: Actual Revenue: \$125.5 Million

Introduction

The audit determined whether the New York City Economic Development Corporation (EDC) accurately recorded and reported its revenue and expenses to the City, properly retained revenue payments in accordance with the Master and Maritime contracts, and remitted amounts due the City; and complied with other significant provisions of the agreements.

EDC is a local development corporation created to carry out economic development services related to the attraction, promotion, and expansion of private investment and employment opportunities in the City. EDC performs its services under two contractual agreements with the City, the Master Contract and the EDC Maritime Contract. The audit covered the period July 1, 2005, through June 30, 2008.

Results

EDC generally accounted for its revenue and expenses and complied with other provisions of the agreements such as the submission of the budget and financial plan reports to the City. However, there was a noticeable lack of transparency in the classification and disclosure to the public of certain revenue transactions that resulted in EDC's inappropriate retention of \$125.5 million in payments it collected as a conduit on behalf of the City. The amount included payments from the 42nd Street Project, proceeds from the sale of City-owned assets, and the balance of an inactive public purpose fund that should have been transferred to the City and disclosed accordingly in EDC's financial reports to the City.

There were also some internal control deficiencies that led to EDC's lack of review of the payments in lieu of taxes, inadequate controls over its property disposition process, and incomplete collection of rental income. Other weaknesses included problems with the calculation of the energy discount, the recording of the Revolving Loan Fund Program (RLF), and the monitoring of contract administration, job retention and construction requirements, and timekeeping functions.

The report made 12 recommendations, including that EDC:

- Remit the retained funds, totaling \$125,513,793, to the City:
- Provide for proper classification and enhance the transparency of its revenue amounts due the City.
- Properly monitor the 42nd Street Development Project.

- Use the total funding balance of \$10,079,415 as of June 30, 2008, from inactive Public Purpose Funds #12, #13, #18, #28, #30, and #31 in accordance with the terms and provisions of the respective funding and trust agreements.
- Properly administer the sales of real properties.
- Recoup the \$97,079 in rents and license fees due. Properly calculate, bill, and collect the rent amounts and other tenant reimbursements in accordance with the terms of each lease agreement.
- Recoup the excessive Energy Cost Savings Program (ECSP) discounts of \$461,038 credited to six customer accounts and credit the other six accounts with the total shortfall of \$122,110. In addition, EDC should credit the difference of \$262,962 to Con Edison. Use the correct rate to calculate ECSP discounts and ensure that the amount is consistent with Con Edison's discount.
- Implement policy and guidelines to ensure that all contractor submissions are properly reviewed and approved.

In their response, EDC officials generally disagreed with the audit report findings and recommendations.

Audit Follow-up

EDC reported it has implemented one recommendation, is in the process of implementing two recommendations, partially agreed with four recommendations, disagreed with and will not implement four recommendations, and did not respond to the remaining recommendation. EDC stated that "pursuant to a written directive from the Deputy Mayor, dated September 20, 2010, as had been agreed-upon by EDC, OMB and the Deputy Mayor, upon reversion of the 42nd Street Project properties to the City control ... NYCEDC will remit future rental revenues therefrom to the City on an annual basis, retaining an administrative fee for its services." In addition, EDC stated that it will make adjustments to the ECSP accounts and expects to recoup all workers' compensation overpayments by the end of 2010 is in the process of implementing new procedures for contractor submissions, and has implemented a new timesheet system.

ECONOMIC DEVELOPMENT CORPORATION

Audit Report on the Operation and Management of Piers 92 and 94, January 1, 2007–December 31, 2009

[Audit # FN10-086A](#)

Comptroller's Audit Library #8026

Issued: June 30, 2010

Monetary Effect: Actual Revenue \$6,968

Actual Savings: \$774,513

Introduction:

The audit determined whether the operators for Piers 92 and 94 accurately reported gross revenue, properly calculated and paid the appropriate fees due the City and paid them on time; and complied with certain non-revenue related requirements of their agreement (i.e., completed the required capital improvements, maintained the required security deposit and insurance coverage, and paid utilities, etc.)

The City of New York is the owner of Piers 92 and 94 on the Hudson River between 52nd and 56th Streets. The properties include the surface area of the decks, the head house, the outdoor parking lot, and related improvements. Piers 92 and 94 operate as a facility for trade and consumer shows, customary convention center uses, supporting ancillary services, and public parking. Currently, the facility offers 208,000 square feet of exhibit or event space and approximately 280 parking spaces above Pier 92. The New York City Economic Development Corporation (EDC) is responsible for administering the agreements with the operators of the piers under its Maritime contract with the City. From calendar years 2007 through 2009, our audit scope period, the operations of Piers 92 and 94 have been under two separate companies; The Un-Convention Center, Inc. (Un-Convention) and MMPI Piers LLC (MMPI).

Results:

The audit found that the operators were generally in compliance with the agreements, except for the following observations:

For the operating period January 1, 2007 through November 21, 2008, a review noted that Un-Convention understated its revenue by a total of \$197,920 and its base charge by \$300. Therefore, it owes the City \$20,092 in additional fees and base charge. In addition, Un-Convention did not perform the required pier improvements, resulting in the City having to reimburse \$81,387 to the new operator for the costs.

For the operating period December 11, 2008, through December 31, 2009, the audit found that MMPI understated its events revenue by \$45,257, underpaid its base charge by \$968 and did not maintain an adequate security deposit. In addition, MMPI submitted \$774,513 in excess of the reimbursable capital improvement allowed. EDC has not approved these for reimbursement.

To address these issues, the audit recommends that:

- Un-Convention revise its revenue participation charge calculations and remit \$20,092 in base charge and revenue participation charges to EDC.

- Un-Convention reimburse EDC \$81,387 for unfinished required improvements at the pier.
- MMPI exclude parking operating expenses from its event revenue participation charge calculation.
- MMPI submit the additional \$6,968 in base charge and security deposit to EDC.
- MMPI capital improvement costs submitted to EDC are within the scope of Exhibit C of the occupancy permit.

The audit recommends that EDC:

- Approve only capital improvements outlined in the occupancy permit with MMPI.
- Ensure that the operators pay the correct base charge and security deposit, and verify the accuracy of participation charge calculations.
- Ensure that the necessary improvements and maintenance work at the piers are performed in a timely manner.
- Recoup \$81,387 from Un-Convention for unfinished capital improvements.

In their response, Un-Convention officials generally disagreed with the audit report conclusions. However, they did not provide relevant information to justify the basis for their disagreement.

MMPI partially agreed with the report conclusions. However, it did not agree that parking operating expenses should not be included in the calculation of event revenue participation charge.

EDC generally agreed with the recommendations addressed to it that involved MMPI, but did not agree with those regarding Un-Convention. It agreed with our recommendation regarding the pier conditions.

Audit Follow-up

MMPI reported that it continues to disagree with the audit recommendation to exclude parking expenses from Event Revenue and still partially agrees with the audit conclusions. However, MMPI did pay an additional \$6,968 consisting of \$968 for underpayment of rent and an additional \$6,000 toward its Security Deposit prior to the final audit.

EDC reported that it is implementing most of the audit's recommendations. EDC stated that its Legal Department is still in consultation with the City Law Department to determine EDC's rights regarding the Un-convention Center.

The Un-Convention Center has not provided follow-up information.

DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS

Audit on the Payment by Empire City Subway of License Fees Due the City and Compliance with Certain Provisions of its License Agreement

[Audit # FP08-103A](#)

Comptroller's Audit Library #8014

Issued: June 2, 2010

Monetary Effect: Unable to Determine

Introduction

This audit determined whether Empire City Subway (ECS) accurately reported its annual profit and paid its franchise tax payments on a timely basis, and whether the Department of Information Technology and Telecommunications (DoITT) has ensured that ECS complied with the provisions of the agreement.

ECS, a subsidiary of Verizon, is the largest telecommunications conduit provider in New York City. ECS has a franchise from the City to design, construct, and maintain subsurface electrical conduit and manhole infrastructure in Manhattan and the Bronx, which ECS rents to telecommunications and cable television service providers. The franchise agreement is administered by DoITT. The audit covered the period from January 1, 2007, to June 30, 2009.

Results

ECS generally adhered to the requirements of the license agreement and paid all franchise tax payments that were due during the audit period in a timely manner. However, ECS financial statements were not certified by an independent public accounting firm. Moreover, ECS did not apply depreciation consistently and overstated gross conduit valuation for the purposes of calculating excess profits that may be due the City by including the costs of unassigned and unidentified conduits. In addition, because the deficits are cumulative, ECS overstated its accumulated deficit, which is used to offset any future excess profit payments due the City.

DoITT has not ensured that ECS effectively manages, constructs, or retires conduits. In a related matter, we believe that DoITT should consider seeking legislative change enabling the conduit rental rate to be set at a competitive level that permits the contract to generate revenue for the City.

The report made eight recommendations to ECS, among them that ECS:

- Apply depreciation consistently when calculating annual net profit and accumulated deficits.
- Readjust calculations of net income and associated deficit amounts.
- Maintain accurate and complete financial records as required by the agreement.
- Adjust gross plant assets by reducing the valuation of gross plant assets by \$85 million accounting for the value of the conduits in unassigned and unidentified categories.
- Identify the tenants occupying all the unidentified conduits and bill those tenants. Once the tenants are being billed, the construction associated with those conduits can be added back to gross plant assets.

The audit made two recommendations to DoITT, that it:

- Undertake a more assertive role in overseeing the construction and management of the overall conduit infrastructure system so that the plant valuation is not inflated with unnecessary construction costs for the purposes of calculating excess profits and payments that may be due the City.
- Consider seeking legislative change stating that it is just and reasonable to set the conduit rental rate at a competitive level that permits the contract to generate revenue for the City. A new rate should take into account the rate of inflation and be comparable to conduit rental rates charged in other cities.

ECS disagreed with the audit's findings and recommendations, and DoITT generally agreed with the recommendations.

Audit Follow-up

ECS reported that is in the process of obtaining certified financial statements for calendar years 2008, 2009, and 2010, and is currently working with DoITT to implement the audit's recommendations.

DoITT reported that it is in the process of implementing the audit's recommendations.

DEPARTMENT OF PARKS AND RECREATION

Audit Report on the Compliance of Concert Foods with Its Department of Parks and Recreation Contract

[Audit # FK09-129A](#)

Comptroller's Audit Library #7994

Issued: December 21, 2009

Monetary Effect: Actual Revenue: \$65,900

Potential Revenue: \$110,666

Introduction

This audit determined whether Concert Foods accurately and completely reported gross receipts of the Sheep Meadow Café, properly calculated permit fees due the City, and paid permit fees on time; Concert Foods complied with certain other non-revenue-related requirements of its permit agreement; and the Department of Parks and Recreation (Parks) adequately monitored Concert Foods' performance and enforced the terms and conditions of its agreement with Concert Foods, as required by the New York City Charter, Chapter 14, §365.

Concert Foods managed, operated, and maintained a snack bar and two pushcarts at the Sheep Meadow Café (north of the Sheep Meadow Café in Central Park) under a contract with Parks. The agreement covered the six-year period from February 5, 2003 to March 31, 2009. Under the terms of the agreement, Concert Foods agreed to pay Parks the higher of \$105,233 or 20 percent of gross receipts for the period May 1, 2008–March 31, 2009, and to submit specified documentation to Parks to substantiate its gross receipts. During operation year 2009, Concert Foods paid the permit fees of \$127,477 based upon reported gross receipts of \$637,386.

The permit agreement also required Concert Foods to spend certain amounts on capital improvements each operating year and make specified capital improvements and repairs, sell only authorized items at Parks-approved prices, maintain the snack bar, restrooms, and surrounding area, obey all relevant laws and regulations, and obtain all necessary permits and licenses. Concert Foods was also required to conform to certain non-revenue related requirements of the agreement and to return equipment to Parks or replace it upon the expiration of the agreement.

The audit covered the period February 5, 2003 to March 31, 2009, with regard to capital improvements. For all other tests, the audit covered only the period May 1, 2008 to March 31, 2009, because Concert Foods could not provide sales records prior to that period.

Results

The audit revealed that Concert Foods failed to report gross receipts of at least \$93,002 and, therefore, owes the City \$20,519 - \$18,600 in fees and \$1,919 in penalties and interest. Further, Concert Foods failed to report additional gross receipts of \$46,673 that it maintained were generated at another Concert Foods concession, the Delacorte Theatre. Although we know that Concert Foods did not report all revenue earned at the Sheep Meadow Café, we could not determine the total gross receipts or the corresponding payments due the City because Concert Foods alleged it lacked sales records and Concert Foods lacked internal controls of any kind over the collecting, recording, and reporting of revenues. Given Concert Foods' failure to

report gross receipts of *at least* \$93,002 and the utter lack of sales records and internal controls, it appears that Concert Foods may have perpetrated fraud.

The audit also revealed that Concert Foods failed to expend \$156,047 on capital improvements, as required by the agreement, or to make specified capital improvements and necessary repairs to the Sheep Meadow Café. During the course of the audit, Concert Foods paid Parks \$31,487 toward its capital improvements reducing the amount owed for capital improvements to \$124,560. Additionally, Concert Foods expanded the scope of its operations and vending space, sold unauthorized items, charged customers more than amounts approved by Parks, and did not obtain necessary permits and licenses, designate insured parties as specified in its permit, or pay all New York State and City sales tax. Concert Foods did not comply with or fulfill these contractual obligations, and Parks failed to adequately monitor Concert Foods' performance and enforce the terms and conditions of its agreement, as required by the New York City Charter, Chapter 14, §365.

Since Concert Foods' permit expired, and it was not awarded this concession again, the audit addressed recommendations solely to Parks. The audit made four recommendations with regard to Concert Foods and 10 recommendations with regard to future snack bar concessions, including that Parks should:

- Seize Concert Foods' security deposit of \$26,308 and apply it toward the \$145,079 it owed Parks for capital improvements, fees, penalties, and interest.
- Refer the collection of the remaining \$118,771 owed it for capital improvements, fees, penalties, and interest to the New York City Law Department.
- Ensure that future snack bar concession agreements with fees based on gross receipts clearly stipulate that concessionaires maintain adequate systems of internal control and keep complete and accurate records as well as books of account and data, including daily sales and receipt records, which show in detail the total business transacted by the concessionaire and the gross receipts derived therefrom.
- Monitor concessionaires' performance and enforce the terms and conditions of their agreements, as required by the New York City Charter, Chapter 14, §365.
- Issue Notices to Cure, assess liquidated damages when permissible, and follow up on concessionaires that do not comply with and fulfill agreement provisions.
- Issue Advices of Caution in the City's VENDEX regarding concessionaires that do not comply with or fulfill agreement provisions.

Parks generally agreed that Concert Foods lacked sufficient internal financial controls. However, Parks disagreed with several of the audits findings, particularly with the report's findings regarding capital improvements, scope of operations, and vending space. Parks partially agreed with three and agreed with 11 of the 14 audit's recommendations. Concert Foods disagreed with the audit report's major conclusions.

Audit Follow-up

Parks stated that it collected \$34,413 from Concert Foods, which represents the full amount Parks deemed owed for capital improvements and license fees. Additionally, Parks stated that

the agreement with the new concessionaire clearly stipulates requirements for adequate internal controls and record keeping.

DEPARTMENT OF PARKS AND RECREATION

Audit Report on the Compliance of Food Craft, Inc. (World Fair Marina Restaurant and Banquet) with Its License Agreement and Payment of License Fees Due the City

[Audit # FL09-067A](#)

Comptroller's Audit Library #7978

Issued: September 3, 2009

Monetary Effect: Actual Revenue: \$22,957

Introduction

This audit determined whether the Food Craft, Inc. (Food Craft) accurately reported its total gross receipts to the Department of Parks and Recreation (Parks), properly calculated the annual license fees due the City and paid them when due, and complied with certain non-revenue-related requirements of the license agreement.

Parks has a license agreement with Food Craft to renovate and operate a restaurant and catering facility, the World Fair Marina Restaurant and Banquet Hall, in Flushing Meadows, Queens.

During the audit period of March 1, 2007, through September 30, 2008, Food Craft reported a total of \$1,548,304 in gross receipts.

Results

The audit found that Food Craft generally paid its minimum license fees on time, maintained the required liability insurance that named the City as additional insured party, maintained the required security deposit, and paid utility charges.

However, Food Craft had significant internal control weaknesses over the collecting, recording, and reporting of revenue. As a result of these weaknesses, the audit could not ascertain whether all of the revenue earned at the World Fair Marina Restaurant and Banquet was in fact recorded in Food Craft's books and records, and accurately and completely reported to Parks. Nor could the audit determine whether Food Craft paid all license fees due Parks. Furthermore, the internal control weaknesses and lack of records were so extensive as to raise red flags concerning the potential of fraud.

Food Craft also violated provisions of New York State Labor Law and its license agreement by not distributing all service charges/gratuities collected to its wait staff. Moreover, Food Craft did not complete all the capital improvements to the licensed premises as stipulated in its license agreement.

The audit made six recommendations to Food Craft, which included the following:

- Pay the City the additional \$1,980 in license fees and late charges assessed in this audit report.

- Take immediate action to strengthen its internal controls over the financial operations of the restaurant, the bar, and banquet hall. These actions should include:
 - Creating and maintaining a complete and accurate cash receipts journal that records all individual transactions of receipts of cash that includes at least basic information such as the date cash was received, the dollar amount received, and the patron from whom the cash was received,
 - Installing and maintaining a cash register, point of sale system, or other device to record its banquet and restaurant sales, and
 - Issuing sequentially prenumbered banquet contracts, invoices, and restaurant guest checks.
- Distribute all service charges to its wait staff who worked at each function, in accordance with Labor Law Section 196-d, Division of Labor Standards, New York State Department of Labor.
- Operate a restaurant at the facility as required by its license agreement.
- Immediately pay all outstanding water and sewer charges related to the licensed premises (in response to the draft report, Food Craft stated that it paid the outstanding water and sewer charges, totaling \$20,976.69.)
- Complete all required capital improvement work.

The audit made six recommendations to Parks, which included the following:

- Issue a Notice to Cure requiring the payment of the additional \$1,980 license fees and late charges due from Food Craft management assessed in this audit report.
- Consider terminating the agreement.
- If for reasons presently unknown to us, Parks decides to continue this agreement, it should assign a Parks employee to closely monitor Food Craft's operations through the remainder of the contract period to ensure that the appropriate license fees are paid.
- Issue a Notice to Cure mandating that Food Craft management:
 - Establish and implement an adequate system of internal controls over the financial operations of the restaurant, the bar, and banquet hall,
 - Distribute all service charges in accordance with the New York State Labor Law, and
 - Complete all required capital improvement work.
- Ensure that all modifications to capital improvement requirements are approved and documented with formal agreements with the concessionaire.
- Ensure that all repair and maintenance work be excluded from license agreement provisions that require concessionaires to expend funds for capital improvements.

In its response, despite taking exception to the audit's findings, Food Craft's Attorney stated that Food Craft agreed to implement or was already in the process of implementing five of the six recommendations directed to Food Craft. He stated that Food Craft disagreed with the

remaining recommendation, related to service charges, and would like to review the position with counsel for the City. In its response, Parks generally agreed with the report's six recommendations directed to Parks and described the actions it has taken or will take to address the report's recommendations.

Audit Follow-up

Parks reported that 10 recommendations have been or are in the process of being implemented, one recommendation is pending, and disagrees with the remaining recommendation. Parks reported that Food Craft has paid the additional \$1,980 in license fees and late charges and all outstanding water and charges have been paid. In addition, Parks decided not to terminate its agreement with Food Craft and has hired a technical advisory consultant to work with Food Craft to maintain better internal controls. Moreover, Parks has referred the matter of distribution of services charges to Food Craft's wait staff to the Law Department.

According to Parks, Food Craft reported that it has either implemented or is in the process of implementing the five recommendations that it agreed with. In addition, Food Craft stated that New York State Labor Law Section 196-d addresses gratuities and not service charges, and Food Craft does not collect gratuities for its staff.

DEPARTMENT OF PARKS AND RECREATION

Audit Report on the Compliance of Fitmar Management, LLC with Its License Agreement

[Audit # FM08-104A](#)

Comptroller's Audit Library #7979

Issued: September 4, 2009

Monetary Effect: Actual Revenue: \$86,686

Introduction

This audit determined whether Fitmar Management LLC (Fitmar) accurately reported its gross receipts, properly calculated the license fees due, paid its license fees on time, and complied with certain other major non-revenue terms of the license agreement (i.e., maintained the required security deposit, maintained the required insurance, and submitted the required reports).

A license agreement between Fitmar and the Department of Parks and Recreation (Parks) permits Fitmar to operate, maintain, and manage a state-of-the-art athletic facility known as the Paerdegat Athletic Club and two snack bars in Canarsie, Brooklyn, from December 11, 2004, to December 10, 2024.

The audit covered operating year 2007 (December 1, 2006, to November 30, 2007). For operating year 2007, Fitmar reported \$3,035,940 in gross receipts and paid \$212,617 in fees and late charges to the City.

Results

Fitmar's management of the Paerdegat Athletic Club was rife with internal control weaknesses and deficiencies, and its flagrant disregard for accountability and transparency resulted in a litany of abuses which contributed to employee theft and prevented the auditors from determining the full extent to which gross receipts were underreported and City fees underpaid. Fitmar failed to ensure that basic accounting records were in place for tracking daily business transactions and substantiating reported receipts. In addition, Fitmar did not accurately record all gross receipts in its general ledger and did not use a segregated bank account for depositing gross receipts.

Based on the limited documentation available, the audit found that, at a minimum, Fitmar underreported at least \$585,879 in gross receipts for operating years 2005 through 2007. As a result, Fitmar owed the City \$68,689, of which \$45,886 was subsequently paid, leaving \$22,803 in additional fees and late charges still due.

Additionally, Fitmar did not expend required minimum amounts for capital improvements, did not maintain the premises in a safe and sanitary condition, had unpaid water and sewer charges totaling \$17,997 (which were subsequently paid), failed to submit timely monthly gross receipts statements to Parks, and allowed unauthorized businesses to operate from the premises. Finally, there was insufficient documentation to determine whether Fitmar conducted required background checks for all its Kidsports employees as required under the New York State Social Services Law. Fitmar paid minimum annual fees on time, maintained required property and liability insurance that named the City as an additional insured party, and maintained the required security deposit.

Parks did not fully exercise its responsibility to ensure that Fitmar complied with the terms and conditions of the agreement. The audit's review of Fitmar's operations revealed a total failure on the part of Fitmar to implement even basic internal controls over the collecting, recording, and reporting of revenues generated from the licensed premises. These widespread deficiencies and utter lack of record keeping lead the audit to conclude that Fitmar breached its license agreement in material respects, and also raised the prospect of possible fraud against the City if Fitmar's failure to implement adequate controls was intentional.

The audit report recommended that Parks consider terminating its agreement with Fitmar, but if Parks decided not to do so, it also made 22 recommendations—12 to Fitmar and 10 to Parks—including the following. Fitmar should:

- Immediately remit the remaining \$22,803 in additional license fees and late charges.
- Hire a reputable outside consultant to implement the necessary internal controls that would conform to the requirements of the license agreement.
- Coordinate with Parks and develop a needs assessment of capital improvements to help determine how the \$380,450 in unexpended capital improvements for operating years 2005 through 2007 should be used, and develop a specific timetable to complete each improvement.
- Maintain the facility in a clean, neat, and litter-free condition at all times, as required by the license agreement.

Parks should:

- Issue a Notice-to-Cure to Fitmar requiring that it pay the remaining \$22,803 in additional license fees and late charges.
- Determine whether Fitmar underreported any income for operating years 2005, 2006, and 2008.
- Revise the capital improvements schedule with specific capital improvements that would make the licensed premises a state-of-the-art athletic facility. In addition, develop a specific timetable and cost estimate to complete each improvement.
- Assign a Parks employee to closely monitor Fitmar's operation to ensure that it adheres to the terms of the license agreement. Specifically, Parks should evaluate Fitmar's internal control procedures to ensure that Fitmar maintains an adequate system of internal controls, maintains detailed and accurate books and records, reports all revenue, and pays the appropriate license fees.

Fitmar officials generally agreed with the report's findings and stated that they have implemented most of the recommendations and will continue to do so in the future. Parks agreed with the findings and recommendations contained in the audit report and stated that it issued a Notice-to-Cure requiring Fitmar to implement the report's recommendations, and will increase its own oversight to ensure that the new procedures fully address the report's recommendations.

Audit Follow-up

Fitmar reported that it has implemented many systems to comply with the Comptroller's recommendations.

Parks reported that most of the audit recommendations have either been implemented or are in the process of being implemented. Parks stated that Fitmar paid the outstanding \$22,803 in additional license fees and late charges. However, Parks stated that two recommendations are not being implemented: Parks is not focusing on the recommendation for Fitmar to pay additional fees to compensate for employee theft, since the amount was minimal, and Parks is allowing Fitmar's affiliated real estate business to stay on the premises since the two employees provide valuable assistance to the Paerdegat Athletic Center operation. Parks also stated that one recommendation is partially implemented: Parks conducted a review to determine whether Fitmar underreported any income for operating years 2005, 2006, and 2008. However, due to missing records, Parks was not able to identify additional unreported income. Furthermore, Parks reported that although Fitmar plans to make a number of capital improvements, such as replacing the artificial turf for the soccer field, "Fitmar has not made up for capital improvement shortfalls that resulted from our disallowing expenditures as a result of the audit findings." Parks plans to continue to monitor Fitmar to identify areas for capital improvements to make up for the shortfall.

DEPARTMENT OF PARKS AND RECREATION

Audit Report on the Compliance of South Beach Restaurant Corporation with Its License Agreement

[Audit # FM09-091A](#)

Comptroller's Audit Library #8005

Issued: March 18, 2010

Monetary Effect: Actual Revenue: \$6,888

Introduction

This audit determined whether South Beach Restaurant Corporation (SBR&C) maintained adequate internal controls over the recording and reporting of its gross receipts derived from its restaurant operation.

A license agreement between SBR&C and the Department of Parks and Recreation (Parks) requires SBR&C to renovate, operate, and maintain the South Fin Grill (restaurant), the Vanderbilt at South Beach (catering facility), and the Boardwalk Café (snack bar) in Staten Island.

After the audit was initiated, it was revealed that Parks was concluding its own audit of SBR&C. As a result of the Parks audit, which covered the period June 1, 2005, through May 31, 2007, the scope of this audit was limited to the month of August 2008 (July 28, 2008, to August 24, 2008) and to certain controls over the recording and reporting of gross receipts.

Results

The audit found that SBR&C does not maintain adequate controls over the recording and reporting of its restaurant gross receipts processed through its point-of-sale (POS) system. In addition, SBR&C did not report to Parks at least \$172,209 in revenue from preferred vendors and did not maintain adequate records or contracts for this revenue. A review of SBR&C's internal controls over its restaurant operations revealed certain weaknesses in the design and operation of the POS system. Specifically, the system does not guarantee the generation of sequentially numbered checks, and the system's compensating control feature, designed to ensure the integrity of the restaurant's financial transactions, contained small but noteworthy discrepancies. Consequently, SBR&C owes Parks \$6,888 in additional fees (which were subsequently paid prior to the issuance of the draft report).

The audit made four recommendations—two to SBR&C concerning its operation and two to Parks concerning the oversight of this concession, including the following.

SBR&C should:

- Ensure that all prenumbered restaurant guest checks are accounted for.
- Maintain all preferred vendor contracts, institute thorough recording and reporting procedures to track preferred vendor receivables, and accurately account for all preferred vendor income and report it at the time of receipt.

Parks should:

- Ensure that SBR&C institutes an effective system of controls to account for all pre-numbered restaurant guest checks.
- Conduct a follow-up audit to ensure that SBR&C has taken corrective action to implement those recommendations cited in this report.

In their response, SBR&C officials disagreed with the recommendation regarding pre-numbered guest checks and agreed with the recommendation regarding preferred vendors. Parks agreed with the report's recommendations.

Audit Follow-up

SBR&C reported that steps have been taken to implement both audit recommendations.

Parks reported that it has planned a follow-up audit to ensure that SBR&C complies with the recommendation that all prenumbered restaurant guest checks be accounted for. Parks also reported that SBR&C has implemented the recommendation to maintain all preferred vendor contracts.

DEPARTMENT OF PARKS AND RECREATION

Audit Report on the Compliance of Lakeside Restaurant Corporation with Its License Agreement

[Audit # FM09-130A](#)

Comptroller's Audit Library #8001

Issued: January 29, 2010

Monetary Effect: Actual Revenue: \$30,914.69

Introduction

This audit determined whether Lakeside Restaurant Corporation (Lakeside) accurately reported its gross receipts, properly calculated the license fees due the City, paid its license fees on time, and complied with certain major non-revenue terms of the license.

A license agreement between Lakeside and the Department of Parks and Recreation (Parks) requires Lakeside to operate, renovate, and maintain the existing structure of the restaurant (known as the Lake Club), snack bar, and row boat rental in Staten Island.

The audit covered operating year 2009 (May 1, 2008 to April 30, 2009). For operating year 2009, Lakeside reported \$1,304,314 in gross receipts and paid \$130,209 in license fees and late charges to the City.

Results

Lakeside maintained the required property and liability insurance that named the City as an additional insured party and maintained the required security deposit. However, because of

significant internal control weaknesses and deficiencies over the collecting, recording, and reporting of revenue, the auditors could not be assured that Lakeside accurately reported all of its gross receipts from its banquet, restaurant, snack bar, and boat rental operations or that it paid the appropriate fees to the City.

Although the internal control weaknesses were so extensive as to raise red flags concerning the potential for fraud, the audit conservatively calculated that Lakeside underreported revenues by at least \$87,494 resulting in \$8,041 in additional fees and related late charges due the City.

Lakeside also did not maintain the premises in a sanitary condition, had unpaid water and sewer charges totaling \$3,973 (which were subsequently paid), did not pay its fees on time, and failed to submit timely annual income and expense statements to Parks. Furthermore, Lakeside employed “off-the-books” employees, violated the New York State Labor Law, and did not accurately report wait staff gratuities to the Internal Revenue Service.

The audit made 17 recommendations—14 to Lakeside concerning the operation of the Lake Club and three to Parks concerning the oversight of this concession, including the following.

Lakeside should:

- Immediately remit the \$8,041 in additional license fees and late charges.
- Take immediate action to strengthen its internal controls.
- Ensure that the proceeds generated from the banquet, snack bar, and boat rental operations, the sales of gift certificates, and all special events are accurately reported to Parks.
- Cease employing “off-the-books” employees, report all employees on its payroll records, and comply with all laws governing unemployment insurance, workers’ compensation, Social Security, tax withholding, temporary disability insurance, minimum wage, and overtime.
- Distribute all gratuities to its wait staff in accordance with Labor Law Section 196-d, Division of Labor Standards, New York State Department of Labor.

Parks should:

- Issue a Notice-to-Cure to Lakeside requiring that it pay the \$8,041 in additional license fees and late charges assessed in this audit report and mandating that Lakeside’s management:
 - Establish and implement an adequate system of internal controls over the banquet, restaurant, snack bar, and boat rental operations,
 - Cease employing “off-the-books” employees and report all employees on its payroll records,
 - Distribute all gratuities in accordance with Labor Law Section 196-d, Division of Labor Standards, New York State Department of Labor, and
 - Accurately report the wait staff gratuities to the Internal Revenue Service.

- Calculate the total amount of banquet gratuities that were distributed to Lakeside's owners prior to operating year 2009 and assess Lakeside for the additional license fees and late charges owed.

Lakeside and Parks officials agreed with the report's findings and recommendations.

Audit Follow-up

Lakeside reported that it agreed to pay \$8,041 in additional license fees assessed in the audit report and has assessed an additional \$18,900.69 owed to Parks. Lakeside also reported steps taken to strengthen its internal controls and implement the audit recommendations.

Parks reported that Lakeside is currently making monthly payments to Parks to pay the entire balance of \$26,941.69. Lakeside also has implemented 12 recommendations and the two remaining recommendations are pending. Parks also stated that it has implemented two recommendations and is currently performing a follow-up review to ensure that Lakeside complied with the audit recommendations.

DEPARTMENT OF PARKS AND RECREATION

Audit Report on the Compliance of the New York Mets with Their Lease Agreement; January 1, 2003 – December 31, 2007

[Audit #FN09-063A](#)

Comptroller's Audit Library #7966

Issued: July 15, 2009

Monetary Effect: Actual Revenue: \$181,720

Introduction

This audit determined whether the Sterling Mets, L.P. (doing business as the New York Mets) accurately reported all gross receipts in accordance with its lease, calculated and paid the appropriate fees due the City on time, deducted only allowable and documented credits, and complied with certain non-revenue-related requirements of their lease (i.e., maintained required insurance and reimbursed the City for its utility use).

In 1985, Doubleday Sports, Inc., and the New York City Department of Parks and Recreation (Parks) entered into a 20-year lease for the use of Shea Stadium. In August 2002, a change in ownership assigned the lease to the Mets. The lease has been amended 13 times since its inception through August 22, 2006, granting the Mets additional privileges.

Under the lease, the Mets are required to pay the City the greater of either an annual minimum rent of \$300,000 or a percentage of revenues from gross admissions, concessions, wait service, parking, stadium advertising (less \$8,000 for scoreboard maintenance), and a portion of cable television receipts. The Mets are permitted to deduct portions of the actual payments they make to Major League Baseball related to their tickets sales and local cable revenues, planning costs up to

\$5 million per year for a new stadium, and all sales taxes before calculating their rent payments to the City.

Results

The audit found that the Mets owed the City a total of \$2,676,764 in additional rent, consisting of \$2,495,044 in new-stadium-planning costs inappropriately deducted from the rent submitted to the City, \$139,821 resulting from a \$2,839,456 overstatement of revenue-sharing deductions, and \$41,899 from \$2,627,077 in unreported concession revenue.

The Mets submitted their rent statements and related payments to the City on time, and generally adhered to the other non-revenue requirements of their lease agreement with the City, such as maintaining the required property and liability insurance that named the City as an additional insured party and reimbursing the City for their annual electricity, water, and sewer use, and paid the prior audit assessment of \$11,873.

The audit made two recommendations to the Mets, that they:

- Pay the City \$2,676,764 in additional fees due.
- Ensure that planning cost expenses are appropriate and well documented as required by the agreement.

The audit made one recommendation to Parks, that it:

- Ensure that the Mets pay \$2,676,764 in additional fees as recommended in this report and comply with the other recommendations.

Mets officials agreed with the findings related to revenue-sharing deductions and concession revenue, but they disagreed with the audit conclusion that insurance on the new stadium is an inappropriate planning cost deduction. Parks officials stated that Parks would not seek payment from the Mets for the \$2,495,044 New Stadium Planning Costs (NSPC) deduction.

Audit Follow-up

Parks reported that the Mets submitted payment to Parks in the amount of \$181,720 (\$139,821 for revenue sharing and \$41,899 for concession revenue). Parks stated that it does not believe any additional amount is due. Parks also stated it has worked with the Mets to ensure that the 2008 planning cost expenses are well documented.

DEPARTMENT OF PARKS AND RECREATION

Audit Report on the Compliance of Sunny Days in the Park, Inc., with Its License Agreement and Payment of Fees Due

[Audit #FR10-081A](#)

Comptroller's Audit Library #8018

Issued: June 23, 2010

Monetary Effect: Actual Revenue: \$4,063

Introduction

This audit determined whether Sunny Days in the Park, Inc. (Sunny Days) complied with its license agreement, including whether it properly calculated its total gross receipts and license fees due the City and paid these fees on time; and complied with the other major requirements of its license agreement (e.g., maintained the required insurance coverage and security deposits and paid its utility charges).

Under the terms of a license agreement with the Department of Parks and Recreation (Parks), Sunny Days operates and maintains an outdoor café in the Rotunda at the West 79th Street Boat Basin in Riverside Park, Manhattan. According to the agreement, Sunny Days is required to pay the City the greater of a minimum annual fee or an annual percentage of gross receipts consisting of 12 percent of the sale of beverages, food, and all other sources of revenue from the operation of the premises (e.g., parties and events, gratuities). For operating year 2009, the minimum annual fee was \$290,000.

For operating year 2009, the period covered by the audit, Sunny Days reported receiving \$3,704,275 in gross receipts and surcharges and paid a percentage of gross receipts totaling \$444,513.

Results

The audit found that Sunny Days did not properly calculate its total gross receipts and license fees due the City and did not pay these fees on time. As a result, Sunny Days owes the City \$3,394 in fees and \$653 in late fees.

The audit could not conclude with assurance that Sunny Days accurately recorded and reported all gross receipts and paid all required fees to the Parks because of internal control deficiencies pertaining to the manner in which Sunny Days uses the Squirrel point-of-sale system to record and report gross receipts. Specifically, cash sales from the bar are not automatically recorded in the gross revenue file; cash sales from a mobile bar are not recorded in the point-of-sale system; revenue derived from an auditor observation was not properly recorded; the records of actual and voided transactions, pre-paid bar gratuities, party deposits, and check transfers are reported separately, precluding the ability to properly trace and reconcile guest checks; and parties and events could not always be reconciled with Sunny Days' general ledger.

Sunny Days complied with license agreement requirements pertaining to paying utility bills on time, submitting the required security deposit, and maintaining proper insurance coverage. Additionally, Sunny Days complied with the required insurance endorsements indicating the City and the Parks as additional insured entities.

The audit made a total of 12 recommendations, nine to Sunny Days' and three to the Parks. Recommendations to Sunny Days included that it should:

- Ensure that the point-of-sale system automatically records all cash sales from all bars on the premises at the time of sale.
- Adapt the point-of-sale system to properly record and report all transactions.
- Ensure that all revenue from mobile bars is accurately recorded in the point-of-sale system.
- Immediately remit to the Parks \$3,394 in additional license fees consisting of \$2,190 in fees related to revenue from promotions and discounts, and \$1,204 in fees related to understated revenue from party deposits and unreported party gratuities.
- Ensure that all future promotions and discounts are reported in gross receipts reports submitted to the Parks.
- Ensure that all gross receipts and late charges are calculated in accordance with the terms of the license agreement and that such payments are made on a timely basis.

Recommendations to the Parks included that it should:

- Issue a Notice-to-Cure to Sunny Days requiring it to pay \$4,047 in additional license fees and late charges.
- Reconcile the amount of license fees and late charges previously collected with the information contained in this report.

In its response, Parks agreed with seven recommendations and partially agreed with five recommendations of the audit report. Of nine recommendations pertaining to Sunny Days, it agreed with one recommendation, disagreed with two recommendations, partially disagreed with two recommendations, and did not respond to four recommendations.

Audit Follow-up

Sunny Days reported that six recommendations were implemented, one recommendation was partially implemented, and one recommendation was not implemented. It did not respond to the recommendation about calculating all gross receipts and late charges in accordance with the license agreement. Sunny Days stated that all transactions are properly recorded in the temporary file but are stored on the host computer and never deleted. Sunny Days has not implemented the recommendation for the Point of Sales (POS) system to produce a comprehensive report for both actual and voided sales.

Parks reported that of the total recommendations, 11 recommendations were implemented and one recommendation was not implemented by Sunny Days. Parks stated that Sunny Days paid \$4,062 in license fees and late charges to the City. With regard to the recommendation relating to maintaining sales receipts in a temporary file, Parks stated that it has "not determined its use represents a material risk to the accuracy and completeness of Sunny Days' bar sales, nor does it prevent Sunny Days, from recording cash sales at the time of sale." Parks also stated that it will work with Sunny Days and its POS provider to develop a comprehensive report of sales.

AUDIT OF RENTAL CREDITS SUBMITTED BY THE NEW YORK YANKEES

According to the terms of their lease with the City, the Yankees are responsible for the care and upkeep of Yankee Stadium and the costs incurred by the Yankees for maintaining the stadium are offset against any rental income due the City from the Yankees. The Comptroller's Office performs audits of labor and material expenses based on the terms of the lease and on the time sheets, invoices, canceled checks, payroll reports, and union contracts submitted by the Yankees and their maintenance contractors. Thus, every approved dollar spent and accounted for as a rental credit for the maintenance of the stadium results in a dollar-for-dollar decrease in the rent due the City.

In Fiscal Year 2010, we disallowed \$165,907.12 in rental credits for insufficient documentation, ineligibility of expenses, and errors in calculations. The Yankees accepted \$165,907.12 of these disallowances.

Audit No.	Period Covered	Date Issued	Actual Revenue	Potential Revenue	Total
FR10-053A	4th Qtr. 2008	11/24/09	\$165,907	\$0	\$165,907
TOTAL			\$165,907	\$0	\$165,907

WELFARE FUNDS

Audit Report on the Financial and Operating Practices of the Municipal Employees Welfare Trust Fund of the International Union of Operating Engineers Local 30

[Audit #FK07-104A](#)

Comptroller's Audit Library #7995

Issued: December 22, 2009

Monetary Effect: None

Introduction

The audit determined whether the Municipal Employees Welfare Trust Fund of the International Union of Operating Engineers Local 30, 30-A, 30-B, and 30-C (Active Fund) complied with Comptroller's Directive #12; had and complied with adequate and proper benefit-processing and accounting procedures; and paid appropriate and reasonable administrative expenses.

Active Fund was established on December 30, 1964, under the provisions of a Fund Agreement between the City of New York and the International Union of Operating Engineers, Local 30, 30-A, 30-B, and 30-C, AFL-CIO, and a Declaration of Trust. The agreement and trust stipulate that the City make contributions to the Active Fund and the Active Fund use these contributions to provide supplemental benefits to its members.

The audit covered the period January 1, 2005, through December 31, 2005. For the year ending December 31, 2005, the Active Fund reported an operating deficit of \$117,298 and a fund balance of \$115,843.

Results

The Active Fund failed to significantly reduce operating costs to ensure that the fund remained solvent, did not evaluate the effect of benefit reductions it did institute, and ultimately merged with the Retiree Fund to sustain itself. Further, the Active Fund did not accurately represent its financial condition and did not disclose either the possibility of a merger or the actual merger to fund membership in its annual reports for 2004 and 2005.

Additionally, the Active Fund did not comply with Comptroller's Directive #12 procedures. It did not accurately report administrative and benefit expenses; failed to maintain documentation to support payments for legal benefits; did not maintain eligibility documentation for all claims paid for members' dependents; could not provide support documentation for all administrative expenses; did not pay all benefits in accordance with Active Fund guidelines; and did not have a written allocation plan for shared administrative expenses and valid agreements with professional service providers.

The audit made 15 recommendations to the merged Active and Retiree Fund (the Fund), including that the Fund should:

- Ensure that its expenses do not exceed revenue.
- Assess benefit costs and utilization annually.
- Accurately advise membership of the fund's financial condition and other significant matters in its annual report.

- Ensure that administrative and benefit expenses are correctly classified.
- Ensure that it maintains complete and accurate records of benefits provided, including but not limited to invoices and utilization reports.
- Maintain eligibility documentation for members' dependents.
- Maintain documentation, such as original bills and invoices, for all administrative payments.
- Ensure that it pays benefit expenses in accordance with its guidelines.
- Establish and employ an allocation plan that methodically distributes the costs of shared expenses among the various Local 30 entities as required by Comptroller's Directive #12.
- Maintain valid agreements with consultants that stipulate the services to be provided, the rate and method of compensation, and the period covered.

In the Fund's response, it maintained that the Active Fund acted prudently and in the best interest of its members and complied with the Comptroller's Directive #12 as required.

Audit Follow-up

The Fund reported that it has implemented or is in the process of implementing 13 audit recommendations and did not address the remaining two.

WELFARE FUNDS

Audit Report on the Financial and Operating Practices of the Municipal Retired Employees Welfare Trust Fund of the International Union of Operating Engineers Local 30

[Audit #FK07-105A](#)

Comptroller's Audit Library #7996

Issued: December 22, 2009

Monetary Effect: None

Introduction

The audit determined whether the Retired Municipal Employees Welfare Trust Fund of the International Union of Operating Engineers Local 30, 30-A, 30-B, 30-C, and 30-D (Retiree Fund) complied with Comptroller's Directive #12; had and complied with adequate and proper benefit-processing and accounting procedures; and paid appropriate and reasonable administrative expenses.

Retiree Fund was established on March 15, 1978, under the provisions of a Fund Agreement between the City of New York and the International Union of Operating Engineers, Local 30, 30-A, 30-B, and 30-C, AFL-CIO, and a Declaration of Trust. The agreement and trust stipulate that

the City make contributions to the Retiree Fund and that the Retiree Fund use these contributions to provide supplemental benefits to its members.

The audit covered the period January 1, 2005, through December 31, 2005. For the year ending December 31, 2005, the Retiree Fund reported an operating surplus of \$32,091 and a fund balance of \$1,609,554.

Results

The Retiree Fund did not accurately represent its financial position and did not disclose material facts to fund membership. Additionally, the Trustees of the Retiree Fund and the Active Fund—who are the same individuals—approved a merger of the funds that, if not carefully managed, could prove detrimental to the benefits of the retirees in the future.

Additionally, the Retiree Fund did not comply with Comptroller’s Directive #12 procedures. The Retiree Fund did not accurately report administrative and benefit expenses, did not maintain eligibility documentation for all claims paid for members’ dependents, did not pay all benefits in accordance with Retiree Fund guidelines, and did not have a written allocation plan for shared administrative expenses and valid agreements with professional service providers.

The audit made nine recommendations to the merged Active and Retiree Fund (the Fund), including that the Retiree Fund should:

- Accurately advise membership of its financial condition and operations of the fund in its annual report.
- Ensure that administrative and benefit expenses are correctly classified.
- Maintain eligibility documentation for members’ dependents.
- Ensure that it pays benefit expenses in accordance with its guidelines.
- Establish and employ an allocation plan that methodically distributes the costs of shared expenses among the various Local 30 entities as required by Comptroller’s Directive #12.
- Maintain valid agreements with consultants that stipulate the services to be provided, the rate and method of compensation, and the period covered.

The Retiree Fund disagreed with most of the audit report’s findings and recommendations, maintaining that it acted prudently and in the best interest of its members.

Audit Follow-up

The Fund indicated that it has implemented or is in the process of implementing seven audit recommendations and did not address the remaining two.

WELFARE FUNDS

Audit Report on the Financial and Operating Practices of the Superior Officers Council Health and Welfare Fund of the New York City Police Department

[Audit # FL09-099A](#)

Comptroller’s Audit Library #7984

Issued: September 30, 2009

Monetary Effect: None

Introduction

This audit determined whether the Superior Officers Council Health & Welfare Fund (Active Fund) complied with applicable procedures and reporting requirements, as set forth in Comptroller’s Directive #12, “Employee Benefit Funds—Uniform Reporting and Auditing Requirements.”

Under the provisions of a Fund Agreement between the City of New York and the Captains Endowment Association (Captains Union) and Lieutenants Benevolent Association (Lieutenants Union) and a Declaration of Trust, the Active Fund receives City contributions and provides health and welfare benefits to New York City Police Officers with the rank of Captain and Lieutenant and their eligible dependents. During the audit period—July 1, 2006, to June 30, 2007—the Active Fund reported \$3,739,844 in contributions from the City of New York and net assets of \$4,022,166.

Results

The audit disclosed that the Active Fund generally complied with the procedures and reporting requirements of Directive #12. In addition, except for the Prescription Drug Benefit and the Catastrophic Benefit, the Active Fund generally complied with its benefit-processing and accounting procedures, and those procedures were adequate and proper. Furthermore, the Active Fund’s administrative expenses were generally appropriate and reasonable. However, there were some weaknesses in the Active Fund’s financial and operating procedures as follows:

- Operating deficits are depleting the Active Fund’s reserves.
- Misclassified benefit and administrative expenses.
- Did not maintain documentation to support its Prescription Drug benefit and its Catastrophic benefit payments, totaling \$3,123,171—71 percent of its benefit payments.
- Made questionable benefit payments totaling \$3,330
- Paid claims for dependents whose eligibility was not documented.
- Is owed \$1,473 by the unions.
- Does not maintain employee attendance records.

The audit made seven recommendations, that the Active Fund should:

- Take immediate action to eliminate the Fund’s operating deficit and thereby ensure its financial viability.

- Ensure that administrative and benefit expenses are recorded accurately on its Directive #12 filing and accurately calculate and submit its key ratios, in accordance with Comptroller’s Directive #12.
- Recoup \$1,473 from the unions for their share of the telephone expense.
- Ensure that it pays for benefits only for eligible individuals in accordance with its guidelines.
- Maintain copies of all documentation in members’ permanent files to substantiate eligibility of dependents.
- Create and implement written timekeeping procedures and maintain daily attendance records for its employees.
- Maintain all supporting documentation to substantiate City contributions, member eligibility, and benefit use. These documents should include, but not be limited to, the City contribution reports, Pharmacy Billing Detail for Drug Mail Orders, and a complete list of participants recorded on the catastrophic premium billings that were missing during our audit period.

While the Active Fund’s response did not address the audit’s recommendations, Active Fund officials describe the actions they have taken to address the audit’s findings.

Audit Follow-up

The Active Fund reported that all of the audit’s recommendations have either been implemented or are in the process of being implemented.

WELFARE FUNDS

Audit Report on the Financial and Operating Practices of the Superior Officers Council Retiree Health and Welfare Fund of the New York City Police Department

[Audit # FL09-100A](#)

Comptroller’s Audit Library #7983

Issued: September 30, 2009

Monetary Effect: None

Introduction

This audit determined whether the Superior Officers Council Retiree Health and Welfare Fund (Retiree Fund) complied with applicable procedures and reporting requirements, as set forth in Comptroller’s Directive #12, “Employee Benefit Funds—Uniform Reporting and Auditing Requirements.”

Under the provisions of a Fund Agreement between the City of New York and the Captains Endowment Association (Captains Union) and the Lieutenants Benevolent Association (Lieutenants Union) and a Declaration of Trust, Retiree Fund receives City

contributions and provides health and welfare benefits to eligible New York City Police Officers who retired with the rank of Captain and Lieutenant and their eligible dependents. During the audit period—July 1, 2006, to June 30, 2007—the Retiree Fund reported \$6,785,884 in contributions from the City of New York and *negative* net assets of \$707,150.

Results

The audit disclosed that the Retiree Fund generally complied with the procedures and reporting requirements of Directive #12. In addition, except for the Hospitalization Benefit and Catastrophic Benefit, the Retiree Fund generally complied with its benefit-processing and accounting procedures, and those procedures were adequate and proper. Furthermore, the Retiree Fund's administrative expenses were generally appropriate and reasonable. However, there were some weaknesses in the Retiree Fund's financial and operating procedures as follows:

- Substantial operating deficits which have exhausted the Retiree Fund's reserves.
- Misclassified benefit and administrative expenses.
- Did not maintain documentation to support its Hospitalization and Catastrophic Benefit payments, totaling \$123,904—two percent of its benefit payments.
- Made questionable benefit payments totaling \$80,613.
- Paid claims for dependents whose eligibility was not documented.
- Owed \$1,473 by the unions.
- Does not maintain employee attendance records.

The audit recommended that the Retiree Fund should:

- Take immediate action to reduce expenses to eliminate the Fund's operating deficit, thereby increasing fund reserves to ensure its financial viability.
- Ensure that the administrative and benefit expenses are recorded accurately on its Directive #12 filing and accurately calculate and submit its key ratios, in accordance with Comptroller's Directive #12.
- Recoup \$1,473 from the unions for their share of the telephone expenses.
- Ensure that it pays for benefits only for eligible individuals, in accordance with its guidelines.
- Maintain copies of all documentation in members' permanent files to substantiate eligibility of dependents.
- Create and implement written timekeeping procedures and maintain daily attendance records for its employees.
- Maintain all supporting documentation to substantiate member eligibility and benefit coverage. These documents should include, but not be limited to, complete lists of all participants recorded on hospitalization and catastrophic premium billings that were missing during our audit period.

While the Retiree Fund’s response did not address the audit’s recommendations, Retiree Fund officials described the actions they have taken to address the audit’s findings.

Audit Follow-up

The Retiree Fund reported that all of the audit’s recommendations have either been implemented or are in the process of being implemented.

WELFARE FUNDS

Analysis of the Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2007

[Report #FM09-081S](#)

Comptroller’s Audit Library #7999

Issued: December 30, 2009

Monetary Effect: None

Introduction

This audit objective was to provide comparative data on the overall financial activities of the 94 union-administered active and retiree welfare, education, and annuity funds that received City contributions during the Funds’ Fiscal Year 2007.

Union-administered benefit funds were established under collective bargaining agreements between the unions and the City of New York. They provide City employees, retirees, and dependents with a variety of supplemental health benefits not provided under City-administered health insurance plans. Certain other benefits are also provided at the discretion of the individual funds (e.g., annuity accounts, life insurance, disability, and legal benefits). This report contains a comparative analysis of 94 welfare, retiree, and annuity funds whose fiscal years ended in calendar year 2007. These funds received approximately \$1.05 billion in total City contributions for the fiscal year.

Results

This is the 28th report by the Comptroller’s Office that reviewed the financial data submitted by the funds. As in previous reports, there were differences in the amounts spent by the funds for administrative purposes. In addition, several funds maintained high reserves while expending lower-than-average amounts for benefits—a possible indication that excessive reserves were accumulated at the expense of members’ benefits. Further, some Funds did not comply with various parts of Comptroller’s Directive #12 requirements and of fund agreements with the City.

The report contained nine recommendations to address the above weaknesses, including that:

- Trustees of funds with high administrative expenses and low benefits should reduce administrative expenses to improve their levels of benefits to members.

- Trustees of funds with low reserve levels should ensure that their funds maintain sufficient reserves to guard against insolvency.

Report Follow-Up

Not Applicable

Recommendation Status By Audit

Agency	Audit Number	Total # of Recommendations	# of Recommendations Implemented	# of Recommendations in the Process of Being Implemented	# of Recommendations Partially Implemented	# of Recommendations Implemented in an Alternate Manner	# Recommendations Pending (eg looking into legislation)	# of Recommendations Under Consideration	# of Recommendations Not Implemented	# of Recommendations Agency Believes Not Needed	# of Recommendations No Longer Applicable	# of Recommendations Not Addressed
Actuary, Office of the (Financial Practices)	MG10-074A	11	7	4								
Administration For Children's Services (Personally Identifiable Information)	7A09-108	12	9	3								
Administration For Children's Services (Harlem Dowling)	MH09-093A	6	6									
Administration For Children's Services (DJJ)	MD10-062A	14	11	1			2					
Aging, Dept. for the (Personally Identifiable Information)	7A10-092	6	4	2								
Buildings, Dept. of (Queens Quality of Life Unit)	MG09-087A	14	8		2		2		2			
Community Boards-Staten Island (Financial and Operating Practices)	FP10-106A	10	8									2
Concession: Concert Foods (Parks)	FK09-129A	14	9		3		1		1			
Concession: Empire City Subway (DoITT)	FP08-103A	2	1				1					
Concession: Empire City Subway (ECS)	FP08-103A	8		8								
Concession: Fitmar Management (Parks)	FM08-104A	10	7		3							
Concession: Fitmar Management (Fitmar)	FM08-104A	12	10						2			
Concession: Lakeside Restaurant (Parks)	FM09-130A	3	2	1								
Concession: Lakeside Restaurant (Lakeside)	FM09-130A	14	12				2					
Concession: South Beach Restaurant (Parks)	FM09-091A	2	1				1					
Concession: South Beach Restaurant (SBR&C)	FM09-091A	2	1				1					

Recommendation Status By Audit

Agency	Audit Number	Total # of Recommendations	# of Recommendations Implemented	# of Recommendations in the Process of Being Implemented	# of Recommendations Partially Implemented	# of Recommendations Implemented in an Alternate Manner	# Recommendations Pending (eg looking into legislation)	# of Recommendations Under Consideration	# of Recommendations Not Implemented	# of Recommendations Agency Believes Not Needed	# of Recommendations No Longer Applicable	# of Recommendations Not Addressed
Concession: Sunny Days in the Park (Parks)	FR10-081A	3	3									
Concession: Sunny Days in the Park (Sunny Days)	FR10-081A	9	6		1				1			1
Concession: World's Fair Marina Banquet Hall (Parks)	FL09-067A	6	5						1			
Concession: World's Fair Marina Banquet Hall (Food Craft)	FL09-067A	6	5				1					
Consumer Affairs (Imprest Funds)	FR10-105A	12	8		2		2					
Cultural Affairs, Dept. of (Program Grants)	FL09-106A	6	5						1			
District Attorney - Manhattan (Deferred Prosecution and Non-Prosecution Agreements)	FM10-111A	4	3				1					
EDC - Master and Maritime	FN09-104A	12	1	2	4				4			1
EDC - Piers 92 and 94 (EDC)	FN10-086A	4	1	1			1					1
EDC - Piers 92 and 94 (MMPI)	FN10-086A	3	1						2			
EDC - Piers 92 and 94 (Un-convention)	FN10-086A	2										2
Education, Dept. of (Reading First)	FK09-079A	6	5						1			
Education, Dept. of (Vanguard)	FM08-113A	6	4				2					
Education, Dept. of (Early grade Class Size)	FM09-113A	8							8			
Education, Dept. of (Admin of Standardized Tests)	MD08-102A	14	6	2	2			2	1			1
Education, Dept. of (High School Grad Rates)	ME09-065A	12	7	2	1							2

Recommendation Status By Audit

Agency	Audit Number	Total # of Recommendations	# of Recommendations Implemented	# of Recommendations in the Process of Being Implemented	# of Recommendations Partially Implemented	# of Recommendations Implemented in an Alternate Manner	# of Recommendations Pending (eg looking into legislation)	# of Recommendations Under Consideration	# of Recommendations Not Implemented	# of Recommendations Agency Believes Not Needed	# of Recommendations No Longer Applicable	# of Recommendations Not Addressed
Environmental Protection, Dept. of (Progress in the Construction)	FR08-121A	10	6	2					2			
Environmental Protection, Dept. of (Oversight of Costs)	FR09-110A	6	6									
Finance, Dept of (Commercial Motor Vehicles)	7A09-101	5	1	1			2		1			
Finance, Dept of (421a)	FR08-123A	10	2						8			
Financial Information Services Agency (Financial and Operating Practices)	FP10-054A	4	3	1								
Fire Department (Professional Certifications)	MH09-086A	21	7	8			1		3		1	1
Health & Hospital Corporation - HHC (EMS MOU)	FM08-080A	7	4						3			
Health & Hospital Corporation - FDNY (EMS MOU)	FM08-080A	2	1						1			
Health & Hospital Corporation - OMB (EMS MOU)	FM08-080A	4	2		1				1			
Health & Mental Hygiene, Dept. of (EDRS)	7A09-083	5	5									
Health & Mental Hygiene, Dept. of (Restaurants)	ME09-074A	8	5	1						1	1	
Health & Mental Hygiene, Dept. of (Background Checks)	MH10-070A	5	4						1			
Homeless Services, Dept. of (Procurement Rules)	FK09-069A	15	1	1					13			
Homeless Services, Dept. of (Basic Housing)	ME09-088A	23	3	3	4							13
Homeless Services, Dept. of (Temp Housing Benefit)	MG09-058A	4							4			
Housing Authority (Tenant Selection System)	FS10-056F	2	1	1								

Recommendation Status By Audit

Agency	Audit Number	Total # of Recommendations	# of Recommendations Implemented	# of Recommendations in the Process of Being Implemented	# of Recommendations Partially Implemented	# of Recommendations Implemented in an Alternate Manner	# Recommendations Pending (eg looking into legislation)	# of Recommendations Under Consideration	# of Recommendations Not Implemented	# of Recommendations Agency Believes Not Needed	# of Recommendations No Longer Applicable	# of Recommendations Not Addressed
Housing Preservation & Development (Sec 8)	FS09-105F	2	2									
Housing Preservation & Dev (Cornerstone)	ME09-077A	8	1	6					1			
Human Resources Administration (Paperless Office System)	FS10-057F	2	1	1								
Independent Budget Office (Financial and Operating Practices)	FP09-135A	5	4	1								
Investigation, Dept. of (Personnel, Payroll and Timekeeping Practices)	MH09-092A	9	9									
Juvenile Justice, Dept. of (See ACS above)	MD10-062A											
Landmarks Preservation Commission (Internal Controls Over Permits)	MG10-073A	8	5	1					1		1	
Multi-Agency - DOHMH (Carriage Horses)	FS09-124F	5	4									1
Multi-Agency - DCA (Carriage Horses)	FS09-124F	2	2									
Multi-Agency - DOE (Vision Screening)	ME10-077A	3	2						1			
Multi-Agency -DOHMH (Vision Screening)	ME10-077A	2		1					1			
N.Y. Mets (Mets)	FN09-063A	2			1				1			
N.Y. Mets (Parks)	FN09-063A	1			1							
Public Administrator- Staten Island (Financial and Operating Practices)	FN09-097A	6	2	3					1			
Retirement Consultants	FL10-120A	4	4									
Retirement: BERS	FL10-115A	4	4									

Recommendation Status By Audit

Agency	Audit Number	Total # of Recommendations	# of Recommendations Implemented	# of Recommendations in the Process of Being Implemented	# of Recommendations Partially Implemented	# of Recommendations Implemented in an Alternate Manner	# Recommendations Pending (eg looking into legislation)	# of Recommendations Under Consideration	# of Recommendations Not Implemented	# of Recommendations Agency Believes Not Needed	# of Recommendations No Longer Applicable	# of Recommendations Not Addressed
Retirement: NYCERS	FL10-117A	4	4									
Retirement: FDNY	FL10-114A	0										
Retirement: NYPD	FL10-118A	4	4									
Retirement: NYS	FL10-119A	4	4									
Retirement: TRS	FL10-116A	4	4									
Small Business Services, Dept of (M/WBE Program)	MD09-062A	7	4							3		
Transit Authority (Access A ride)	ME09-078A	6	6									
Transit Authority (Maintenance of Subway Stations)	MJ09-056A	16	7	9								
Transportation, Dept of (Disability Permits)	MD09-076A	16	10	3		1			2			
Transportation, Dept of (Ferries)	MG10-061A	9	9									
Welfare Fund-Superior Officers Council-Active (Financial and Operating Practices)	FL09-099A	7	4	3								
Welfare Fund-Superior Officers Council-Retirees (Financial and Operating Practices)	FL09-100A	7	4	3								
Welfare Trust Fund-Local 30, 30A-C- Active (Financial and Operating Practices)	FK07-104A	15	11	2								2
Welfare Trust Fund-Local 30, 30A-C - Retirees (Financial and Operating Practices)	FK07-105A	9	6	1								2
Youth & Community Development, Dept. of (Out-of-School Youth Program)	ME10-076A	7	7									
Total		562	331	78	25	1	20	2	69	4	3	29

Recommendation Status By Agency

Agency	Total # of Recommendations	# of Recommendations Implemented	# of Recommendations in the Process of Being Implemented	# of Recommendations Partially Implemented	# of Recommendations Implemented in an Alternate Manner	# of Recommendations Pending (eg looking into legislation)	# of Recommendations Under Consideration	# of Recommendations Not Implemented	# of Recommendations Agency Believes Not Needed	# of Recommendations No Longer Applicable	# of Recommendations Not Addressed	% of Recommendations Not Implemented or Not Addressed
Actuary, Office of the	11	7	4									0.00%
Administration For Children's Services/DJJ	32	26	4			2						6.25%
Aging, Dept. for the	6	4	2									0.00%
Buildings, Dept. of	14	8		2		2		2				28.57%
Community Boards-Staten Island	10	8									2	20.00%
Concession: Empire City Subway (ECS)	8		8									0.00%
Concession: Fitmar Management (Fitmar)	12	10						2				16.67%
Concession: Lakeside Restaurant (Lakeside)	14	12				2						14.29%
Concession: South Beach Restaurant (SBR&C)	2	1				1						50.00%
Concession: Sunny Days in the Park (Sunny Days)	9	6		1				1			1	22.22%
Concession: World's Fair Marina Banquet Hall (Food Craft)	6	5				1						16.67%
Consumer Affairs	14	10		2		2						14.29%
Cultural Affairs, Dept. of	6	5						1				16.67%
District Attorney - Manhattan	4	3				1						25.00%
Economic Development Corporation	16	2	3	4		1		4			2	43.75%
EDC - Piers 92 and 94 (MMPI)	3	1						2				66.67%

Recommendation Status By Agency

Agency	Total # of Recommendations	# of Recommendations Implemented	# of Recommendations in the Process of Being Implemented	# of Recommendations Partially Implemented	# of Recommendations Implemented in an Alternate Manner	# Recommendations Pending (eg looking into legislation)	# of Recommendations Under Consideration	# of Recommendations Not Implemented	# of Recommendations Agency Believes Not Needed	# of Recommendations No Longer Applicable	# of Recommendations Not Addressed	% of Recommendations Not Implemented or Not Addressed
EDC - Piers 92 and 94 (Un-convention)	2										2	100.00%
Education, Dept. of	49	24	4	3		2	2	11			3	36.73%
Environmental Protection, Dept. of	16	12	2					2				12.50%
Finance, Dept of	15	3	1			2		9				73.33%
Financial Information Services Agency	4	3	1									0.00%
Fire Department	23	8	8			1		4		1	1	30.43%
Health & Hospital Corporation	7	4						3				42.86%
Health & Mental Hygiene, Dept. of	25	18	2					2	1	1	1	20.00%
Homeless Services, Dept. of	42	4	4	4				17			13	71.43%
Housing Authority	2	1	1									0.00%
Housing Preservation & Development	10	3	6					1				10.00%
Human Resources Administration	2	1	1									0.00%
Independent Budget Office	5	4	1									0.00%
Information Technology and Telecommunication, Department of	2	1				1						50.00%
Investigation, Dept. of	9	9										0.00%
Juvenile Justice, Dept. of (See ACS above)												0.00%

Recommendation Status By Agency

Agency	Total # of Recommendations	# of Recommendations Implemented	# of Recommendations in the Process of Being Implemented	# of Recommendations Partially Implemented	# of Recommendations Implemented in an Alternate Manner	# of Recommendations Pending (eg looking into legislation)	# of Recommendations Under Consideration	# of Recommendations Not Implemented	# of Recommendations Agency Believes Not Needed	# of Recommendations No Longer Applicable	# of Recommendations Not Addressed	% of Recommendations Not Implemented or Not Addressed
Landmarks Preservation Commission	8	5	1					1		1		25.00%
N.Y. Mets (Mets)	2			1				1				50.00%
Office of Management and Budget	4	2		1				1				25.00%
Parks and Recreation, Department of	39	27	1	7		2		2				10.26%
Public Administrator- Staten Island	6	2	3					1				16.67%
Retirement Consultants	4	4										0.00%
Retirement: BERS	4	4										0.00%
Retirement: NYCERS	4	4										0.00%
Retirement: NYFD	0											0.00%
Retirement: NYPD	4	4										0.00%
Retirement: NYS	4	4										0.00%
Retirement: TRS	4	4										0.00%
Small Business Services, Dept of	7	4							3			42.86%
Transit Authority	22	13	9									0.00%
Transportation, Dept of	25	19	3		1			2				8.00%
Welfare Fund-Superior Officers Council	14	8	6									0.00%

Recommendation Status By Agency

Agency	Total # of Recommendations	# of Recommendations Implemented	# of Recommendations in the Process of Being Implemented	# of Recommendations Partially Implemented	# of Recommendations Implemented in an Alternate Manner	# Recommendations Pending (eg looking into legislation)	# of Recommendations Under Consideration	# of Recommendations Not Implemented	# of Recommendations Agency Believes Not Needed	# of Recommendations No Longer Applicable	# of Recommendations Not Addressed	% of Recommendations Not Implemented or Not Addressed
Welfare Trust Fund-Local 30, 30A-C	24	17	3								4	16.67%
Youth & Community Development, Dept. of	7	7										0.00%
Total	562	331	78	25	1	20	2	69	4	3	29	22.60%

INDEX OF GOVERNMENT AGENCY AUDITS (FISCAL YEARS 2000-2010)

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
<u>Actuary, Office of</u>		
Financial Practices		FY 04, p. 3
Financial Practices Follow-up		FY 06, p. 3
Financial Practices		FY 10, p. 3
<u>Administrative Trials and Hearings, Office of</u>		
Timekeeping, Payroll, and Purchasing Operations		FY 02, p. 3
<u>Aging, Department for the</u>		
Administration of Imprest Funds.....		FY 07, p. 3
Compliance of Builders for the Family and Youth Diocese Of Brooklyn with its Contract for the Operation of The Bay Senior Center.....		FY 03, p. 3
Controls Over Personally Identifiable Information.....		FY 10, p. 5
Follow-up of the Elder Abuse Program		FY 01, p. 3
Follow-up on Monitoring of Senior Citizen Center Conditions		FY 05, p. 4
Home Energy Assistance Program (HEAP)		FY 02, p. 4
Monitoring of the Physical Conditions of Senior Centers		FY 08, p. 3
Monitoring of Senior Centers Conditions		FY 02, p. 5
Oversight of its Contracts for the Delivery of Frozen Meals.....		FY 06, p. 4
Transportation Service Provider Expenditures.....		FY 05, p. 3
<u>Borough Presidents</u>		
Bronx	Financial and Operating Practices	FY 04, p. 5
Bronx	Financial and Operating Practices	FY 07, p. 5
Brooklyn	Financial and Operating Practices	FY 05, p. 6
Brooklyn	Financial and Operating Practices	FY 08, p. 5
Manhattan	Financial and Operating Practices	FY 04, p. 7
Manhattan	Financial and Operating Practices	FY 07, p. 6
Queens	Financial and Operating Practices	FY 04, p. 9
Queens	Financial and Operating Practices	FY 08, p. 7
Staten Island	Financial and Operating Practices.....	FY 03, p. 5
Staten Island	Financial and Operating Practices	FY 07, p. 8

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Buildings, Department of

Administration of Sidewalk-Shed Permits	FY 04,	p. 12
Building Information System	FY 05,	p. 8
Data Center	FY 02,	p. 8
Data Center Follow-up	FY 06,	p. 6
Effectiveness in Investigating Safety-Related Complaints in a Timely Manner	FY 04,	p. 11
Follow-up of Violations Issued	FY 08,	p. 9
Internal Audit Review of Professionally Certified Building Applications	FY 03,	p. 7
Internal Control Cash Receipts: Preliminary Findings	FY 01,	p. 4
Internal Control Over Cash Receipts.....	FY 02,	p. 10
Revenue Collected for License and Permit Fees.....	FY 06,	p. 7
Queens Quality of Life Unit	FY 10,	p. 7

Business Integrity Commission

Monitoring of the Private Carting and Public Wholesale Market Industries.....	FY 08,	p. 11
Payroll, Timekeeping Procedures, and Other Than Personal Expenditures	FY 04,	p. 14
Shipboard Gambling Fiduciary Accounts.....	FY 05,	p. 9

Business Relocation Assistance Corporation

Financial and Operating Practices	FY 00,	p. 16
Financial and Operating Practices of Brighton Beach Business Improvement District.....	FY 01,	p. 24

Business Services, Department of
(See: Small Business Services, Department of)

Financial and Operating Practices of the Bryant Park Management Corp. Business Improvement District	FY 01,	p. 32
Financial and Operating Practices of the Columbus/Amsterdam Business Improvement District	FY 02,	p. 12
Financial and Operating Practices East Brooklyn Industrial Park Business Improvement District.....	FY 01,	p. 15
Financial and Operating Practices East Brooklyn Industrial Park Business Improvement District (Follow-up)	FY 02,	p. 15
Financial and Operating Practices of the Fashion Center BID	FY 02,	p. 16

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Business Services, Department of (cont'd)
(See: Small Business Services, Department of)

Financial and Operating Practices of the Fifth Avenue BID	FY 00,	p. 22
Financial and Operating Practices Flatbush Avenue Business Improvement District	FY 01,	p. 30
Financial and Operating Practices of the HUB-Third Avenue Business Improvement District	FY 01,	p. 20
Financial and Operating Practices of the Kings Highway Business Improvement District	FY 01,	p. 26
Financial and Operating Practices of the Lincoln Square Business Improvement District	FY 01,	p. 12
Financial and Operating Practices of the Lower East Side Business Improvement District	FY 02,	p. 18
Financial and Operating Practices of the Madison Avenue District Management Association, Inc.	FY 01,	p. 8
Financial and Operating Practices of the Mosholu-Jerome East Gun Hill Road BID	FY 00,	p. 26
Financial and Operating Practices of the Myrtle Avenue Business Improvement District	FY 01,	p. 6
Financial and Operating Practices of the NOHO Business Business Improvement District	FY 01,	p. 10
Financial and Operating Practices of the Steinway Street BID	FY 00,	p. 20
Financial and Operating Practices Of the Sunset Park Fifth Avenue BID	FY 00,	p. 24
Financial and Operating Practices Of the Village Alliance Business Improvement District	FY 01,	p. 22
Financial and Operating Practices of the White Plains Road Business Improvement District.....	FY 01,	p. 28
Financial and Operating Practices Of the 47 th Street Business Improvement District	FY 01,	p. 18
Internal Controls and Operating Practices of the Washington Heights BID	FY 00,	p. 18
Small Procurement Practices	FY 02,	p. 13

Campaign Finance Board

Procurement Practices	FY 07,	p. 10
Real Estate Tax Charges on Space Leased at 40 Rector Street.....	FY 04,	p. 16

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u>	<u>PAGE</u>
--------------	---------------	----------------------------	-------------

Children's Services, Administration for

Brooklyn Society for Prevention of Cruelty to Children And Its Compliance with Its Child Care Agreement July 1,1999 to June 30, 2000		FY 01,	p. 48
Brookwood Child Care and Its Compliance with Child Care Agreement to July 1,1999 to June 30, 2000		FY 02,	p. 23
Capital Improvements at Day Care Centers Required by Landlords' Lease Agreements.....		FY 04,	p. 24
Coalition for Hispanic Family Services Foster Care Contracts		FY 08,	p. 14
Compliance of the Association to Benefit Children with Foster Care and Child Care Payment Regulations; July 1, 1999-June 30, 2001		FY 05,	p. 13
Compliance of the Child Development Support Corporation with its Preventive Service Agreements.....		FY 08,	p. 16
Compliance of the Concord Family Services with Foster and Child Care Payment Regulations.....		FY 06,	p. 11
Compliance of Graham Windham with Foster and Child Care Payment Regulations		FY 09,	p. 13
Compliance of Miracle Makers, Inc., for Foster and Child Care Payment Regulations		FY 04,	p. 19
Compliance of New York Foundling Hospital, Inc. with its Contract		FY 05,	p. 12
Compliance of Seamen's Society for Children and Families With Foster and Child Care Payment Regulations.....		FY 07,	p. 11
Compliance of Sheltering Arms Children's Service with Foster And Child Care Payment Regulations.....		FY 04,	p. 20
Compliance of the Starlight Day Care Center with its Contract.....		FY 02,	p. 30
Compliance of the Whitney M. Young Jr. Day Care Center		FY 02,	p. 30
Controls Over Payments to Transportation Vendors		FY 06,	p. 14
Controls Over Personally Identifiable Information.....		FY 10,	p. 9
Data Processing Controls and Procedures.....		FY 01,	p. 35
Data Processing Controls and Procedures.....		FY 03,	p. 9
Data Processing Preparation for Y2K		FY 00,	p. 3
Days-of-Care and Expenses Reported by Lutheran Social Services Of Metropolitan New York for Its Foster Care Programs		FY 04,	p. 18
Days-of-Care and Expenses Reported by OHEL Children's Home and Family Services Inc., for Its Foster Care Programs.....		FY 03,	p. 11
Development and Implementation of the Health Information Profiling System		FY 02,	p. 21
Development and Implementation of the Legal Tracking System		FY 06,	p. 10
Edwin Gould Services for Children and Its Compliance with Its Child Care Agreement		FY 03,	p. 12

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Children's Services, Administration for (cont'd)

Effectiveness of Child Support Helpline.....	FY 01,	p. 62
Effectiveness of the Child Support Helpline.....	FY 03,	p. 20
Efforts to Move Children out of Foster Care.....	FY 00,	p. 10
Episcopal Social Services and its Compliance with Its Child Care Agreement.....	FY 02,	p. 22
Faith, Hope & Charity Day Care Compliance with Its Contract.....	FY 01,	p. 55
Father Flanagan's Boys Town of New York and Its Compliance with Its Child Care Agreement July 1, 1998 to June 30, 1999.....	FY 01,	p. 46
Follow-Up of Procedures for Recouping Overpayments Made to Foster Care Agencies.....	FY 00,	p. 13
Forestdale, Inc., and its Compliance with its Child Care Agreement.....	FY 02,	p. 25
Good Shepherd Service's Compliance with Its Child Care Agreement.....	FY 01,	p. 42
Harlem Dowling-West Side Center's Compliance with Its Child Care Agreement.....	FY 01,	p. 40
Harlem Dowling-West Side Center for Children & Family Services Compliance With Its Preventive Service Agreement.....	FY 10,	p. 10
Highbridge Advisory Council's Compliance with Certain Financial Provisions of Its Contract.....	FY 05,	p. 15
Inwood House Foster Care Contract.....	FY 09,	p. 3
Inwood Nursery Day Care Center's Compliance with Its Contract.....	FY 01,	p. 58
Inwood House's Compliance with Its Child Care Agreement July 1, 1997 to June 30, 1998.....	FY 01,	p. 44
Jamaica NAACP Day Care Center Compliance with its Contract with New York City.....	FY 02,	p. 28
Little Flower Children and Family Services Foster Care Contract.....	FY 07,	p. 12
Louise Wise Services Compliance With Foster Child Care Payment Regulations.....	FY 03,	p. 13
Payments for Children with Disabilities in Residential Facilities.....	FY 06,	p. 13
Martin de Porres Day Care Center's Compliance with Its Contract.....	FY 01,	p. 50
Misappropriation of Inwood Nursery Day Care Center Funds July 1, 1999 to June 30, 2000.....	FY 01,	p. 61
New Life Child Development Center, Inc. Contract Compliance.....	FY 00,	p. 5
Oversight of Contracted Day Care Centers.....	FY 03,	p. 18

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Children's Services, Administration for (cont'd)

Oversight and Monitoring of the Screening of Personnel by Contracted Child Care Centers.....	FY 09,	p. 4
Rosalie Hall, Inc., and its Compliance with its Child Care Agreement.....	FY 02,	p. 26
Seamen's Society for Children and Families Compliance With Its Day Care Contracts	FY 03,	p. 16
Second Follow-up on Data Processing Controls and Procedures.....	FY 05,	p. 11
Shirley Chisholm Day Care Center, Inc. Compliance with Its Contract.....	FY 01,	p. 52
Susan E. Wagner Day Care Center and Its Use of City Funds Under Its Contract.....	FY 04,	p. 22
Talbot Perkins Compliance with Its Child Care Agreement.....	FY 01,	p. 38
Timely Processing of Child Support Payments.....	FY 02,	p. 32
Whitney M. Young, Jr. Day Care Center	FY 03,	p. 15

City Clerk

Cash Controls at the Manhattan Office	FY 08,	p. 18
Manhattan, Cash Controls and Timekeeping Practices.....	FY 03,	p. 22

City Council

Other Than Personal Service Expenditures.....	FY 08,	p. 20
---	--------	-------

City Planning, Department of

Compliance with Comptroller's Directives relating to Payroll and Timekeeping.....	FY 02,	p. 35
Financial and Operating Practices	FY 06,	p. 16
Penn Center Subdistrict Fiduciary Account	FY 05,	p. 17
Internal Controls Over Cash Receipts	FY 00,	p. 29
72 nd Street Fiduciary Account	FY 05,	p. 18

City University of New York

Bronx Community College's Auxiliary Enterprise Corporation, Inc.	FY 00,	p. 35
Hostos Community College Student Activity Fees	FY 06,	p. 17
Instructional Computer Equipment and Training At the Community Colleges	FY 00,	p. 31
Manhattan Community College Auxiliary Enterprises Corporation.	FY 02,	p. 37

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

City University of New York (cont'd)

Operating Practices of the College Discovery Program.....	FY 03,	p. 24
Operating Practices of the College Discovery Program.....	FY 08,	p. 22

Citywide Administrative Services, Department of

Administration of the Sales of Surplus City-Owned Real Estate	FY 08,	p. 24
Citywide Energy Conservation Efforts	FY 05,	p. 22
Collection of Rent Arrears.....	FY 08,	p. 25
Development and Implementation of the Capital Asset Management System	FY 07,	p. 14
Development and Implementation of the City Automated Personnel System	FY 05,	p. 20
Employee Blood Program Fiduciary Account	FY 06,	p. 18
Follow-up on the Development of an Automated Fleet Management System.....	FY 01,	p. 65
Follow-up on Management Information Systems Implementation of the Agency-Wide Local Area Network	FY 02,	p. 41
Follow-up of Internal Controls for Data Center.....	FY 02,	p. 40
Practices and Procedures for Capital Construction		
Small Procurement and Vouchering Practices	FY 00,	p. 39
Y2K Preparation for Non-Information Technology Facilities.....	FY 00,	p. 38

Civil Service Commission

Financial and Operating Practices	FY 08,	p. 27
Follow-up on Timekeeping, Payroll, and Purchasing Operations	FY 01,	p. 67
Fraudulent Payroll and Imprest Payroll, Timekeeping, and Other Than Personal Services Expenditures July 1, 2002-June 30, 2003	FY 05,	p. 24

Civilian Complaint Review Board

Case Management Practices	FY 06,	p. 20
Follow-up on the Case Management Policies and Procedures	FY 02,	p. 43
Follow-up on the Case Management Practices	FY 09,	p. 7

Collective Bargaining, Office of

Payroll, Timekeeping Procedures, and Other Than Personal Expenditures	FY 04,	p. 26
Procurement Practices	FY 08,	p. 28
Small Procurement and Vouchering Practices	FY 00,	p. 42

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Community Boards

Bronx #1	Follow-up on Financial and Operating Practices	FY 00, p. 43
Bronx #1 to 12	Financial and Operating Practices	FY 04, p. 28
Bronx #1 to 12	Financial and Operating Practices	FY 07, p. 16
Bronx #2	Follow-up on Financial and Operating Practices	FY 00, p. 45
Bronx #3	Follow-up Audit on the Financial and Operating Procedures.....	FY 01, p. 70
Bronx #9	Follow-up of Financial and Operating Practices	FY 01, p. 71
Bronx #10	Follow-up of Financial and Operating Practices	FY 00, p. 46
Bronx #12	Follow-up on Financial and Operating Practices	FY 00, p. 48
Brooklyn #1 to 18	Financial and Operating Practices	FY 04, p. 30
Brooklyn #5	Follow-up on Compliance with Timekeeping, Payroll, and Purchasing Procedures.....	FY 00, p. 49
Brooklyn #6	Follow-up on Compliance with Timekeeping, Payroll, and Purchasing Procedures.....	FY 00, p. 51
Brooklyn #8	Follow-up on Payroll, Timekeeping & Purchasing Procedures	FY 00, p. 53
Brooklyn #9	Follow-up on Payroll, Timekeeping & Purchasing Procedures	FY 00, p. 54
Brooklyn #11	Follow-up on Payroll, Timekeeping & Purchasing Procedures	FY 00, p. 55
Brooklyn #12	Follow-up on Payroll, Timekeeping & Purchasing Procedures	FY 00, p. 57
Brooklyn #15	Follow-up on Payroll, Timekeeping & Purchasing Procedures	FY 00, p. 58
Brooklyn #16	Payroll, Timekeeping Procedures, and OTPS	FY 00, p. 60
Manhattan #1 to 12	Financial and Operation Practices	FY 06, p. 21
Manhattan #1 to 12	Office Equipment Inventory Practices.....	FY 09, p. 9
Manhattan #9	Follow-up of Financial & Operating Practices	FY 00, p. 61
Manhattan #10	Financial & Operating Practices	FY 01, p. 72
Manhattan #11	Follow-up of Payroll, Timekeeping Procedures, & OTPS.....	FY 00, p. 62
Manhattan #12	Follow-up of Payroll, Timekeeping Procedures, & OTPS.....	FY 00, p. 64
Queens #1 to 14	Financial and Operating Practices	FY 04, p. 32
Queens #1 to 14	Financial and Operating Practices	FY 07, p. 18

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Community Boards (cont'd)

Queens #2	Follow-up of Payroll, Timekeeping Procedures, & OTPS	FY 00, p. 65
Queens #4	Payroll, Timekeeping Procedures & OTPS	FY 00, p. 67
Queens #5	Follow-up on Financial and Operating Practices	FY 00, p. 68
Queens #12	Payroll, Timekeeping Procedures & OTPS	FY 00, p. 70
Queens #13	Follow-up on Financial and Operating Practices	FY 00, p. 72
Queens #14	Payroll, Timekeeping Procedures & OTPS	FY 00, p. 73
Staten Island #1, 2, 3	Financial and Operating Practices.....	FY 03, p. 26
Staten Island #1, 2, 3	Financial and Operating Practices	FY 07, p. 20
Staten Island #1, 2, 3	Financial and Operating Practices	FY 10, p. 13

Comptroller, Office of the

Cost Allocation Plan Fiscal Year 2001	FY 02, p. 46
Cost Allocation Plan Fiscal Year 2002	FY 03, p. 28
Cost Allocation Plan Fiscal Year 2003	FY 04, p. 33
Cost Allocation Plan Fiscal Year 2004	FY 05, p. 26
Cost Allocation Plan Fiscal Year 2005	FY 06, p. 23
Cost Allocation Plan Fiscal Year 2006	FY 07, p. 21
Cost Allocation Plan Fiscal Year 2007	FY 08, p. 31
Cost Allocation Plan Fiscal Year 2008	FY 09, p. 10
Cost Allocation Plan Fiscal Year 2009	FY 10, p. 15
Fiscal Year 1999 Cost Allocation Plan (Report).....	FY 00, p. 77
Fiscal Year 2000 Cost Allocation Plan (Report).....	FY 01, p. 75
Follow-up on Data Processing Preparation for Y2K	FY 00, p. 75

Conflicts of Interest Board

Payroll, Timekeeping, and Purchasing Practices	FY 04, p. 34
Procurement and Inventory Practices	FY 09, p. 11

Consumer Affairs, Department of

Administration of Its Fiduciary Accounts	FY 04, p. 36
Follow-up on Internal Controls over Cash Receipts	FY 00, p. 78
Imprest Fund	FY 10, p. 16
Internal Controls Over the Processing of Violation and Collection of Fines.....	FY 07, p. 22
Licensing and Oversight of Sidewalk Cafes	FY 05, p. 27

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Correction, Board of

Follow-up Audit on Small Procurement and Vouchering Practices	FY 01,	p. 76
Payroll, Timekeeping, and Purchasing Practices	FY 04,	p. 38
Purchasing, Timekeeping, and Payroll Practices	FY 08,	p. 32

Correction, Department of

Compliance with Comptroller’s Directive 10, <i>Charges to the Capital Projects Fund,</i> For the Purchase of Equipment	FY 04,	p. 43
Follow-up on Data Center	FY 01,	p. 78
Follow-up on Compliance with City Procurement Rules	FY 01,	p. 80
Follow-up on Data Processing Preparation for Y2K	FY 00,	p. 83
Follow-up on Local Area Network.....	FY 02,	p. 47
Internal Controls Over Commissary Operations.....	FY 05,	p. 29
Inventory Controls Over Its Food Items at the Rikers Island Storehouses.....	FY 04,	p. 41
Inventory Controls Over Its Non Food Items at the Rikers Island Storehouses.....	FY 04,	p. 40
Y2K Preparation for Non-Information Technology Assets.....	FY 00,	p. 81
Potential Savings from Civilianizing Positions in Non-Incarceration Units	FY 03,	p. 29
Samaritan Village Contract to Operate the Rikers Island Discharge Enhancement Program	FY 07,	p. 24

Criminal Justice Coordinator, Office of

Controls Over Billings and Payments for Work by Panel Members in the Assigned Counsel Plan	FY 09,	p. 13
Effectiveness of the NYC Domestic Violence Hotline.....	FY 02,	p. 49
Expenditures for Other Than Personal Services.....	FY 06,	p. 24

Cultural Affairs, Department of

Financial and Operating Practices of the American Museum of Natural History.....	FY 03,	p. 31
Financial and Operating Practices of Queens Botanical Garden July 1, 1999 to June 30, 2000	FY 01,	p. 83
Financial and Operating Practices of Snug Harbor Cultural Center.....	FY 02,	p. 51
Process for Awarding Program Grants to Cultural Organizations.....	FY 10,	p. 18
Small Procurement and Vouchering Practices	FY 02,	p. 53

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Design and Construction, Department of

Controls Over Contractor-Provided Vehicles	FY 07,	p. 26
Development & Implementation of the Contract		
Data System	FY 02,	p. 55
Development and Implementation of the Standardized Change Order		
Record-Contract Overrun Request Entry System	FY 03,	p. 33
Follow-up on Development & Implementation of an		
Automated Project Management Information System.....	FY 00,	p. 86
Monitoring of Payments to Cultural Institutions for Pass-Through		
City Funded Capital Construction Projects	FY 05,	p. 31
Small Procurement and Vouchering Practices	FY 00,	p. 88

District Attorney

Bronx County	Financial and Operating Practices	FY 03,	p. 35
Bronx County	Other Than Personal Service Expenditures	FY 07,	p. 28
Kings County	Financial and Operating Practices	FY 06,	p. 25
Kings County	Follow-up of Financial and Operating Practices	FY 01,	p. 85
Kings County	Other Than Personal Service Expenditures	FY 09,	p. 15
New York County	Expenditures for Other Than Personal Services.....	FY 06,	p. 27
New York County	Follow-up of the Financial and Operating Practices	FY 01,	p. 88
New York County	Procurement Practices	FY 08,	p. 34
New York County	Deferred Prosecution and Non-Prosecution Agreements.....	FY 10,	p. 20
Queens County	Financial and Operating Practices	FY 06,	p. 29
Queens County	Financial and Operating Practices	FY 08,	p. 36
Richmond County	Financial and Operating Practices	FY 05,	p. 33
Richmond County	Financial and Operating Practices	FY 09,	p. 17

Economic Development Corporation

Financial Practices for “Other General Expenses”	FY 04,	p. 46
Payment of Commercial Rent Taxes by Concessionaires	FY 04,	p. 45
Payments in Lieu of Taxes	FY 06,	p. 31

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Education, Board of
(See: **Education, Department of**)

Administrative Staffing at the Central Office July 1, 1998 to June 30, 1999	FY 01,	p. 94
Administrative Staffing at the District/Superintendency Offices	FY 01,	p. 97
Bus Drivers Employed by Private Companies under Contract.....	FY 02,	p. 56
Compliance with Fire and Safety Mandates in Elementary Schools.....	FY 06,	p. 38
Compliance with Fire and Safety Regulations in Elementary Schools	FY 01,	p. 102
Computer Equipment and Training at Elementary & Middle Schools.....	FY 00,	p. 94
Computer Equipment and Training at High Schools	FY 00,	p. 91
Controls over Cash Receipts.....	FY 00,	p. 100
Follow-up on the Internal Controls of the Data Center	FY 01,	p. 92
Follow-up of the Internal Controls Over Student MetroCards	FY 01,	p. 104
High School Admission Process	FY 06,	p. 36
Job Order Contracting.....	FY 06,	p. 34
Process to Reimburse the Parents of Special Education Students Who Attend Private Schools	FY 00,	p. 98
Pupil Transportation Retainage Fiduciary Account	FY 06,	p. 33
Second Follow-up for the Administration of the Special Education Program	FY 01,	p. 100

Education, Department of
(See: **Education, Board of**)

Administration of New York State Standardized Tests	FY 10,	p. 27
Administration of the Early Grade Class Size Reduction Program.....	FY 10,	p. 25
Administration of the WNYE-TV Fiduciary Account.....	FY 04,	p. 49
Calculation of High School Graduation Rates	FY 10,	p. 29
Compliance of Vanguard H.S. with DOE's Procurement Guidelines for Small Dollar Purchases.....	FY 10,	p. 24
Compliance of United Cerebral Palsy of New York, Inc. With Its Contracts.....	FY 04,	p. 50
Compliance with Reading First Program Spending Guidelines	FY 10,	p. 22
Controls Over Universal Pre-Kindergarten Payments to Non-Public Schools in Regions 6 and 7	FY 07,	p. 33
Development and Implementation of the Galaxy System.	FY 03,	p. 37
Effectiveness in Following Up and Resolving School-Bus-Related Complaints.....	FY 08,	p. 45
Financial and Operating Practices of Community School District #5	FY 03,	p. 38

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u>	<u>PAGE</u>
--------------	---------------	----------------------------	-------------

Education, Department of (cont'd)
(See: Education, Board of)

Financial and Operating Practices of Community School District #15		FY 03,	p. 39
Follow-up of Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 9 and 10		FY 07,	p. 30
Follow-up of Other Than Personal Services Expenditures of Schools – Regional Operations Center for Region 3 and District 75		FY 07,	p. 32
Medicaid Billing Practices For Services Provided to Autistic Students		FY 03,	p. 41
Monitoring and Tracking of Special Education Services For Elementary School Students		FY 07,	p. 34
Monitoring of School Bus Safety		FY 05,	p. 45
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 9 and 10		FY 05,	p. 36
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Region 3 and District 75 (Citywide Special Education)		FY 05,	p. 38
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Region 8 and Alternative High Schools and Programs		FY 05,	p. 39
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Region 8 and Alternative High Schools and Programs		FY 08,	p. 37
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 4 and 5		FY 05,	p. 41
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 4 and 5		FY 08,	p. 38
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 6 and 7		FY 05,	p. 42
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 6 and 7		FY 08,	p. 39
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 1 and 2		FY 05,	p. 43
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 1 and 2		FY 08,	p. 41
Process by Which the Department of Education Awarded a Vending Machine License to the Snapple Beverage Group		FY 04,	p. 54
Processes for Reviewing and Approving Lump-Sum Payments For Unused Leave Time of Pedagogical Managers		FY 07,	p. 30
Reporting of Violent, Disruptive, and Other Incidents at New York City Public High Schools		FY 08,	p. 44
School Safety Plans for 10 Elementary Schools		FY 04,	p. 51
Second Follow-up on Internal Controls Over its Data Center		FY 05,	p. 35
Travel Expenses of the Central Office		FY 04,	p. 53
Travel Expenses of the Central Office		FY 08,	p. 42

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Elections, Board of

Development and Implementation of the S-Elect Project.....	FY 07,	p. 36
Small Procurement Practices	FY 03,	p. 43

Emergency Management, Office of

Payroll, Timekeeping, and Other Than Personal Services Expenditures	FY 06,	p. 39
---	--------	-------

Employment, Department of

Follow-up of the Adult Training Program's Effectiveness In Providing Vocational Training to Public Assistance Recipients and placing them in Jobs.....	FY 00,	p. 103
Follow-up of the Automated Information System	FY 01,	p. 107
Follow-up of the Automated Information System	FY 01,	p. 107
Follow-up of the LAN/WAN	FY 02,	p. 58
Small Procurement and Vouchering Practices	FY 01,	p. 108

Environment Control Board

Reliability and Accuracy of the Notices of Violation Data in the Computer Systems	FY 09,	p. 21
--	--------	-------

Environmental Protection, Department of

Billing and Collecting of Water and Sewer Charges from Private Hospitals.....	FY 08,	p. 48
Compliance with Procedures For Issuing Three-Day Notices.....	FY 03,	p. 44
Construction of City Water Tunnel No. 3, Stages 1 & 2 And Planning for Stages 3 & 4	FY 01,	p. 110
Controls Over the Billing of Water and Sewer Charges of Residential Properties	FY 09,	p. 22
Controls Over the Issuance and Depletion of Credits From Its Reimbursable Metering Program	FY 07,	p. 38
Controls Over the Processing and Collection of Permit Fees	FY 04,	p. 58
Data Center	FY 02,	p. 60
Effectiveness of the Help Center Hotline	FY 02,	p. 63
Efforts at Preparing Non-Information Technology	FY 00,	p. 105
Environmental Control Board's Timeliness of Case Adjudications at the Bronx Office.....	FY 05,	p. 47
Environmental Control Board Case Processing Practices	FY 00,	p. 107

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Environmental Protection, Department of (cont'd)

Financial Practices of the Catskill Watershed Corporation	FY 00,	p. 111
Follow-up on the Data Center	FY 04,	p. 57
Job Order Contracting.....	FY 08,	p. 49
Land Acquisition and Stewardship Program.....	FY 01,	p. 113
Inventory Controls and Purchasing Practices of the Bureau of Water And Sewer Operations	FY 04,	p. 60
Oversight of Costs to Construct the Croton Water Treatment Plant.....	FY 10,	p. 33
Payroll and Timekeeping Practices	FY 02,	p. 61
Progress in Constructing the Croton Water Treatment Plant.....	FY 10,	p. 32
Water Distribution System	FY 03,	p. 45

Equal Employment Practices Commission

Compliance with Its Charter Mandate to Audit City Agencies	FY 09,	p. 24
Operating Procedures.....	FY 04,	p. 62

Finance, Department of

Calculation and Application of the J-51 Tax Benefits for Properties in Manhattan	FY 09,	p. 25
Cash Controls of the Brooklyn City Register.....	FY 00,	p. 117
Cash Controls of the Manhattan, Queens, and Bronx City Registers	FY 01,	p. 116
Collection of Monies Owed by City Employees for Outstanding Summonses	FY 00,	p. 119
Collection of Penalties Imposed in Control Board Cases	FY 02,	p. 66
Controls and Monitoring of the Neighborhood Payment Center Program	FY 02,	p. 68
Development and Implementation of the Automated City Register Information System.....	FY 06,	p. 40
Development and Implementation Of the NYCServ Project.....	FY 03,	p. 47
Effectiveness of Child Support Enforcement Services Performed by The Office of the Sheriff.....	FY 05,	p. 57
Financial Controls Over Cash Receipts at Business Centers	FY 07,	p. 40
Follow-up of the Sheriff's Internal Controls over Seized Vehicles.....	FY 01,	p. 118
Follow-up of Small Procurement and Vouchering Practices.....	FY 02,	p. 65
Granting of Tax Abatements Under the Industrial and Commercial Incentive Program.....	FY 05,	p. 53

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Finance, Department of (cont'd)

Implementation of 421(a) Incentive Program Tax Benefits for Properties in Manhattan	FY 10,	p. 36
Internal Controls over Bail Refunds by the Client Services Unit.....	FY 02,	p. 70
Operating Practices of the Sheriff Relating to Funds Obtained from The Enforcement of Civil Judgments.....	FY 05,	p. 58
Oversight of the Industrial and Commercial Incentive Program	FY 05,	p. 55
Reliability and Accuracy of Commercial Motor Vehicle Tax Data	FY 10,	p. 35
Tax Classification of Real Property in the Borough of Brooklyn.....	FY 05,	p. 49
Tax Classification of Real Property in the Borough of Bronx.....	FY 05,	p. 51
Tax Classification of Real Property in the Borough of Manhattan.....	FY 06,	p. 41
Tax Classification of Real Property in the Borough of Queens.....	FY 05,	p. 50
Tax Classification of Real Property in the Borough of Staten Island	FY 06,	p. 42
Travel Expenses.....	FY 03,	p. 49
User Access Controls.....	FY 03,	p. 48

Financial Information Systems Agency

Financial and Operating Practices	FY 06,	p. 44
Financial and Operating Practices	FY 10,	p. 38
User Access Controls of the Financial Management System	FY 03,	p. 51

Fire Department

Administration of its Bank Accounts	FY 07,	p. 42
Billing and Recording of Ambulance Transport Fees.....	FY 05,	p. 60
Controls over the Professional Certification Process of the Fire Alarm Inspection Unit.....	FY 10,	p. 40
Controls of the Inspection of Fire Alarm Systems	FY 07,	p. 43
Development and Implementation of the Enterprise Asset Management System	FY 06,	p. 46
Follow-up on Arson Information Management System Data Center (AIMS)	FY 02,	p. 73
Follow-up on Fire Prevention through Education.....	FY 01,	p. 125
Follow-up on Procedures for Replacement of Front-line Vehicles	FY 09,	p. 27
Follow-up on Small Procurement and Vouchering Practices	FY 01,	p. 123
Internal Controls Over Billing and Collection Of Inspection Fees.....	FY 03,	p. 52
Misapplication of Fire Code in Fee Collection and Operating Practices of the 1-B Medical Board	FY 00,	p. 126
Opportunities for Savings Through Civilianization in Administrative Units.....	FY 04,	p. 64

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Fire Department (cont'd)

Pension Funds' Data Processing Preparation for Y2K.....	FY 00,	p. 122
Procedures for Replacement of Front-Line Vehicles.....	FY 05,	p. 62
Second Follow-up for Bureau of Information and Computer Services Data Center.....	FY 01,	p. 121
Use of Procurement Cards.....	FY 08,	p. 54
Y2K Preparation for Non-Information Technology Facilities.....	FY 00,	p. 124

Health, Department of
(See: Health and Mental Hygiene, Department of)

Effectiveness of AIDS Hotline.....	FY 01,	p. 131
Licensing and Monitoring of Summer Day Care Camps.....	FY 02,	p. 80
Shelter Conditions and Adoption Efforts of the Center for Animal Care and Control.....	FY 02,	p. 75
Tracking of Children with Elevated Blood Lead Levels by the Lead Poisoning Program.....	FY 02,	p. 78
Wide Area Network.....	FY 01,	p. 129
Auxiliary to Coney Island Hospital, Inc. January 1, 1998 to December 31, 1999 Hospital Center.....	FY 01,	p. 134
Auxiliary of Elmhurst Hospital Center Inc. January 1, 1999 to December 31, 1999.....	FY 01,	p. 135
Auxiliary of Jacobi Medical Center, Inc.....	FY 01,	p. 138

Health & Hospitals Corporation

Collection Practices and Procedures Related to Medicaid Managed Care Health Maintenance Organizations.....	FY 03,	p. 61
Compliance with Financial Provisions of Ambulance and Pre-hospital EMS Memo of Understanding.....	FY 10,	p. 42
Compliance with Medical Research Approval Regulations.....	FY 02,	p. 84
Controls over Personnel, Payroll, and Timekeeping at Coney Island Hospital.....	FY 03,	p. 64
Non-Controlled Drugs and Other Goods.....	FY 01,	p. 141
Elmhurst Hospital Center Inventory Controls of Harlem Hospital Center Auxiliary, Inc.....	FY 00,	p. 134
Financial and Operating Practices of Children of Bellevue, Inc.....	FY 02,	p. 83
Follow-up Report on HHC.....	FY 00,	p. 131
Internal Controls over Cash Receipts at Elmhurst Hospital.....	FY 01,	p. 146

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Health & Hospitals Corporation (cont'd)

Inventory Controls of Bellevue Hospital Center Over Noncontrolled Drugs and Medical and Surgical Supplies	FY 05,	p. 66
Inventory Controls of Harlem Hospital Center Over Noncontrolled Drugs.....	FY 06,	p. 48
Inventory Controls of the Kings County Hospital Center Over Noncontrolled Drugs and Medical and Surgical Supplies	FY 03,	p. 62
Inventory Control of Non-Controlled Drugs and other Goods by Metropolitan Hospital Center.....	FY 02,	p. 89
Inventory Control over Non-Controlled Drugs, Medical And Surgical Supplies at Woodhull Medical and Mental Mental Health Center.....	FY 02,	p. 91
Inventory Controls Over Noncontrolled Drugs at Coney Island Hospital.....	FY 09,	p. 29
Lincoln Medical and Mental Health Center Auxiliary, Inc.	FY 02,	p. 93
Metropolitan Hospital Auxiliary, Inc.	FY 00,	p. 129
North Central Bronx Hospital Auxiliary, Inc.	FY 02,	p. 87
Possible Misappropriation of Noncontrolled Drugs at Coney Island Hospital	FY 08,	p. 56
Preparing Non-IT Inventory for Y2K.....	FY 00,	p. 137
Queens Hospital Auxiliary, Inc.	FY 01,	p. 144

Health and Mental Hygiene, Department of
(See: Health, Department of)

Cash Accountability and Controls at the Office of Vital Records	FY 07,	p. 45
Controls of Early Intervention Payments	FY 05,	p. 64
Development and Implementation of the Disease-Tracking System, PRIME	FY 03,	p. 56
Development and Implementation of the Electronic Death Registration System	FY 03,	p. 55
Development and Implementation of the Enhanced Syndromic Surveillance Data Capture System	FY 03,	p. 58
Development and Implementation of the West Nile Virus Integrated Data Management System	FY 03,	p. 54
Effectiveness of the Complaint Inspection Program for Food Establishments	FY 04,	p. 67
Enhanced Pest Control Program.....	FY 03	p. 59
Enhanced Pest Control Program.....	FY 06,	p. 51
Follow-up on Wide Area Network.....	FY 04,	p. 66
Implementation of the Electronic Death Registration System.....	FY 10,	p. 45
Inventory Controls Over Nicotine Replacement Therapy Aids.....	FY 09,	p. 31
Monitoring of the Background Checks of School-Age Child Care Program Employees.....	FY 10,	p. 48
Oversight of the Correction of Health Code Violations at Restaurants.....	FY 10,	p. 46
Shelter Conditions and Adoption Efforts of Animal Care and Control of New York City.....	FY 06,	p. 50

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Homeless Services, Department of

Administration of its Billing System and Miscellaneous		
Expense Accounts.....	FY 07,	p. 47
Compliance of the Floating Hospital, Inc., with its		
Contract to Provide Medical Services in the Auburn		
Family Reception Center	FY 01,	p. 154
Compliance of Lenox Hill Neighborhood House	FY 02,	p. 95
Compliance with City Procurement Rules and Controls Over Payments to		
Non-Contracted Providers	FY 10,	p. 50
Contract of Basic Housing, Inc., to Provide Shelter and Social Services.....	FY 10,	p. 52
Contract of Homes for the Homeless, Inc. to Operate the Saratoga Family Inn	FY 06,	p. 54
Contract of Project Hospitality, Inc. to Operate Hospitality House		
On Staten Island.....	FY 04,	p. 73
Contract of the Salvation Army for the Operation of Carlton House	FY 06,	p. 53
Controls Over the Determination of Eligibility of Temporary Housing Benefits to		
Homeless Families.....	FY 10,	p. 54
Controls Over Its Computer Equipment.....	FY 03,	p. 66
Controls Over Payments to Hotels and Scatter Site Housing Operators	FY 04,	p. 72
Development and Implementation of the Client Tracking System.....	FY 04,	p. 69
Evaluation of Single Room Occupancy Contractors'		
Performance	FY 00,	p. 143
Follow-up on the Controls Over Computer Equipment.....	FY 08,	p. 57
Follow-up on Data Processing Controls and Procedures	FY 01,	p. 149
Follow-up on Small Procurement and Vouchering Practices	FY 01,	p. 151
Monitoring of its Performance Incentive Program	FY 00,	p. 140
Procurement and Monitoring of CPA Services.....	FY 02,	p. 96
Second Follow-up on the Data Processing Controls and Procedures	FY 04,	p. 70
Wayside MacDonough Family Residence	FY 03,	p. 67

Housing Authority

Administration of the Resident Employment Program.....	FY 04,	p. 75
Controls in the Data Center	FY 05,	p. 68
Contract Tracking System, Contract Administration		
Department System, and the Financial Management System.....	FY 01,	p. 157
Effectiveness in Addressing Tenant Requests for Repairs.....	FY 00,	p. 150
Efforts to Address Tenant Requests for Repairs	FY 08,	p. 60
Follow-up of Data Processing Preparation for Y2K.....	FY 00,	p. 146
Follow-up on the Resident Employment Program.....	FY 08,	p. 59

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Housing Authority (cont'd)

Follow-up on the User Access Controls of the Tenant Selection System and Tenant Selection and Assignment Plan System	FY 10,	p. 56
Preparation for Non-IT Facilities for Y2K.....	FY 00,	p. 149
Process for Determining Tenant Eligibility.....	FY 03,	p. 69
Timeliness of the Renovation of Vacant Apartments	FY 07,	p. 49
User Access Controls of the Tenant Selection System and Tenant Selection and Assignment Plan System	FY 06,	p. 57

Housing Preservation & Development, Department of

Administration of the J-51 Tax Incentive Program.....	FY 07,	p. 51
Administration of the New Foundations Homeownership Program	FY 05,	p. 70
Compliance of Amboy Neighborhood Center, Inc. with Its Contract.....	FY 02,	p. 98
Compliance of 456 W.129 th Street Housing Corp. with Its Contract.....	FY 02,	p. 99
Compliance of the 138-152 West 143 rd Street Housing Development Fund Corporation.....	FY 03,	p. 73
Cornerstone Program	FY 10,	p. 59
Development and Implementation of the Information System.....	FY 03,	p. 71
Emergency Repair Program	FY 04,	p. 77
Financial and Operating Practices of the Tenant Associations in Tenant Interim Lease Program	FY 01,	p. 162
Follow-up of the Effectiveness in the Neighborhood Entrepreneurs Program	FY 01,	p. 164
Follow-up of the Enforcement of Housing Maintenance Code.....	FY 02,	p. 101
Follow-up of Internal Controls and Development Data Center	FY 01,	p. 160
Follow-up on the Section 8 Housing Choice Voucher Program.....	FY 10,	p. 58
Monitoring of the Award, Transfer, and Succession of the Mitchell-Lama Apartments.....	FY 08,	p. 62
Procedures to Track the Performance of the Mitchell-Lama Program.....	FY 00,	p. 153
Reliability and Integrity of the Emergency Repair Program Data.....	FY 09,	p. 33
Section 8 Housing Choice Voucher Program	FY 06,	p. 59

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Human Resources Administration

AutoTime	FY 03,	p. 75
Automated Childcare Information System.....	FY 03,	p. 77
Calculation of Overtime	FY 00,	p. 157
Compliance of the Tolentine Zeiser Paradise Residence of Their Contract with the Division of AIDS Services And Income Support.....	FY 01,	p. 174
Compliance of the Foundation for Research of Sexually Transmitted Diseases with its Contract with HRA's AIDS Services and Income Support.....	FY 00,	p. 163
Compliance with Purchasing Directives	FY 09,	p. 35
Computer Equipment Installed.....	FY 01,	p. 168
Computer Equipment Inventory On-Hand in the Stockrooms.	FY 01,	p. 167
Contract Management Unit of the Home Care Services Program.....	FY 05,	p. 75
Contract with HS Systems Inc.....	FY 00,	p. 159
Controls of the Bureau of Eligibility Verification Over the Investigation of Cash-Assistance Applicants.....	FY 09,	p. 36
Controls over Payments to Vendors Who Provide Emergency Housing to Clients to the HIV/AIDS Services Administration	FY 05,	p. 73
Development and Implementation of the Medical Assistance Tracking Information System.....	FY 08,	p. 64
Development and Implementation of the Paperless Office System.....	FY 05,	p. 72
Efforts to Recover Funds from Certain Recipients of Public Assistance	FY 06,	p. 61
Employment Services and Placements Efforts for Public Assistance Recipients	FY 07,	p. 53
Fiscal Oversight of Personal Care Service Providers.....	FY 09,	p. 37
Follow-up on Computer Equipment Installed.....	FY 04,	p. 79
Follow-up Audit of Computer Equipment Inventory On-Hand	FY 04,	p. 78
Follow-up of Clients' Permanent Housing Applications by the HIV/AIDS Services Administration.....	FY 07,	p. 55
Follow-up on the Data Center.	FY 01,	p. 170
Follow-up on the Effectiveness of the Info-line In Providing Information to the Public.....	FY 01,	p. 172
Follow-up on the Development and Implementation of the Paperless Office System.....	FY 10,	p. 61
Grant Diversion Program.....	FY 01,	p. 177
Implementation of Fair Hearing Decisions on Public Assistance and Food Stamp Cases.....	FY 05,	p. 76
Internal Controls Over Its Warehouse Inventory	FY 03,	p. 79

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Human Resources Administration (cont'd)

Lease Escalation Charges Relating to Capital Expenditures		
For Space Leased at 111 Eighth Avenue.....	FY 00,	p. 166
Oversight of the WeCARE Program Contractors	FY 08,	p. 66
Processing of Clients' Permanent Housing Applications		
by the HIV/AIDS Services	FY 03,	p. 78
Real Estate Tax Charges on Space Leased at 180 Water Street	FY 04,	p. 80
Small Procurement and Vouchering Practices	FY 00,	p. 161
Use of Its Sub-Imprest Fund by the General Support		
Services Division	FY 02,	p. 104

Human Rights, Commission on

Financial and Operating Practices	FY 08,	p. 68
Follow-up on Small Procurement and Vouchering		
Practices	FY 01,	p. 180
Payroll, Timekeeping and Other Than Personal Services Expenditures	FY 05,	p. 78

Independent Budget Office

Financial Practices	FY 04,	p. 82
Financial and Operating Practices	FY 10,	p. 63

Information Technology & Telecommunications,
Department of

Administration of Institutional Network and Crosswalks Funds.....	FY 04,	p. 84
Development and Implementation of ACCESS NYC	FY 07,	p. 57
Effectiveness of the 311 Citizen Service Center	FY 05,	p. 81
Follow-up on the Call Accounting System	FY 02,	p. 105
Geographic Information System.....	FY 06,	p. 63
Internal Controls over Payroll and Timekeeping Functions	FY 02,	p. 106
Operation of the City's Official Website, NYC.GOV	FY 01,	p. 182
Second Follow-Up on the Call Accounting System	FY 05,	p. 80

Investigation, Department of

Controls over Personnel, Payroll, and Timekeeping Practices	FY 10,	p. 65
Development and Implementation of the Livescan Fingerprint System	FY 04,	p. 86
Payroll and Timekeeping Practices	FY 01,	p. 184

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Juvenile Justice, Department of

Contract of Leake and Watts Services, Inc.	FY 02,	p. 108
Data Center	FY 01,	p. 186
Follow-up on the Data Centers	FY 04,	p. 88
Oversight of Father Flanagan’s Group Home Contract	FY 08,	p. 70
Oversight of the St. John’s Group Home Contract	FY 10,	p. 67
Preparation for Non IT Facilities for Y2K	FY 00,	p. 168
Small Procurement and Vouchering Practices	FY 01,	p. 188

Landmarks Preservation Commission

Controls Over its Other Than Personal Service Expenditures	FY 06,	p. 65
Follow-up on the Internal Controls on their LAN	FY 02,	p. 109
Internal Controls Over Permits	FY 10,	p. 69
Payroll and Timekeeping Practices	FY 01,	p. 194

Law Department

Personnel, Payroll & Timekeeping Practices	FY 05,	p. 83
Procurement Practices	FY 06,	p. 67

Loft Board

Timekeeping, Payroll, and Purchasing Operations	FY 02,	p. 111
---	--------	--------

Mayor's Office

Small Procurement and Vouchering Practices	FY 00,	p. 170
--	--------	--------

Mental Health, Mental Retardation and Alcoholism Services, Department of
(See: Health & Mental Hygiene, Department of)

Monitoring of CPA Services	FY 00,	p. 173
----------------------------------	--------	--------

Metropolitan Transportation Authority

Access-A-Ride Services (Follow-up).....	FY 02,	p. 115
Claims for the Station Maintenance Costs of Metro North 4/1/98 - 3/31/99	FY 00,	p. 178
Claims for the Station Maintenance Costs of the Long Island Railroad 4/1/98 - 3/31/99	FY 00,	p. 176

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Metropolitan Transportation Authority (cont'd)

Claims for the Station Maintenance Costs of the Long Island Railroad 4/1/99 - 3/31/00	FY 01,	p. 196
Claims for the Station Maintenance Costs of the Metro-North Railroad 4/1/99 - 3/31/00	FY 01,	p. 198
Financial Practices	FY 03,	p. 84
Maintenance of Long Island Rail Road Stations within The City.....	FY 02,	p. 113
Maintenance of Metro-North Railroad Stations within The City.....	FY 02,	p. 114
Maintenance of Long Island Rail Road Stations within The City.....	FY 03,	p. 81
Maintenance of Long Island Rail Road Stations within The City.....	FY 06,	p. 69
Maintenance of Metro-North Railroad Stations within The City.....	FY 03,	p. 82
Maintenance of Metro-North Railroad Stations within The City.....	FY 06,	p. 70

Multi Agency

Adherence of the Department of Education and the Department of Health and Mental Hygiene to Student Vision and Hearing Screening Program Regulations	FY 08,	p. 72
Administration of the Department of Transportation's "Urban Account Payments To Franchise Private Bus Operators"	FY 04,	p. 92
A Compilation of System Development Audits and an Assessment of Citywide Systems - Development Strategy.....	FY 10,	p. 72
All City Agencies' Vouchers for Postage that were in Violation of the Comptroller's Closing Instructions For FY 00.....	FY 01,	p. 208
Board of Education and the School Construction Authority's Program to Accelerate the Replacement of Coal-Fired Furnaces.....	FY 02,	p. 119
Compliance of Neighborhood Youth and Family Services With Its City Contracts	FY 03,	p. 88
Development of the Comprehensive Justice Information System (CJIS)(CJC, DOITT, JJ, LAW AND Dept. of Probation)	FY 01,	p. 201
Financial Practices and Procedures of the Pomonok Neighbor Center.....	FY 07,	p. 58

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Multi Agency (cont'd)

Five Audit Reports that Evaluate How Agencies Monitor Employees Who Use City or Personally Owned Vehicles to Conduct City Business	FY 00,	p. 183
Follow-up on Development of the Comprehensive Justice Information System (CJIS).....	FY 02,	p. 118
Follow-up on Human Services Agencies: How They Follow-up on Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs.....	FY 10,	p. 71
Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs.....	FY 07,	p. 61
Managerial Lump Sum Payments	FY 00,	p. 185
Managerial Lump Sum Payments	FY 01,	p. 209
Managerial Lump Sum Payments	FY 02,	p. 122
Managerial Lump Sum Payments	FY 03,	p. 91
Managerial Lump Sum Payments	FY 04,	p. 94
Managerial Lump Sum Payments	FY 05,	p. 84
Managerial Lump Sum Payments	FY 06,	p. 73
Managerial Lump Sum Payments	FY 07,	p. 63
Managerial Lump Sum Payments	FY 08,	p. 74
Managerial Lump Sum Payments	FY 09,	p. 42
Managerial Lump Sum Payments	FY 10,	p. 77
Metropolitan Transportation Authority and the Office of Management and Budget's Administration of Various Land-Acquisition Fiduciary Accounts	FY 07,	p. 59
Monitoring of Franchise, Concession, License, and Lease Agreements by City Agencies	FY 07,	p. 60
Payment of Commercial Rent Taxes by Department of Parks And Recreation Concessionaires.....	FY 03,	p. 86
Payments Made by New York City to ACCENTURE LLP for Consulting Services.....	FY 04,	p. 90
Policies and Procedures of the Board of Education and School Construction Authority for Performing School Construction Work	FY 01,	p. 203
Pomonok Neighborhood Center, Possible Fraudulent Salaries (July 1 2003 to June 30, 2004).....	FY 06,	p. 72
Processes of the Environmental Control Board and the Department of Finance to Collect Fines for Violations Issued by the Department of Buildings	FY 09,	p. 40
Provision of Vision Screening Services to Elementary School Students in the New York City Charter Schools.....	FY 10,	p. 74
Public Safety Agencies: How They Monitor Employees Who Use City or Personally Owned Vehicles While Conducting City Business.....	FY 03,	p. 89
Reconstruction of Firehouse Apparatus floors by		

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Multi Agency (cont'd)

The Fire Department and Department of Design and Construction	FY 01,	p. 205
Summary of Monitoring of City Employees while Driving City or Personally Owned Cars on City Business		
Subsidy Payments to Libraries	FY 00,	p. 187
Subsidy Payments to Libraries	FY 01,	p. 212
Violation of the Comptroller's Closing Instructions For FY 99.....	FY 00,	p. 181
Welfare Fund Payments.....	FY 00,	p. 186
Welfare Fund Payments.....	FY 01,	p. 211
Welfare Fund Payment Vouchers (High Risk)	FY 02,	p. 123
Welfare Fund Payment Vouchers (High Risk)	FY 03,	p. 92
Welfare Fund Payment Vouchers (High Risk)	FY 04,	p. 95
Welfare Fund Payment Vouchers (High Risk)	FY 05,	p. 85
Welfare Fund Payment Vouchers (High Risk)	FY 06,	p. 74
Welfare Fund Payment Vouchers (High Risk)	FY 07,	p. 64
Welfare Fund Payment Vouchers (High Risk)	FY 08,	p. 75
Welfare Fund Payment Vouchers (High Risk)	FY 09,	p. 43
Welfare Fund Payment Vouchers (High Risk)	FY 10,	p. 78

Off Track Betting Corporation

Controls over General Expenses and Reimbursements	FY 03,	p. 94
Follow-up on the NYC OTB Corporation Department of Information Technology	FY 01,	p. 213

Parks and Recreation, Department of

Administration of the 59 th Street Recreation Center Open-Space Improvements and Fiduciary Account	FY 07,	p. 65
Compliance of the Central Park Conservancy with its Recreation Management Agreement.....	FY 09,	p. 44
Controls over the Processing of Permits and Collection of Fees For Athletic and Special Events	FY 03,	p. 96
Effectiveness of Maintaining City Playgrounds.....	FY 02,	p. 132
Efficiency in Addressing Complaints Related to Tree Removal	FY 07,	p. 66
Financial and Operating Practices of the Asser Levy Recreation Center	FY 02,	p. 124
Financial and Operating Practices of the West 79 th Street Boat Basin.....	FY 08,	p. 76

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Parks and Recreation, Department of (cont'd)

Follow-up on Small Procurement and Vouchering Practices	FY 00,	p. 189
Funds Raised by the Marketing Division by the Dept. Parks & Recreation and Maintained by the City Foundation	FY 02,	p. 129
Funds Raised by Parks & Recreation and Maintained in Custodial and Restricted Accounts by the City Foundation	FY 02,	p. 128
Funds Raised by the Tree Trust Program Maintained by Parks From July 1, 1997 through June 30, 1999	FY 01,	p. 218
Funds Raised by the Urban Park Service Division Maintained From July 1, 1997 through June 30, 1999	FY 01,	p. 216
J.L. Associates to Privatize the Maintenance of Its Bronx Vehicle and Equipment Fleet	FY 00,	p. 193
Monitoring of Water and Sewer Payments by Licensees, Concessionaires, and other Private Concerns.....	FY 02,	p. 125
Oversight of Capital Improvements by Concessionaires	FY 04,	p. 97
Oversight of Capital Improvement by Ferry Point Partners, LLC.....	FY 08,	p. 78
Parks Enforcement Patrol	FY 04,	p. 98
Procurement Cards	FY 06,	p. 75
Summer Lifeguard Payroll Practices and Procedures	FY 00,	p. 191
Survey of the Environmental and Physical Safety of 13 Outdoors Public Swimming Pools.....	FY 02,	p. 130
Use of Procurement Cards	FY 09,	p. 46

Payroll Administration

Follow-up on the Small Procurement Operation.....	FY 02,	p. 134
Procurement Practices	FY 07,	p. 68

Police Department

Cash and Firearm Custody Controls of the Manhattan Property Clerk Division	FY 08,	p. 80
Data Center	FY 07,	p. 70
Development and Implementation of the Auto Pound System.....	FY 02,	p. 136
Development and Implementation of the Omniform System.....	FY 04,	p. 100
Development and Implementation Of the Police Department's Domestic Violence Tracking System	FY 03,	p. 98
Follow-up on Data Processing Preparation for Y2K	FY 00,	p. 197
Follow-up on Implementation of Enhanced 911 (E911) System.....	FY 02,	p. 139

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Police Department (cont'd)

Follow-up on Opportunities for Savings in Administrative Units through Civilianization	FY 02,	p. 141
Internal Controls Over Hand Gun Licensing	FY 04,	p. 101
Mainframe Data Center	FY 02,	p. 137
Overtime Usage by Uniformed Officers on Limited, Restricted and Modified Duty	FY 00,	p. 206
Pension Funds' Data Processing Preparation for Y2K.....	FY 00,	p. 200
Small Procurement and Vouchering Practices	FY 00,	p. 204
Y2K Preparation for Non IT Technology Assets.....	FY 00,	p. 202

Probation, Department of

Adult Restructuring Tracking System	FY 03,	p. 100
Contract of New York Therapeutic Communities	FY 02,	p. 144
Family Court Juvenile Delinquency Investigations (Letter Report).....	FY 06,	p. 77
Restitution Program	FY 03,	p. 101
Vera Institute of Justice Contract to Operate the Esperanza Program.....	FY 08,	p. 82

Public Administrator

Bronx County Financial and Operating Practices	FY 09,	p. 48
Bronx County Follow-up on the Financial and Operating Practices	FY 04,	p. 104
Bronx County Data Processing Preparation for Y2K	FY 00,	p. 208
Kings County Follow-up on the Financial and Operating Practices	FY 01,	p. 221
Kings County Data Processing Preparation for Y2K.....	FY 00,	p. 210
Kings County Estate Management Practices.....	FY 05,	p. 86
Kings County Estate Management Practices.....	FY 09,	p. 50
New York County Data Processing Preparation for Y2K	FY 00,	p. 212
New York County Financial and Operating Practices	FY 03,	p. 103
New York County Financial and Operating Practices	FY 07,	p. 72
Richmond County Financial and Operating Practices	FY 00,	p. 218
Richmond County Financial and Operating Practices	FY 05,	p. 88
Richmond County Financial and Operating Practices	FY 10,	p. 79
Richmond County Data Processing Preparation for Y2K	FY 00,	p. 216
Queens County Financial and Operating Practices	FY 06,	p. 78
Queens County Operating Practices	FY 03,	p. 105
Queens County Data Processing Preparation for Y2K	FY 00,	p. 213

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Public Advocate, Office of

Financial and Operating Practices	FY 04,	p. 106
Follow-up of Financial and Operating Practices	FY 00,	p. 221
Purchasing and Inventory Practices	FY 07,	p. 74

Public Library

Brooklyn	Financial Controls	FY 05,	p. 90
Brooklyn	Follow-up on the Financial Controls	FY 08,	p. 84
Brooklyn	Follow-up of the Financial and Operating Practices	FY 01,	p. 224
New York	Financial Controls	FY 06,	p. 80
New York	Follow-up on the Financial Controls	FY 09,	p. 52
New York	Follow-up of the Financial and Operating Practices	FY 01,	p. 227
Queens	Financial Controls	FY 05,	p. 91
Queens	Follow-up of the Financial and Operating Practices	FY 01,	p. 230
Queens	Follow-up of the Financial and Operating Practices	FY 08,	p. 85

Records and Information Services, Department of

Management and Safeguarding of City Records and Historical Archives	FY 03,	p. 107
Small Procurement and Vouchering Practices	FY 00,	p. 224
Small Procurement and Vouchering Practices	FY 06,	p. 82

Rent Guidelines Board, New York City

Payroll, Timekeeping, and Purchasing Procedures	FY 00,	p. 227
---	--------	--------

Retirement Systems

BOARD OF EDUCATION

Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 00,	p. 236
Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 01,	p. 232
Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 02,	p. 149
Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 04,	p. 108
Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 05,	p. 96

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Retirement Systems (cont'd)

BOARD OF EDUCATION (cont'd)

Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 06,	p. 85
Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 07,	p. 79
Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 08,	p. 87
Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 09,	p. 54
Non-Pedagogical Pensioners Working for The City after Their Retirement	FY 10,	p. 81
Data Processing Preparation for Y2K	FY 00,	p. 233

NYCERS

Data Processing Preparation for Y2K	FY 00,	p. 230
Their Retirement	FY 00,	p. 241
Pensioners Working for the City after Their Retirement	FY 01,	p. 233
Pensioners Working for the City after Their Retirement	FY 02,	p. 148
Pensioners Working for the City after Their Retirement	FY 04,	p. 111
Pensioners Working for the City after Their Retirement	FY 05,	p. 95
Pensioners Working for the City after Their Retirement	FY 06,	p. 86
Pensioners Working for the City after Their Retirement	FY 07,	p. 78
Pensioners Working for the City after Their Retirement	FY 08,	p. 89
Pensioners Working for the City after Their Retirement	FY 09,	p. 55
Pensioners Working for the City after Their Retirement	FY 10,	p. 83
Pensioners Working for NYS after Their Retirement	FY 02,	p. 148

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Retirement Systems (cont'd)

FIRE

Pensioners Working for the City after Their Retirement.....	FY 00,	p. 238
Pensioners Working for the City after Their Retirement.....	FY 01,	p. 234
Pensioners Working for the City after Their Retirement.....	FY 03,	p. 111
Pensioners Working for the City after Their Retirement.....	FY 04,	p. 109
Pensioners Working for the City after Their Retirement.....	FY 05,	p. 94
Pensioners Working for the City after Their Retirement.....	FY 06,	p. 88
Pensioners Working for the City after Their Retirement.....	FY 07,	p. 76
Pensioners Working for the City after Their Retirement.....	FY 08,	p. 88
Pensioners Working for the City after Their Retirement.....	FY 09,	p. 56
Pensioners Working for the City after Their Retirement.....	FY10,	p. 81

POLICE

Pensioners Working for the City after Their Retirement.....	FY 00,	p. 239
Pensioners Working for the City after Their Retirement.....	FY 01,	p. 236
Pensioners Working for the City after Their Retirement.....	FY 03,	p. 110
Pensioners Working for the City after Their Retirement.....	FY 04,	p. 110
Pensioners Working for the City after Their Retirement.....	FY 05,	p. 93
Pensioners Working for the City after Their Retirement.....	FY 06,	p. 87
Pensioners Working for the City after Their Retirement.....	FY 07,	p. 76

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Retirement Systems (cont'd)

POLICE (cont'd)

Pensioners Working for the City after Their Retirement.....	FY 08,	p. 88
Pensioners Working for the City after Their Retirement.....	FY 09,	p. 55
Pensioners Working for the City after Their Retirement.....	FY 10,	p. 84

TEACHERS

Data Processing Preparation for Y2K	FY 00,	p. 242
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 00,	p. 231
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 01,	p. 237
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 02,	p. 145
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 03,	p. 109
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 04,	p. 112
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 05,	p. 97
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 06,	p. 84
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 07,	p. 77
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 08,	p. 90
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 09,	p. 57
Pedagogical Pensioners Working for the City after Their Retirement.....	FY 10,	p. 82

ALL SYSTEMS

City Pensioners Working as Consultants for the City after Retirement	FY 04,	p. 114
City Pensioners Working as Consultants for the City after Retirement	FY 05,	p. 98
City Pensioners Working as Consultants for the City after Retirement	FY 06,	p. 90
City Pensioners Working as Consultants for the City after Retirement	FY 07,	p. 81

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Retirement Systems (cont'd)

ALL SYSTEMS (cont'd)

City Pensioners Working as Consultants for the City after Retirement	FY 08,	p. 91
City Pensioners Working as Consultants for the City after Retirement	FY 09,	p. 59
City Pensioners Working as Consultants for the City after Retirement	FY 10,	p. 86
Pensioners Working after Retirement	FY 01,	p. 238
All Five NYC Retirement Systems (BERS, FIRE, NYCERS, POLICE, AND TEACHERS)	FY 00,	p. 242
Pensioners Working for New York State after Their Retirement	FY 02,	p. 146
Pensioners Working for New York State after Their Retirement	FY 03,	p. 112
Pensioners Working for New York State after Their Retirement	FY 04,	p. 113
Pensioners Working for New York State after Their Retirement	FY 05,	p. 99
Pensioners Working for New York State after Their Retirement	FY 06,	p. 89
Pensioners Working for New York State after Their Retirement	FY 07,	p. 80
Pensioners Working for New York State after Their Retirement	FY 08,	p. 92
Pensioners Working for New York State after Their Retirement	FY 09,	p. 58
Pensioners Working for New York State after Their Retirement	FY 10,	p. 85

Roosevelt Island Operating Corporation

Efforts To Maintain and Rehabilitate the Landmarks on Roosevelt Island.....	FY 03,	p. 114
---	--------	--------

Sanitation, Department of

Administration of Its Fiduciary Accounts	FY 03,	p. 116
Compliance with Comptroller's Directive #7 by the Engineering Audit Office	FY 08,	p. 95
Development and Implementation of the Notice of Violation Administration System	FY 08,	p. 94
Follow-up Audit of the Internal Controls for the Computer Network	FY 00,	p. 245
Follow-up of Small Procurement and Vouchering Practices.....	FY 01,	p. 243
Potential Savings from Civilianizing Positions.....	FY 03,	p. 118
Preparation for Non-IT Technology Facilities for Y2K	FY 00,	p. 248

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Sanitation, Department of (cont'd)

Progress in Decommissioning the Fresh Kills Landfill	FY 01,	p. 241
Recycling Program	FY 01,	p. 245
Second Follow-up Audit of the Internal Controls for the Computer Network	FY 02,	p. 150
Technology-Based Alternative Approach to Solid Waste Management in the Post-Fresh Kills Landfill Era.....	FY 00,	p. 250
Vacant Lot Clean-up Program.....	FY 08,	p. 97

School Construction Authority

Administration of Project Pathways Program.....	FY 00,	p. 258
Contractor Prequalification Practices	FY 05,	p. 101
Data Processing Preparation for Y2K	FY 00,	p. 256
Evaluating the Response and Follow-up of their Customer Satisfaction Surveys.....	FY 02,	p. 152

Small Business Services, Department of
(See Business Services, Department of)

Administration of the Minority- and Women-Owned Business Enterprise Program.....	FY 10,	p. 88
Brooklyn Navy Yard Development Corporation's Leasing and Rent Collection Practices.....	FY 07,	p. 83
Financial and Operating Practices of the 5 th Avenue Business Improvement District	FY 07,	p. 85
Financial and Operating Practices of the 14 th Street – Union Square Business Improvement District.....	FY 04,	p. 119
Financial and Operating Practices of the 34 th Street Business Improvement District	FY 04,	p. 117
Financial and Operating Practices of the 125 th Street Business Improvement District	FY 03,	p. 120
Financial and Operating Practices of the Fulton Mall Special Assessment District.....	FY 03,	p. 122
Financial and Operating Practices of the Jamaica Center Mall Special Assessment District.....	FY 03,	p. 121
Financial and Operating Practices of the Jerome-Gun Hill Business Improvement District	FY 09,	p. 61
Financial and Operating Practices of the Times Square Business Improvement District	FY 03,	p. 124

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Small Business Services, Department of (cont'd)
(See Business Services, Department of)

Financial Practices of the New York City Marketing Development Corporation.....	FY 06,	p. 92
Operating Practices and Procedures of the Grand Central Partnership Business Improvement District	FY 06,	p. 93
Workforce Investment Act Program	FY 04,	p. 116

Special Narcotics, Office of

Financial and Operating Practices	FY 04,	p. 121
Financial and Operating Practices	FY 08,	p. 99
Follow-up of the Financial and Operating Practices	FY 01,	p. 249

Standards and Appeals, Board of

Collection and Reporting of Revenues	FY 07,	p. 87
--	--------	-------

**State University of New York, Fashion Institute of
Technology**

Data Processing Preparation for Y2K	FY 00,	p. 114
---	--------	--------

Tax Commission

Financial and Operating Practices	FY 07,	p. 89
Follow-up on the Personnel, Payroll and Timekeeping Practices	FY 04,	p. 122
Personnel, Payroll and Timekeeping Practices	FY 01,	p. 252

Taxi and Limousine Commission

Controls Over Taxi Medallions	FY 09,	p. 63
Internal Controls Over the Collection of Fines	FY 04,	p. 124

Transit Authority

Control Over Employees Who Drive City Buses	FY 00,	p. 262
Efforts to Improve Bus On-Time Performance	FY 01,	p. 255
Maintenance and Repair of Subway Stations.....	FY 10,	p. 91
Maintenance of Wheelchair Lifts on City Buses	FY 01,	p. 256
Vendor Contracts to Provide Access-A-Ride Services	FY 10,	p. 90

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Transportation, Department of

Construction Contracts' Ancillary Costs	FY 00,	p. 268
Controls over City Disability Parking Permits.....	FY 10,	p. 94
Controls Over Overtime for Ferry and Marine Employees	FY 00,	p. 265
Controls Over the Red Light Camera Program.....	FY 03,	p. 127
Effectiveness of the Customer Service Call Center	FY 02,	p. 154
Effectiveness in Maintaining its Automotive Inventory	FY 04,	p. 126
Efforts to Address Sidewalk Defect Complaints.....	FY 09,	p. 65
Follow-up of Installation and Maintenance of Parking Signs	FY 01,	p. 265
Follow-up Internal Controls for the Queens Data Center	FY 01,	p. 259
Follow-up Internal Controls at Forty Worth Street Data Center	FY 01,	p. 261
Follow-up on the Pothole Repair Program.....	FY 05,	p. 104
Follow-up on Quality of Bus Service in NYC Provided by Private Bus Companies under Contract.....	FY 00,	p. 269
Oversight of Private Ferry Operators	FY 03,	p. 126
Oversight of Private Ferry Operators	FY 10,	p. 96
Parking Card Distribution and Sales Revenue	FY 06,	p. 96
Pothole Repair Program.....	FY 03,	p. 128
Preparation for Non-IT Facilities for Y2K.....	FY 00,	p. 264
Standards for Installing New Traffic Signals	FY 01,	p. 263
Street Resurfacing Program Selection Process	FY 06,	p. 95
Use of Procurement Cards	FY 05,	p. 103

Water Board, New York

Accounting Practices for Small Procurements.....	FY 01,	p. 268
--	--------	--------

Youth and Community Development, Department of
(Formerly The Department of Youth Services)

Citizenship New York City Program	FY 02,	p. 157
Covenant House Crisis Shelter Contract	FY 06,	p. 98
Implementation of the Community Service Block Checks by Out-of-School Time Programs	FY 09,	p. 68
Out-of-School Youth Program	FY 10,	p. 98
Oversight of the Immigrant Special Initiative Contracts.....	FY 07,	p. 91
Oversight and Monitoring Beacon Centers	FY 07,	p. 92

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Youth and Community Development, Department of
(Formerly The Department of Youth Services) (cont'd)

Procurement and Monitoring of CPA Services.....	FY 01,	p. 270
Small Procurement and Vouchering Practices	FY 02,	p. 159
St. Christopher-Otilie's Contract.....	FY 02,	p. 156
Transitional Independent Living Program	FY 09,	p. 67

INDEX OF NON-GOVERNMENTAL AUDITS (FISCAL YEARS 2000-2010)

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
<u>Claims</u>		
Various.....		FY 00, p. 275
Various.....		FY 01, p. 275
Various.....		FY 02, p. 161
Various.....		FY 03, p.133-4
Various.....		FY 04, p.131-2
Various.....		FY 05, p. 109
Various.....		FY 06, p. 103
Various.....		FY 07, p. 97
Various.....		FY 08, p. 103
Various.....		FY 09, p. 73
Various.....		FY 10, p. 103
<u>Franchises, Leases and Concessions</u>		
A-1 EZ Parking, Inc.....		FY 01, p. 305
Alley Pond Golf Center, Inc.		FY 07, p. 104
American Golf/Silver Lake Golf Course.....		FY 02, p. 189
American Port Services-34 th St. Heliport		FY 01, p. 278
Astoria Studios Limited Partnership II With Its Lease Agreement		FY 07, p. 99
Bell Atlantic Telephone Both Advertising		FY 01, p. 280
Brooklyn Army Terminal		FY 08, p. 108
Brooklyn Baseball Company, L.L.C., (Brooklyn Cyclones)		FY 03, p. 148
Brooklyn Baseball Company, L.L.C., (Brooklyn Cyclones)		FY 06, p. 110
Brooklyn Baseball Company, L.L.C., (Brooklyn Cyclones)		FY 08, p. 114
Cablevision/Bronx		FY 01, p. 283
Cablevision/Brooklyn		FY 01, p. 281
Cablevision Systems New York City Corp. Advertising Revenue.....		FY 02, p. 168
Carnegie Hall		FY 00, p. 280
Central Park Boat House, LLC.....		FY 07, p. 105
Central Park Tennis		FY 09, p. 85
Circle Line-Statue of Liberty Ferry, Inc.		FY 08, p. 119
CityCable Advertising		FY 05, p. 113
City Ice Sports/Abe Stark		FY 01, p. 307
City Ice Sports/Flushing Meadows		FY 01, p. 303
City Ice Sports Manhattan Beach		FY 00, p. 298
Compliance of Cablevision Systems New York City Corporation For Advertising Revenue.....		FY 04, p. 136
Compliance of Cablevision Systems New York City Corporation For the Bronx With Its Franchise Agreement		FY 04, p. 134

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Franchises, Leases and Concessions (cont'd)

Compliance of Cablevision Systems New York City Corporation For Brooklyn With its Franchise Agreement	FY 04,	p. 135
Compliance of Crystal Ball Group, Inc. (Terrace on the Park) With Its Permit Agreement and Payment of Fees Due the City	FY 04,	p. 138
Compliance of GSF Energy, L.L.C. With Certain Provisions of Its Concession Agreement	FY 04,	p. 140
Compliance of Viacom Outdoor With Its Franchise Agreement.....	FY 04,	p. 141
Compliance of Dyckman Marine Group, Inc.,.....	FY 02,	p. 175
Compliance of the New York Mets with Their Lease Agreement	FY 10,	p. 121
Compliance of the New York Yankees with Their License Agreement.....	FY 02,	p. 183
Compliance of Shellbank Restaurant Corp. with Certain Provisions of Its License Agreement and on Licenses Fees It Owes the City.....	FY 02,	p. 176
Compliance of Staten Island Hockey, Inc. with Its License Agreement.....	FY 02,	p. 178
Compliance of Time Warner Cable of New York City, Northern Manhattan Division.....	FY 02,	p. 170
Compliance of Time Warner Cable of New York City, Southern Manhattan Division.....	FY 02,	p. 172
Compliance of Time Warner Cable of New York City, Queens Inner Unity Cable System (QUICS).....	FY 02,	p. 169
Compliance of Toto's South Shore Country Club LTD with Their License Agreement	FY 02,	p. 181
Concerts Foods	FY 09,	p. 82
Concert Foods.....	FY 10,	p. 111
Crabhouse of Douglaston	FY 01,	p. 294
Cyclone Coasters, Inc	FY 00,	p. 296
Delancey and Essex Street Municipal Parking Garage.....	FY 09,	p. 87
East Broadway Mall	FY 02,	p. 166
Empire City Subway.....	FY 10,	p. 109
Fairway Golf Course.....	FY 01,	p. 310
First Tee Of Metropolitan New York, Inc.....	FY 07,	p. 107
Fitmar Management Paerdegat Athletic Club	FY 10,	p. 115
Flushing Golf Corporation, Inc.	FY 03,	P 150
Food Craft, Inc./World Fair Marina Restaurant, Inc.....	FY 10,	p. 113
Forest Park Golf Corporation	FY 00,	p. 300
Gio Art/Fairs, Inc.	FY 01,	p. 299
Golf Management Corporation.....	FY 01,	p. 285
Hammonds Cove Marina.....	FY 05,	p. 116

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u>	<u>PAGE</u>
--------------	---------------	----------------------------	-------------

Franchises, Leases and Concessions (cont'd)

Sweet Concessions.....	FY 09,	p. 81
Sunny Days in the Park, Inc.	FY 10,	p. 123
Tavern on the Green	FY 03,	p. 142
Telebeam Telecommunications Corporation	FY 06,	p. 107
Time Warner City Cable Advertising.....	FY 00,	p. 285
Time Warner/Manhattan North	FY 00,	p. 283
Time Warner Western Queens	FY 00,	p. 288
Time Warner Cable of New York City, Staten Island Division, with Its Franchise Agreement	FY 03,	p. 138
Time Warner Telecommunications	FY 00,	p. 282
TW Telecom	FY 09,	p. 79
United Nations Development Corporation.....	FY 08,	p. 107
USTA National Tennis Center Inc.	FY 06,	p. 109
West 79 th Street Cafe	FY 01,	p. 301
Wollman Rink Operations, LLC	FY 08,	p. 113
York Avenue Tennis Group	FY 01,	p. 308
York Avenue Tennis, LLC	FY 07,	p. 102

New York City Public/Private Initiatives, Inc.

Public/Private Initiatives, Inc., d.b.a. Twin Towers Fund.....	FY 03,	p. 154
--	--------	--------

Rental Credits Submitted by the New York Yankees

3 rd Quarter 1998 (7/1/98 - 9/30/98)	FY 00,	p. 303
4 th Quarter 1998 (10/1/98 - 12/31/98)	FY 00,	p. 303
1 st Quarter 1999 (1/1/99 - 3/31/99).....	FY 00,	p. 303
2 nd Quarter 1999 (4/1/99 - 6/30/99).....	FY 00,	p. 303
3 rd Quarter 1999 (7/1/99 - 9/30/99)	FY 01,	p. 315
4 th Quarter 1999 (10/1/99 - 12/31/99)	FY 01,	p. 315
1 st Quarter 2000 (1/1/00 - 3/31/00).....	FY 01,	p. 315
2 nd Quarter 2000 (4/1/00 - 6/30/00).....	FY 01,	p. 315
3 rd Quarter 2000 (7/1/00 - 9/30/00)	FY 01,	p. 315
4 th Quarter 2000 (10/1/00 - 12/31/00)	FY 02,	p. 191
1stQuarter 2001 (1/1/01 - 3/31/01).....	FY 02,	p. 191
2 nd Quarter 2001 (4/1/01 - 6/30/01)	FY 02,	p. 191
3 rd Quarter 2001 (7/1/01 - 9/30/01)	FY 02,	p. 191
4 th Quarter 2001 (10/1/01 - 12/31/01)	FY 03,	p. 158
1 st Quarter 2002 (1/1/02 - 3/31/02).....	FY 03,	p. 158
2 nd Quarter 2002 (4/1/02 - 6/30/02).....	FY 03,	p. 158

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u>	<u>PAGE</u>
--------------	---------------	----------------------------	-------------

Rental Credits Submitted by the New York Yankees
(cont'd)

3 rd Quarter 2002 (7/1/02 - 9/30/02)	FY 03,	p. 158
4 th Quarter 2002 (10/1/02 - 12/31/02).....	FY 04,	p. 143
1 st Quarter 2003 (1/1/03 - 3/31/03)	FY 04,	p. 143
2 nd Quarter 2003 (4/1/03 -6/30/03).....	FY 04,	p. 143
3 rd Quarter 2003 (7/1/03 - 9/30/03).....	FY 04,	p. 143
4 th Quarter 2003 (10/1/03 - 12/31/03).....	FY 05,	p. 122
1 st Quarter 2004 (1/1/04 - 3/31/04)	FY 05,	p. 122
2 nd Quarter 2004 (4/1/04 - 6/30/04)	FY 05,	p. 122
3 rd Quarter 2004 (7/1/04 - 9/30/04).....	FY 05,	p. 122
4 th Quarter 2004 (10/1/04 - 12/31/04).....	FY 06,	p. 114
1 st Quarter 2005 (1/1/05 - 3/31/05)	FY 06,	p. 114
2 nd Quarter 2005 (4/1/05 - 6/30/05)	FY 06,	p. 114
3 rd Quarter 2005 (7/1/05 - 9/30/05).....	FY 06,	p. 114
4 th Quarter 2005 (10/1/05 - 12/31/05).....	FY 07,	p. 109
1 st Quarter 2006 (1/1/06 - 3/31/06)	FY 07,	p. 109
2 nd Quarter 2006 (4/1/06 - 6/30/06)	FY 07,	p. 109
3 rd Quarter 2006 (7/1/06 - 9/30/06).....	FY 07,	p. 109
4 th Quarter 2006 (10/1/06 -12/31/06)	FY 08,	p. 121
1 st Quarter 2007 (1/1/07 - 3/31/07)	FY 08,	p. 121
2 nd Quarter 2007 (4/1/07 -6/30/07).....	FY 08,	p. 121
3 rd Quarter 2007 (7/1/07 - 9/30/07).....	FY 08,	p. 121
4 th Quarter 2007 (10/1/07 - 12/31/07	FY 09,	p. 88
1 st Quarter 2008 (1/1/08 - 3/31/08)	FY 09,	p. 88
2 nd Quarter 2008 (4/1/08 - 6/30/08)	FY 09,	p. 88
3 rd Quarter 2008 (7/1/08 - 9/30/08).....	FY 09,	p. 88
4 th Quarter 2008 (10/1/08 - 12/31/08).....	FY 10,	p. 125

Twin Towers Fund

Financial Practices	FY 03,	p. 156
---------------------------	--------	--------

Welfare Funds

Analysis of Financial and Operating Practices of Union-Administered Benefit funds whose Fiscal Years Ended in Calendar Year 1999.....	FY 01,	p. 328
Analysis of Financial and Operating Practices of Union-Administered Benefit funds whose Fiscal Years Ended in Calendar Year 2000.....	FY 02,	p. 196

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Welfare Funds (cont'd)

Association Welfare Fund	FY 00,	p. 311
Correction Officers' Benevolent Association Retiree Welfare Fund.....	FY 00,	p. 308
Correction Officers' Benevolent Association Welfare Fund	FY 00,	p. 311
Detective Endowment Association Health Benefits Fund-Financial and Operating Practices-Fund-Active Employees.....	FY 02,	p. 193
Detective Endowment Association Health Benefits Fund-Financial and Operating Practices-Retirees.....	FY 02,	p. 195
District Council 37 Benefits Fund Trust for Financial & Operating Practices from July 1, 1996 to June 30, 1997	FY 01,	p. 316
District Council 37 Financial and Operating Practices Security Plan Trust.....	FY 00,	p. 304
Doctor's Council Welfare Fund- Financial & Operating Practices from July 1, 1998 – June 30, 1999 (Retiree Fund)	FY 01,	p. 322
Doctor's Council Welfare Fund- Financial & Operating Practices from July 1, 1998 – June 30, 1999 (Active Fund).....	FY 01,	p. 324
Financial and Operating Practices of the Communication Workers Association Local 1182 Security Benefits Fund	FY 02,	p. 192
Financial and Operating Practices of the House Staff Benefits Plan and Legal Services of the Committee of Interns And Residents January 1, 1999 to December 31, 1999	FY 01,	p. 329
Financial and Operating Practices of the International Union of Operating Expenses Local 891 Welfare Fund January 1, 1999 - December 31, 1999.....	FY 01,	p. 326
Financial and Operating Practices of the Local 721 Licensed Practical Nurses Welfare Fund - January 1, 2002 – December 31, 2002	FY 04,	p. 144
Financial and Operating Practices of the Local 444 S.E.I.U. Sanitation Officers' Welfare Fund January 1, 2001 - December 31, 2001	FY 03,	p. 163
Financial and Operating Practices of the Sergeants Benevolent Association Health and Welfare Fund.....	FY 03,	p. 159
Financial and Operating Practices of the Local 300 S.E.I.U. Civil Service Forum Employees Welfare Fund July 1, 1998 - June 30, 1999	FY 03,	p. 160
Financial and Operating Practices of the Local 300 S.E.I.U. Civil Service Forum Retired Employees Welfare Fund July 1, 1998 - June 30, 1999	FY 03,	p. 162

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Welfare Funds (cont'd)

Financial and Operating Practices of the Local 333 Insurance Fund for New York City Employees.....		FY 07, p. 110
Financial and Operating Practices of the Local 333 Insurance Fund for New York City Retirees		FY 07, p. 111
Financial and Operating Practices of the Municipal Employees Welfare Trust Fund of the International Union of Operating Engineers – Local 30.....		FY 10, p. 126
Financial and Operating Practices of the Municipal Retiree Employees Welfare Trust Fund of the International Union of Operating Engineers – Local 30.....		FY 10, p. 127
Financial and Operating Practices of the Superior Officers Council Health & Welfare Fund		FY 10, p. 129
Financial and Operating Practices of the Superior Officers Council Retiree Health & Welfare Fund.....		FY 10, p. 130
Financial and Operating Practices of the Uniformed Fire Officers Association Family Protection Plan – July 1, 2001 to June 30, 2002.....		FY 04, p. 145
Financial and Operating Practices of the Uniformed Fire Officers Association Retired Fire Officers Family Protection Plan July 1 2001 – June 30, 2002		FY 04, p. 147
Financial and Operating Practices of Union- Administered Benefit Funds Whose Fiscal Years Ended in Calendar Year 1998.....		FY 00, p. 314
Financial and Operating Practices of Union-Administered Benefit Funds Whose Fiscal Years Ended in Calendar Year 2001.....		FY 03, p. 164
Financial and Operating Practices of Union-Administered Benefit Funds Whose Fiscal Years Ended in Calendar Year 2002.....		FY 04, p. 148
Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2003.....		FY 06, p. 116
Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2004.....		FY 07, p. 113
Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2005.....		FY 08, p. 122
Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2006.....		FY 09, p. 92
Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2007.....		FY 10, p. 132

<u>TITLE</u>	<u>AGENCY</u>	<u>ANNUAL REPORT YEAR,</u> <u>PAGE</u>
--------------	---------------	---

Welfare Funds (cont'd)

Financial and Operating Practices of the United Probation Officers Association Welfare Fund	FY 09,	p. 89
Financial and Operating Practices of the United Probation Officers Association Retirement Welfare Fund	FY 09,	p. 90
Follow-up Financial and Operating Practices of Board Of Elections Local 1183 Communication Workers of America Welfare Fund October 1, 1997- September 30, 1998	FY 01,	p. 318
Follow-up Financial and Operating Practices of Board Of Elections Local 1183 Communication Retiree Workers of America Welfare Fund October 1, 1997- September 30, 1998	FY 01,	p. 320
Municipal Employees Welfare Fund of the International Union of Operating Engineers Local Union 15, 15A and 15C.....	FY 06,	p. 115