



City of New York

OFFICE OF THE COMPTROLLER

Scott M. Stringer
COMPTROLLER



AUDIT BUREAU

Marjorie Landa

Deputy Comptroller for Audit

Report to the Mayor and City Council
on City Comptroller Audit Operations
Fiscal Year 2016

March 1, 2017

<http://comptroller.nyc.gov>

Scott M. Stringer
Comptroller

Deputy Comptroller for Audit
Marjorie Landa

Chief of Staff
Keith Schwam

Assistant Comptroller, Management Audit
Edward Carey, Jr.

Assistant Comptroller, Financial Audit
Alma Fana

Director, Special Reports
Faige Hornung

Special Projects Team
Shakawat Ali
Iris Hinds
Alissa Rivin

Report Editors
Kristen Ellis
Josh Getlin



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

March 1, 2017

The Honorable Bill de Blasio, Mayor
City of New York
City Hall
New York, NY 10007

The Honorable Melissa Mark-Viverito, Speaker
New York City Council
250 Broadway, Suite 1850
New York, NY 10007

New York City Council
City Hall
New York, NY 10007

Dear Mayor de Blasio, Speaker Mark-Viverito and Members of the City Council:

Attached please find the annual report on the operations of the Audit Bureau of the New York City Comptroller's Office for Fiscal Year 2016. The Audit Bureau issued 73 audits and special reports during the fiscal year focused on the effectiveness and service quality of City programs and on financial issues, identifying approximately \$22.1 million in actual and potential revenue and savings. Reviews of claims filed against the City identified another \$495,733 in potential cost avoidance.

Under the City Charter, the Comptroller's Office must audit some aspect of every City agency at least once every four years in accordance with generally accepted government auditing standards promulgated by the Comptroller General of the United States. Section 93 (f) of the City Charter states that no later than March 1st of each year the Comptroller must provide an annual report to the Mayor and City Council on all major audit activities of City agencies conducted in the previous fiscal year.

Applicable auditing standards also require that government auditing entities undergo an external peer review every three years. This year, the Audit Bureau underwent such a review by a team of qualified independent audit professionals that was completed in October 2016. I am pleased to report that the Comptroller's Office complies with generally accepted government auditing standards and received the highest of three possible ratings from the review panel. In addition, the peer review identified eight specific areas of the audit bureau's performance for which it should be commended.

The audits issued in Fiscal Year 2016 covered a wide range of subjects concerning revenue, cost savings, asset management, internal controls, service delivery, program performance, and information technology. The most significant findings are highlighted below.

Revenue and Cost Savings

The following audits generated the most in actual and potential revenue and savings:

- An audit found that the Department of Finance (DOF) allowed 1,249 ineligible condominium owners to receive 3,471 tax abatements under the New York State Cooperative and Condominium Tax Abatement Program for Fiscal Years 2013 through 2016, resulting in lost property tax revenue of at least \$10,018,348. The ineligible owners included 1,085 corporations and Limited Liability Corporations (LLCs) and the owners of 164 non-residential condominiums such as parking spaces, storage units, and other commercial facilities. The Office's follow-up report issued five months after the audit's release confirmed that DOF removed the abatements from 920 ineligible properties, which will result in the City's gaining \$3,224,577 in revenue for the 2016/2017 tax year. That gain will continue each year as long as the properties are owned by corporations or LLCs, or are classified for non-residential use. However, the follow-up review also found that DOF failed to remove the abatements from 295 ineligible properties, which will allow the continued loss of property tax revenue in the amount of \$651,413 for Fiscal Year 2017. In addition, the review found that DOF did not remove the School Tax Relief (STAR) or Enhanced STAR exemption from 72 properties owned by a corporation or an LLC, which allows the continued loss of an additional \$25,008 in property tax revenue. The audit is summarized at page 61; the follow-up review is summarized at page 65.
- An audit reviewed DOF's billing of Payments in Lieu of Taxes (PILOT), a property tax incentive intended to induce businesses to undertake major capital investments that are expected to result in the creation and retention of jobs in New York City. The City exempts the property from real property taxes and agrees to accept a lesser PILOT payment for a period of years. The audit found inaccuracies in DOF's PILOT-related billing totaling \$3.5 million during a five-year period (Fiscal Years 2011-2015). Of that amount, DOF under-billed \$1.3 million for four PILOT projects, failed to timely restore two properties to the City tax roll, resulting in \$478,533 in previously uncollected tax revenue, and overbilled two property owners approximately \$1.7 million. The audit is summarized at page 57.
- Two property tax classification audits, one in Brooklyn and one in Queens, found that DOF could bill property owners for an additional \$3.37 million in real estate taxes if properties were correctly classified.
 - In the Brooklyn audit, auditors found that DOF did not have adequate procedures in place to ensure that properties listed on the assessment rolls as mixed-use within Tax Class 1, 2a, or 2 – buildings ranging in size from one to ten units – were correctly classified. Based on inspections of mixed-use properties in July 2015, the auditors identified 197 out of 15,952 properties that appeared to be misclassified. Using DOF guidelines, the auditors calculated that if DOF properly classified the 197 properties, it would bill those property owners an additional \$2.09 million in taxes over a five-year period. The audit is summarized at page 59.
 - In the Queens audit, auditors identified 154 out of 4,607 properties listed as Tax Class 1 – those with three or fewer units – that, in our preliminary analysis, appeared to have been misclassified. DOF subsequently re-inspected the 154 properties, confirmed that 78 had

been incorrectly classified, determined that 19 properties required an interior inspection, and reported that 57 required no change. The audit revealed some weaknesses in DOF's assessment process as evidenced by the fact that several of the properties DOF agreed had been improperly classified had been inspected by the agency not long before the audit. Using DOF guidelines, auditors calculated that if DOF reclassified the 97 properties (the 78 DOF agreed were incorrectly classified plus the 19 that required an interior inspection), it would bill property owners an additional \$1.28 million in taxes over a five-year period. The audit is summarized at page 63.

Asset Management and Internal Controls

Several audits of agencies and public entities identified significant deficiencies in asset management and internal controls:

- An audit assessed the effectiveness of internal controls in the financial and operating practices of the Queens Borough Public Library (QBPL) in ensuring that expenditures were necessary, appropriately authorized and accurately recorded in compliance with applicable laws, rules, and regulations governing the use of QBPL's funds, which totaled between \$121 and \$129 million annually in Fiscal Years 2008-2013. The audit, focused on Fiscal Year 2014, found that the QBPL failed to ensure that adequate financial controls were in place to properly allocate and expend its resources. Among the weaknesses found were a lack of oversight over credit card expenditures, a failure to properly account for managerial employees' work hours, and a failure to report compensation on certain executive employees' federal W-2 compensation disclosure forms. Further, we found that the QBPL failed to substantiate its basis for allocating the majority of the Library's expenditures to the Library's City Fund, which operated with multi-year deficits while other, non-City, unrestricted funds had surpluses. Rather than using unrestricted funds, QBPL executives repeatedly requested additional City funding to cover basic operating costs while using non-City funds that had previously been shielded from the Comptroller's audits to pay for many questioned expenditures. Finally, the audit could not substantiate the reasonableness of the QBPL management's decision to increase management compensation while it decreased Library hours and reduced staff, all during a period when the Library reported it was experiencing severe financial difficulties. In connection with this audit, the Comptroller's Office conducted an investigation, including a thorough analysis of the credit card purchases by the QBPL's two senior executives for Fiscal Years 2012 through 2014 and a review of the CEO's record of time spent on outside consulting services. The investigation found more than \$310,000 in prohibited purchases, inaccurate time records, and false statements in government filings. The audit is summarized at page 99; the investigation is summarized at page 101.
- An audit of the New York City Housing Authority's (NYCHA's) completion and reporting of Work Orders found that NYCHA did not meet its goals of eliminating its backlog and permanently reducing repair wait times. While NYCHA reported that its backlog of more than 420,000 open Work Orders as of January 2013 was reduced to 120,730 by April 2015 and that, on average, repairs were completed in 35 days, the audit found that NYCHA significantly understated both the number of open Work Orders and the average repair time. Thus, the seemingly dramatic reductions in NYCHA's reported open Work Orders and repair-

completion times resulted in part from administrative changes in the way NYCHA categorized and closed Work Orders rather than from actually completing repairs more quickly. The audit also found that NYCHA did not adequately train staff to identify the nature and severity of mold, mildew, and excessive moisture conditions or assign qualified staff to assess and remediate such conditions satisfactorily. The audit is summarized at page 74.

- An audit of the Department of Sanitation's (DSNY's) controls over its inventory of vehicle equipment, parts, and supplies, valued at over \$18.7 million as of Fiscal Year 2015, found that DSNY needed to strengthen its controls. DSNY had insufficient evidence that discrepancies between amounts of stock on hand and amounts recorded were investigated when identified. The audit also found that DSNY did not ensure that staff's user rights for its inventory-management computer system did not exceed their levels of responsibility; nor did DSNY ensure that there was adequate segregation of duties. DSNY also did not perform periodic counts of its entire inventory to ensure the accuracy of its perpetual inventory records. Although auditors' counts of sampled items found minimal differences between the amounts of stock on hand and the amounts recorded for six of the eight locations sampled, there is no reasonable assurance that the inventory balances recorded in DSNY's inventory management computer system reflect all authorized additions and depletions. The audit also revealed that DSNY: 1) had not developed written procedures that detail the steps for processing issuances, transfers, and adjustments; 2) had not enforced a protocol for relinquishing obsolete inventory; and 3) had certain items incorrectly valued at \$0 per unit. DSNY agreed to implement all 14 recommendations to address the findings. The audit is summarized at page 116.
- An audit of Housing Preservation and Development's (HPD's) efforts to develop City-owned vacant lots found that the City owned over a thousand vacant lots that could be developed under existing urban renewal programs, but that many of them had been allowed to remain undeveloped for up to 50 years or longer. While HPD contended that it had disposed of most of the lots for which it was responsible, the audit found that as of September 18, 2015, HPD listed 1,131 vacant lots under its jurisdiction. Further, the audit found that although HPD solicited developers to build on such properties, it had not established plans with realistic time schedules to actually transfer them to developers. Finally, the audit identified an additional 340 City-owned vacant lots under the jurisdiction of other City agencies that could be considered for residential construction. The audit is summarized at page 78.
- The Comptroller's Office conducted audits of the financial and operating practices of three charter schools: South Bronx Charter School for International Cultures and the Arts (South Bronx), Merrick Academy Queens Public Charter School (Merrick), and the Bedford Stuyvesant New Beginnings Charter School (BSNBCS). Each audit examined the school's oversight over its fiscal affairs during Fiscal Years 2013 and 2014 to determine whether its internal controls ensured that funds were appropriately expended, authorized, valid, and reasonable; whether transactions were accurately recorded and reported; and whether potential conflicts of interest and related party transactions were adequately disclosed and approved.
 - South Bronx enrolled 390 and 385 students and reported revenue of \$5.72 million and \$5.67 million and expenses of \$4.84 million and \$4.20 million, respectively in Fiscal Years 2013 and 2014 resulting in operating surpluses of \$919,443 and \$1,470,133. The audit found that South Bronx failed to adequately document (\$104,915) and properly

authorize (\$31,151) nearly 15% of sampled expenditures. South Bronx also employed a greater number of uncertified teachers than permitted under its charter agreement. The audit is summarized at page 25.

- Merrick enrolled 499 and 500 students and reported revenue of \$7.08 million and \$7.14 million and expenses of \$6.89 million and \$7.84 million, respectively, in Fiscal Years 2013 and 2014, resulting in an operating surplus of \$190,886 followed by an operating deficit of \$696,872. In Fiscal Year 2014, Merrick also incurred a non-recurring loss of \$815,058 due to a relocation of the school, which resulted in a total deficit of \$1.51 million. The audit found that Merrick had established policies and procedures designed to facilitate fiscal management and oversight, but it failed to: 1) consistently follow them; 2) use written contracts or purchase orders as required; 3) ensure that payments made to vendors were adequately supported and properly authorized; 4) pay invoices in a timely manner; and 5) maintain an inventory of fixed assets. In addition, Merrick failed to comply with New York State Education Law requirements for employees' criminal background checks. The audit is summarized at page 27.
- BSNBCS enrolled 328 and 428 students and reported revenue of \$5.71 million and \$7.16 million and expenses of \$5.76 million and \$6.74 million, respectively, in Fiscal Years 2013 and 2014, resulting in an operating deficit of \$588,368 followed by an operating surplus of \$418,343. The audit found that BSNBCS improved its financial condition as a result of its Board's active oversight. However, it also found that BSNBCS: 1) lacked contracts and related documents to support \$1.66 million in reported construction costs; 2) did not properly account for cash receipts amounting to at least \$97,000; 3) did not maintain \$70,000 in escrow account as required; and 4) did not submit required Financial Disclosure Reports in a timely manner. The audit is summarized at page 29.

Service Delivery and Program Performance

The following audits identified significant service-delivery and program-performance issues:

- An audit of the Department of Homeless Services (DHS) determined that DHS lacked sufficient controls to ensure that units within the shelter facilities where it placed homeless families with children were adequately maintained, that the needs of homeless families were timely assessed, or that the families received appropriate services, including those designed to assist them to transition to permanent housing. During the audit's scope period (Fiscal Year 2013 through October 2015), only 14 Program Analysts were assigned to oversee the provision of services at 155 family shelters housing approximately 12,500 families. Given the extent of oversight required, DHS did not apply sufficient resources to ensure that the families received mandated services. The audit's inspections of 101 apartments at eight randomly selected shelters found that the majority had one or more conditions that raised health and safety concerns, including rodent and roach infestation, peeling paint, water damage, and mold on bathroom ceilings. In addition, because DHS did not maintain overall performance data on whether shelter providers timely developed families' Independent Living Plans (ILPs) or monitored families' progress in meeting ILP goals, the audit could not determine whether such services generally were provided as required. The audit also found

a number of security issues during visits to the eight sampled shelters. The audit is summarized at page 71.

- An audit was conducted to determine whether the Administration for Children's Services (ACS) had sufficient controls over its process for investigating allegations of child abuse and neglect. The audit revealed that although ACS established formal guidelines to govern the process, the agency did not develop sufficient controls to ensure that they were followed. For example, the audit found limited evidence that supervisors and managers performed required case reviews on a consistent basis, due in large part, we believe, to management's failure to develop an effective mechanism to gauge compliance with investigatory guidelines. The audit also questioned whether ACS applied sufficient resources to support the investigations. Those weaknesses hindered ACS' ability to ensure that investigatory steps were conducted in a timely manner. Insufficient oversight to ensure that ACS staff consistently follow guidelines and directives weakens any controls that may be established and increases the risk that investigatory results may be flawed. Consistent with that concern, the audit's review of 25 sampled cases revealed multiple areas within each case where staff did not adhere to ACS guidelines, issues that were not detected during the investigations. The audit is summarized at page 36.
- Another audit of ACS found that the agency had inadequate controls to effectively monitor its Close to Home (CTH) Non-Secure Placement (NSP) Program for young people considered lower risk who have been ordered into ACS custody by the New York City Family Court, based on a finding of commission of a delinquent act. The audit found limited evidence that ACS verified that services reportedly provided by the contracted nonprofit providers to the youth in ACS' care were actually provided, or that all required contacts with the youth and their parents or legal guardians took place. In addition, there was inadequate evidence that ACS Placement and Permanency Specialist (PPS) staff discussed all reported incidents, such as absences without leave, assaults, and altercations, with the youths involved and verified that the CTH NSP providers documented their efforts to debrief youths involved in various incidents. With regard to monitoring the performance of NSP non-profit providers overall, the audit found inadequate evidence that ACS performed all required site visits, which include conducting periodic unannounced visits as mandated by the City's Procurement Policy Board Rules. For those site visits that did take place, the audit found that ACS did not adequately assess the NSP sites' operations or adequately track the CTH NSP providers' implementation of corrective actions to address the deficiencies that ACS identified. In addition, the audit found that ACS did not adequately assess CTH NSP providers' performance and lacked sufficient documentation to support the performance evaluations it recorded in the City's VENDEX System. The audit is summarized at page 34.
- An audit found that the Human Resources Administration (HRA) had inadequate controls to ensure that vendors were providing services to HIV/AIDS Services Administration (HASA) clients in accordance with their agreements. The database HRA developed to track housing inspections was found to be unreliable, and there was no evidence that such inspections were consistently conducted on time or that inspection results were formally and promptly shared with vendors. The audit also found that HRA did not ensure that key contract terms were followed or that assessments of customer satisfaction were performed as required by Procurement Policy Board Rules. In addition, the audit identified a number

of instances in which HRA continued to pay vendors for clients after they were reported as deceased and found weaknesses in HRA's oversight designed to ensure fiscal accountability for its vendors. The audit is summarized at page 84.

- An audit assessed the Metropolitan Transportation Authority's (MTA's) controls over Access-A-Ride (AAR) contractor billing and payments and whether the MTA adequately monitored AAR contractors to ensure that they provided timely paratransit services. The audit found that the MTA's Paratransit Division (Paratransit) failed to effectively monitor AAR contractors' compliance with contract requirements for reliable and timely customer service and accurate reporting of pick-up and drop-off times. As a result, customers suffered from unreliable and unsatisfactory service. Further, Paratransit overpaid its contracted vendors and failed to effectively manage the contracts to obtain better service and cost savings. Paratransit also missed significant cost savings opportunities by failing to direct contractors to implement service efficiencies that were available as of 2009 and could have enabled Paratransit to save \$1.4 million annually. Finally, Paratransit did not ensure that Reservation Agents offered customers the most cost-effective travel options. The audit is summarized at page 86.
- An audit assessed the adequacy of the Department of Health and Mental Hygiene's (DOHMH's) controls to ensure that center-based Group Child/Day Care (GDC) providers that are granted permits to operate in the City have fulfilled applicable regulatory requirements. DOHMH's Bureau of Child Care (BCC) oversees and monitors approximately 2,300 GDCs subject to Article 47 of the New York City Health Code. During the period under review (August 2012-August 2014), DOHMH generally maintained adequate controls over its permit process to provide reasonable assurance that GDCs submitted all documents as required by law to DOHMH before being granted permits to operate. However, the audit also found weaknesses in DOHMH's permitting process that raised health and safety concerns. Specifically, DOHMH did not ensure that all of the GDCs had tested the water at their facilities for lead as required by Article 47 of the City Health Code. To carry out Article 47's requirement that every GDC test its water for lead, DOHMH designed its Child Care Activity Tracking System (CCATS) to issue permits only to GDCs that had submitted proof that they tested the water in their facilities for lead. Yet, the audit found that BCC management overrode its own requirement and instructed staff to enter into the CCATS database a statement that a report of a water lead test with acceptable results had been received in cases where no such test had been performed, or where there was no evidence that an acceptable result had been reported. The audit is summarized at page 69.
- An audit was conducted to determine whether the New York City Housing Authority (NYCHA) had developed and implemented an emergency preparedness and recovery plan to address service interruptions and natural disasters. The audit found significant deficiencies that increased the risk that NYCHA will not be able to handle emergency situations effectively and restore the agency to a normal level of operation expeditiously. NYCHA's Emergency Procedures Manual did not properly define or adequately identify the emergency management leadership and hierarchy; did not have a communication plan for disseminating critical information to NYCHA's employees, residents, and other stakeholders; and did not incorporate an overall view of NYCHA's capabilities and

potential hazards during major emergencies, including identification of its resources, critical services and operations, and community groups that could potentially assist with the emergency response. The audit also found that to the extent that NYCHA's Emergency Procedures Manual did set out procedures to follow in different types of emergencies, NYCHA had not complied with certain key provisions. Further, NYCHA did not maintain accurate information on its tenants with disabilities in its Tenant Data System, and NYCHA's Property Managers did not maintain complete lists of tenants with physical disabilities. Finally, the audit found that NYCHA had poor controls over its inventory of generators. The audit is summarized at page 76.

Information Technology

All City agencies rely on information technology to help perform the tasks necessary to maintain mission-critical operations. Over the past decade, the City has spent a significant amount of taxpayer dollars on information technology, and accordingly we have continued to audit system-development projects and have identified projects with excessive cost overruns and missed deadlines, or that simply did not meet agency needs. Brief descriptions of two of those audits follow:

- An audit assessed the security and reliability of the data pertaining to the City's General Corporation Tax (GCT) collected by DOF, which accounted for \$2.9 billion in revenue in Fiscal Year 2015. The audit found that GCT data generally existed in a secure environment and was readily accessible only to authorized users identified by DOF. GCT data was also found to be generally reliable for collection purposes and to include the information necessary for enforcement and penalty collection, and the audit found that DOF's Fairtax system made certain corrections automatically for taxpayers. However, the audit also found \$195 million in outstanding GCT balances owed to the City, subject to possible decreases that might result from pending decisions and the processing of bulk transactions. The audit identified several weaknesses in DOF's tracking and collection processes that may have contributed to the arrears. For example, on average, DOF forwarded only 14 percent of the accounts in arrears to its Collections Unit each year; its Fairtax system did not track accounts with outstanding balances in real-time, which may have resulted in collection delays; and DOF's tax bills only reflected the taxpayer's GCT liability for the current year and not its cumulative liability. Finally, the audit found several manual adjustments to tax accounts in Fairtax that were not accompanied by reasons, descriptions, or proper approvals to justify the changes. The audit is summarized at page 55.
- An audit was conducted to determine whether the \$1.5 million NYC Serv-Taxi application implemented in 2013 by the Office of Administrative Trials and Hearings (OATH) met its overall goals and was reliable and secure from unauthorized access. The audit determined that the overall goals of the NYC Serv-Taxi application had generally been met, that the application had adequate controls to ensure that the information processed was reliable, and that the application was generally secured against unauthorized external access. However, the audit also found that the application had internal security weaknesses that required additional actions to remediate risks, including enabling password complexity, installing web server security updates, addressing access-control vulnerabilities, and protecting Personally Identifiable Information. The audit is summarized at page 7.

As the City's Chief Fiscal Officer, it is my duty to do everything in my power to maintain the City's fiscal health. The Audit Bureau uses its power of audit to find waste, mismanagement and inefficiency in City government, as well as to root out fraud and abuse, while championing improvements that can achieve more efficient, effective City operations and services. The Bureau examines every corner of City government to improve services and save tax dollars wherever possible. The Bureau makes hundreds of recommendations to improve City programs that can have a positive impact on service delivery if implemented. The audits and investigations summarized in this annual report have been important in accomplishing our task of ensuring that government resources are not wasted, but put to work to improve the lives of all New Yorkers.

While agency managers are responsible for resolving and implementing recommendations promptly and effectively, the auditors follow up to see that action has been taken and intended results realized. A review of the implementation of the 517 recommendations made in this year's audit reports found that 32 City agencies and other related entities reported implementing or being in the process of implementing 434 recommendations (84 percent) and not implementing 83 recommendations (16 percent). That is the highest level of compliance by audited entities in seven years, indicating that the City is greatly benefiting from our audit efforts.

The Comptroller's Office welcomes your interest in ensuring that all recommendations made by the Audit Bureau are 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.

Sincerely,



Scott M. Stringer
New York City Comptroller

TABLE OF CONTENTS

	Page
Summary of Audit Results	i
Index of Government FY 2016 Agency Audits and Special Reports.....	iii
Index of Non-Government FY 2016 Agency Audits and Special Reports	ix
Economic Impact of Audits of Government and Non-Government Agencies.....	xi
Section I: Government Audits and Special Reports.....	1
Section II: Non-Government Audits and Special Reports.....	135
Section III: Charts: Recommendation Status by Audit.....	147
Recommendation Status by Agency.....	151
Section IV: Index of Government Agency Audits and Special Reports Fiscal Years 2006-2016.....	153
Section V: Index of Non-Government Agency Audits and Special Reports, Fiscal Years 2006-2016.....	179
Section VI: Index of Government Special Letter Reports Fiscal Years 2011 – 2016	185

SUMMARY OF AUDIT RESULTS

Actual and potential savings, revenues, and cost avoidance identified in Fiscal Year 2016 totaled \$22.5 million. These are estimates of what could be achieved if all the audit and special report recommendations were implemented. Of this \$22.5 million:

- Actual savings and revenues identified in Fiscal Year 2016 totaled \$4.5 million;
- \$17.5 million represents potential cost savings or revenues from a variety of management and financial audit findings; and
- \$495,733 represents potential cost avoidance resulting from analyses of claims filed against the City.

The Comptroller's Audit Bureau issued 73 audits and special reports in Fiscal Year 2016. Reviews of managerial lump-sum payments and welfare-fund payments were also performed.

This report is divided into two sections. One section covers audits and special reports of City agencies and public authorities. The second section covers audits and special reports of private entities that received funding from or generated revenue for the City. The audits were performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) 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 2016 AGENCY AUDITS AND SPECIAL REPORTS

(All Audits Unless Otherwise Indicated)

AGENCY	AUDIT TITLE	PAGE
OFFICE OF THE ACTUARY		3
	Letter Report on the New York City Office of the Actuary's Compliance with Local Law 36	3
OFFICE OF ADMINISTRATIVE TRIALS AND HEARINGS		5
	Audit Report on the Hearings of the Office of Administrative Trials and Hearings on Notices of Violations Issued by the Department of Health and Mental Hygiene	5
	Audit Report on the Development and Implementation of the NYC Serv-Taxi Application Administered by the Office of Administrative Trials and Hearings	7
	Letter Report on the New York City Office of Administrative Trials and Hearings' Compliance with Local Law 36	9
DEPARTMENT FOR THE AGING		11
	Audit Report on the Development and Implementation of the Senior Tracking, Analysis and Reporting System Administered by the Department for the Aging	11
	Audit Report on the Compliance of the New York City Department for the Aging with Executive Order 120 Regarding Limited English Proficiency	13
	Audit Report on the New York City Department for the Aging's Compliance with Local Law 20 and the Placement of Automated External Defibrillators	15
	Letter Report on the New York City Department for the Aging's Compliance with Local Law 36	17
DEPARTMENT OF BUILDINGS		19
	Audit Report on the Department of Buildings' Issuance of Licenses to Site Safety Professionals	19
	Audit Report on the Department of Buildings' Controls over the Processing of Construction Permits	21
BUSINESS INTEGRITY COMMISSION		23
	Audit Report of the Business Integrity Commission's Billing and Collection of Licensing and Registration Fees	23
CHARTER SCHOOLS		25
	Audit Report on the Oversight of the Financial Operations of South Bronx Charter School for the International Cultures and the Arts	25
	Audit Report on the Oversight of the Financial Operations of the Merrick Academy Queens Public Charter School	27
	Audit Report on the Oversight of the Financial Operations of the Bedford Stuyvesant New Beginnings Charter School	29

ADMINISTRATION FOR CHILDREN'S SERVICES	31
Audit Report on YMS Management Associates, Inc.'s Compliance with Its Contract with the New York City Administration for Children's Services	31
Audit Report on the Oversight of the Close to Home Program Non-Secure Placement by the New York City Administration for Children's Services	34
Audit Report on the Administration for Children's Services' Controls Over Its Investigation of Child Abuse and Neglect Allegations	36
DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES	38
Audit Report on the Department of Citywide Administrative Services' Energy Conservation Efforts	38
MANHATTAN COMMUNITY BOARDS	40
Audit Report on the Office Equipment Inventory Practices at the 12 Manhattan Community Boards	40
NEW YORK CITY COMPTROLLER'S OFFICE.....	42
Cost Allocation Plan Fiscal Year 2015	42
DEPARTMENT OF CONSUMER AFFAIRS	43
Audit Report on the New York City Department of Consumer Affairs' Compliance Inspections	43
BOARD OF CORRECTION	45
Letter Report on the New York City Board of Correction's Compliance with Local Law 36	45
DEPARTMENT OF DESIGN AND CONSTRUCTION.....	47
Audit Report on the New York City Department of Design and Construction's Administration of the Minority- and Women-owned Business Enterprise Program	47
DEPARTMENT OF EDUCATION	49
Audit Report on the Department of Education's Controls over the Small Item Payment Process of Its Schools within Children First Network 404	49
Audit Report on the Department of Education's Controls over the Small Item Payment Process of Its Schools within Children First Network 603	51
BOARD OF ELECTIONS	53
Audit Report on the New York City Board of Elections' Inventory Practices for Office Equipment and Voting Machines	53

DEPARTMENT OF FINANCE	55
Audit Report on the Reliability and Accuracy of General Corporation Tax Data Administered by the Department of Finance	55
Audit Report on the Administration of the Payments In Lieu of Taxes Program by the New York City Department of Finance	57
Audit Report on the Tax Classification of Real Property in the Borough of Brooklyn by the New York City Department of Finance	59
Audit Report on the New York City Department of Finance's Administration of the Cooperative Condominium Tax Abatement Program	61
Audit Report on the Tax Classification of Real Property in the Borough of Queens by the New York City Department of Finance	63
Final Letter Report on the Follow-Up Review of the Removal of Cooperative Condominium Tax Abatements for the Ineligible Properties Identified in Our Recent Audit of the New York City Department of Finance	65
NEW YORK CITY FIRE DEPARTMENT	67
Audit Report on the Use of Purchasing Cards by the New York City Fire Department ...	67
DEPARTMENT OF HEALTH AND MENTAL HYGIENE	69
Audit Report on the Department of Health and Mental Hygiene's Permitting of Child Care Centers	69
DEPARTMENT OF HOMELESS SERVICES	71
Audit Report on the Controls of the Department of Homeless Services over the Shelter Placement and the Provision of Services to Families with Children	71
Report of Findings of Possible Employee Misconduct Uncovered in Connection with Audit #SZ15-056AL	73
NEW YORK CITY HOUSING AUTHORITY	74
Audit Report on the New York City Housing Authority's Maintenance and Repair Practices	74
Audit Report on the New York City Housing Authority's Emergency Preparedness	76
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT	78
Audit Report on the Development of City-Owned Vacant Lots by the New York City Department of Housing Preservation and Development	78
Audit Report on the New York City Department of Housing Preservation and Development's Administration of the Minority- and Women-Owned Business Enterprise Program	80
Audit Report on the Department of Housing Preservation and Development's Monitoring of Building Owners' Compliance with Affordable Housing Provisions and Requirements	82

HUMAN RESOURCES ADMINISTRATION	84
Audit Report on the New York City Human Resources Administration's Monitoring and Oversight of Vendors who Provide Housing to Clients of the HIV/AIDS Services Administration.....	84
METROPOLITAN TRANSPORTATION AUTHORITY	86
Audit Report of the Metropolitan Transportation Authority's Oversight of the Access-A-Ride Program	86
Letter Audit Report on Phase II of the Wireless Voice and Data Services in New York City's Subway System as Provided by Transit Wireless	88
MULTI-AGENCY	89
Audit Report on the Financial and Operating Practices of the Bryant Park Corporation and Bryant Park Management Corporation	89
Report on the Potential Duplication, Overlap, and Fragmentation of New York City's Employment-Related Programs.....	92
Review of Managerial Lump-Sum Payments	94
DEPARTMENT OF PARKS AND RECREATION	95
Audit Report on the New York City Department of Parks and Recreation's Compliance with Local Law 20 and the Placement of Automated External Defibrillators	95
DEPARTMENT OF PROBATION	97
Letter Report on the New York City Department of Probation's Compliance with Local Law 36	97
QUEENS BOROUGH PUBLIC LIBRARY	99
Audit Report on the Financial and Operating Practices of the Queens Borough Public Library.....	99
Report of the Comptroller's Investigation into Possible Misconduct Revealed by the Audit of the Queens Borough Public Library	101
RETIREMENT SYSTEMS.....	102
Audit Report on Pedagogical Pensioners of the New York City Teachers' Retirement Working for the City after Retirement; January 1, 2014 to December 31, 2014.....	102
Audit Report on Pensioners of the New York City Police Department Working for the City after Retirement; January 1, 2014 to December 31, 2014	104
Audit Report on the Non-Pedagogical Pensioners of the New York City Department of Education Working for the City after Retirement; January 1, 2014 to December 31, 2014.....	106
Audit Report on Pensioners of the New York City Employees' Retirement System Working for the City after Retirement; January 1, 2014 to December 31, 2014.....	108
Audit Report on Pensioners of the New York City Fire Department Working for the City after Retirement; January 1, 2014 to December 31, 2014	110

RETIREMENT SYSTEMS (Cont'd)

Audit Report on New York City Pensioners Working for New York State after Retirement; January 1, 2014 to December 31, 2014..... 112

Audit Report on New York City Pensioners Working as Consultants for the City after Retirement; January 1, 2014 – December 31, 2014..... 114

DEPARTMENT OF SANITATION.....116

Audit Report on the New York City Department of Sanitation's Controls Over Its Inventory of Vehicle Equipment and Supplies..... 116

Letter Report on the New York City Department of Sanitation's Monitoring of Its Employees Who Drive City-Owned or Personally-Owned Vehicles on City 118

SCHOOL CONSTRUCTION AUTHORITY120

Audit of the New York City School Construction Authority's Management and Oversight Over Its Contract Payment Process..... 120

DEPARTMENT OF SMALL BUSINESS SERVICES122

Audit Report on the Financial and Operating Practices of the 34th Street Partnership, Inc. 122

Follow-up Audit Report on the Administration of the Emerging Business Enterprise Program by the Department of Small Business Services 124

DEPARTMENT OF TRANSPORTATION126

Audit Report on the Department of Transportation's Controls over the Use of Purchasing Cards..... 126

Audit Report on the Department of Transportation's Tracking of Pothole Repairs 128

Audit Report on the New York City Department of Transportation's Compliance with Local Law 20 and the Placement of Automated External Defibrillators 130

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT.....132

Audit Report on the Compliance of the New York City Department of Youth and Community Development with Executive Order 120 Regarding Limited English Proficiency..... 132

INDEX OF NON-GOVERNMENT FY 2016 AGENCY AUDITS AND SPECIAL REPORTS

TYPE	PAGE
CLAIMS	137
FRANCHISE, CONCESSION, AND LEASE AUDITS	138
DEPARTMENT OF PARKS AND RECREATION	139
Follow-up Audit Report on the Compliance of Statue Cruises, LLC with Its License Agreement.....	139
Audit Report of the Permit Fees Due from Urban Space Holdings, Inc. and Compliance with Certain Provisions of Its City Permit.....	141
WELFARE FUNDS	143
Analysis of the Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2012	143

**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 2016**

REPORT TYPE	FISCAL YEAR 2016 NUMBER OF REPORTS	FISCAL YEAR 2016 ACTUAL SAVINGS/ REVENUE	FISCAL YEAR 2016 POTENTIAL SAVINGS/ REVENUE(1)	FISCAL YEAR 2016 POTENTIAL COST AVOIDANCE (2)	TOTAL
Government Agencies					
Audits and Special Reports	66	\$3,758,858	\$17,508,669		\$21,267,527
Managerial Lump Sum Reviews		\$771,131			\$771,131
Total Government Agencies	66	\$4,529,989	\$17,508,669		\$22,038,658
Non-Government Agencies	7	\$1,254		\$495,733	\$496,987
Grand Total Government and Non- Government Agencies	73	\$4,531,243	\$17,508,669	\$495,733	\$22,535,645

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

(2) The potential cost avoidance amounts are questionable costs used by the Bureau of Law and Adjustment when negotiating settlements with claimants.

SECTION I

**GOVERNMENT AUDITS
AND
SPECIAL REPORTS**

OFFICE OF THE ACTUARY

Letter Report on the New York City Office of the Actuary's Compliance with Local Law 36

Audit # SZ16-112AL

Comptroller's Audit Library #8443

Issued: June 27, 2016

Monetary Effect: None

Introduction

The audit determined whether the New York City Office of the Actuary (OA) is in compliance with Local Law 36, which governs waste prevention, reuse and recycling by City agencies. Local Law 36 is intended to make City agencies, and ultimately the City as a whole, more sustainable through efforts that promote a clean environment, conserve natural resources and manage waste in a cost-effective manner. In addition, the audit examined OA's efforts to follow recycling rules established by the New York City Department of Sanitation (DSNY) pursuant to Local Law 36. Our audit of the OA is one in a series of audits we are conducting on the City's compliance with the local law.

In 1989, New York City established Local Law 19, codified as Administrative Code §16-301, *et seq.*, to establish an overarching "policy of the city to promote the recovery of materials from the New York City solid waste stream for the purpose of recycling such materials and returning them to the economy." The law mandates recycling in New York City by residents, agencies, institutions and businesses, and includes a series of rules to guide implementation. Local Law 19 requires the City to establish environmental policies to conserve natural resources and manage waste in a sustainable and cost-effective manner.

In 2010, the City enacted Local Law 36, which amended the recycling provisions of Local Law 19 (Administrative Code §16-307) to require each City agency to develop a waste prevention, reuse and recycling plan and submit the plan to DSNY for approval by July 1, 2011. Local Law 36 also requires each agency to designate a lead recycling or sustainability coordinator for the agency and, where the agency occupies more than one building, to designate an assistant coordinator for each building the agency occupies. By July 1, 2012, and in each year thereafter, the lead recycling coordinator for each agency is required to submit a report to the head of its agency and to DSNY "summarizing actions taken to implement the waste prevention, reuse, and recycling plan for the previous twelve-month reporting period, proposed actions to be taken to implement such plan, and updates or changes to any information included in such plan."

In addition, Local Law 36 requires the DSNY Commissioner to adopt, amend and implement regulations governing recycling by City mayoral and non-mayoral agencies. DSNY is also responsible for consolidating the information contained in agency reports and including this information in the agency's annual recycling report.

Results

The audit found that the OA was not fully compliant with Local Law 36. While the OA source separates its paper waste and has designated a lead recycling coordinator for its one location, the OA did not establish a waste prevention, reuse and recycling plan for its agency and did not submit its annual reports for Fiscal Years 2012 through 2015 to its agency head or to DSNY as required by Local Law 36.

The audit recommended that the OA create the waste prevention, reuse and recycling plan and submit the required annual reports to its agency head, the Chief Actuary, and DSNY, by July 1st of each year as required by Local Law 36.

In its written response, the OA agreed with the audit findings and stated, “As noted in the findings, the OA has followed the policy on the disposal of electronic waste and has made efforts to reduce paper waste agency-wide. The OA will establish a formal waste prevention, reuse and recycling plan and submit annual reports to the Chief Actuary and to the New York City Department of Sanitation Commissioner.”

Audit Follow-up

The OA reported that the audit recommendation has been implemented.

OFFICE OF ADMINISTRATIVE TRIALS AND HEARINGS

Audit Report on the Hearings of the Office of Administrative Trials and Hearings on Notices of Violations Issued by the Department of Health and Mental Hygiene

Audit # ME16-064A

Comptroller's Audit Library #8456

Issued: June 30, 2016

Monetary Effect: None

Introduction

This audit determined whether the Health Hearings unit of the New York City Office of Administrative Trials and Hearings (OATH) provides hearings and adjudicates cases relating to Department of Health and Mental Hygiene (DOHMH) violations in a timely manner.

The Health Hearings unit at OATH is responsible for conducting hearings on Notices of Violations (NOVs) issued by DOHMH that are challenged by the NOV recipients (the respondents). NOVs issued by DOHMH allege one or more violations of the City's Health Code and/or other public health-related laws. The violations cited in the NOVs are associated with various types of occupations and enterprises, including food service establishments, day care centers, day camps, swimming pools, street fairs, hospitals, barber shops, tattoo parlors, tanning salons, and funeral homes. The overwhelming majority of the DOHMH cases received by OATH, approximately 90 percent, relate to food service establishments.

The process that results in a hearing before the Health Hearings unit begins at DOHMH after a DOHMH inspector discovers a violation. The inspector must then identify the violation and enter a hearing date on the NOV, and then issue the NOV to the respondent. If the respondent challenges an NOV, he or she must attend the scheduled hearing, which is required by regulation to be scheduled no less than 15 calendar days after the NOV is served.

By regulation, for OATH to conduct a hearing, a copy of the NOV served on the respondent must have been filed with OATH prior to the hearing date entered on the NOV. Once an NOV has been filed, OATH's responsibility begins. OATH provides various ways for a respondent to contest an NOV—in person, by mail, by phone, or online. At the conclusion of an in-person hearing, the Hearing Officer informs the respondent either that the decision will be issued that day or that it will be mailed to the respondent within one week. According to OATH's website, for a hearing conducted by mail, by phone or online, the respondent should receive the Hearing Officer's decision within 30 days.

During the initial phase of the scope period of this audit (from July 1, 2014, through June 30, 2015), each party could reschedule the hearing up to three times. During the latter part of the audit scope period (from July 1, 2015, through December 31, 2015), each party could only reschedule the hearing date one time. Any subsequent request for a new hearing date must be approved by a Hearing Officer.

According to the Mayor's Management Report (MMR) for Fiscal Year 2015, the Health Hearings unit received a total of 37,776 cases, conducted 34,013 hearings, and rendered 23,731 decisions during the year.

Results

The audit found that OATH's Health Hearings unit generally conducts hearings and adjudicates cases relating to DOHMH violations in a timely manner. However, the audit also revealed that OATH needs to improve the scheduling of its hearings to decrease inefficiencies for all parties to

its proceedings and to increase the protection of public health and safety. In particular, OATH did not consistently reschedule hearings in a timely manner. In addition, OATH did not properly handle most of the NOV's that were improperly filed by DOHMH after the scheduled hearing dates. Also, OATH did not maintain adequate support for the performance data submitted for the MMR. Further, there were certain weaknesses in the reliability of OATH's Administrative Tribunal Automation System (ATAS) data, and OATH lacked a user manual for ATAS, which is necessary to ensure that ATAS data is properly entered and used. Finally, the audit identified additional scheduling weaknesses that resulted in hearings being scheduled fewer than 15 days after the service of an NOV and well past the 30-day goal for hearing dates. Because the processes that contributed to these improper scheduling dates appear to relate to both OATH and DOHMH and the interaction between the two, the audit recommended that the Mayor's Office of Operations advise DOHMH and OATH to consider revising their hearing scheduling practices and procedures to minimize the possibility of improper hearing dates being set.

To address these issues, the report made nine recommendations to OATH, including the following:

- OATH should develop formal written standards to govern the timeframes for rescheduled hearings and clearly communicate these standards to its staff.
- OATH should monitor the filing of NOV's more closely to ensure that those NOV's filed after their scheduled hearing dates are rejected by ATAS and reported to DOHMH.
- OATH should generate and maintain adequate support for the performance data on the Health Hearings unit that is submitted for inclusion in the MMR.
- OATH should more closely monitor the accuracy of information recorded in ATAS related to manually filed NOV's to ensure that the information is complete and accurate. OATH should develop and implement an ATAS user manual to ensure that ATAS data is entered and used properly.

In its response, OATH officials agreed with four of the nine recommendations addressed to OATH, partially agreed with one, disagreed with three and did not respond to one. The Mayor's Office of Operations did not respond to the one recommendation that was addressed to it.

Audit Follow-up

OATH reported that it reviewed the audit's findings and recommendations again and continues "to believe that the current protocols in place are accurate, moreover as part of the Administration's Initiative to consolidate and automate the administrative court system of the City of New York, the Hearings Division is in transition. During this transition, we will be mindful of the types of concerns raised in the report as we continue to provide a fair and impartial forum for the citizens of the City of New York."

The Mayor's Office of Operations reported that it, "in coordination with OATH and DOHMH, is currently assessing aspects of the hearings process which may be handled more efficiently" and will take into consideration both the audit's findings and feedback from OATH and DOHMH.

OFFICE OF ADMINISTRATIVE TRIALS AND HEARINGS

Audit Report on the Development and Implementation of the NYCServ-Taxi Application Administered by the Office of Administrative Trials and Hearings

Audit # SI15-122A

Comptroller's Audit Library #8430

Issued: June 16, 2016

Monetary Effect: None

Introduction

This audit determined whether the NYCServ-Taxi application administered by the Office of Administrative Trials and Hearings (OATH) meets the overall goals as stated in the system specifications, has adequate functions to ensure the information process is reliable, and is secure from unauthorized access.

OATH is an administrative tribunal created by the City of New York to independently adjudicate the disposition of certain City-issued civil violations and administrative claims. Its mission is to provide fair and unbiased administrative trials and hearings to New York City residents, businesses and City agencies. The OATH Hearings Division consists of the Environmental Control Board Tribunal (ECB), the OATH Taxi & Limousine Tribunal (TLT) and the OATH Health Tribunal. The OATH Taxi & Limousine Tribunal holds hearings on summonses issued by the New York City Taxi & Limousine Commission (TLC), the City's Police Department, and the Port Authority of New York and New Jersey for alleged violations of TLC and other City rules.

In 2013, OATH implemented a new \$1.5 million electronic file and case management application called NYCServ-Taxi. Although the application is fully operational, further periodic enhancements are planned including an electronic interface with TLC's computer environment. Currently, adjudicated and reviewed results are manually entered into TLC systems by OATH's data entry personnel.

Results

The audit determined that the overall goals of the NYCServ-Taxi application as stated in the system specifications have generally been met. In addition, the audit found that the application has adequate functions and controls to ensure that the information processed is reliable. Further, the audit determined that the application, which is Intranet-based (that is, accessible through a web browser, but used primarily on the internal network of an organization), has restricted internal access, and has been generally secured from unauthorized external access.

However, the audit also found that the NYCServ-Taxi application has internal security weaknesses that require additional system modifications and controls to remediate risks. Specifically, the audit found the following areas of security weaknesses in the NYCServ-Taxi application: Microsoft Windows password complexity has not been enabled; web server security updates are not current; there are application access control vulnerabilities; and, Personally Identifiable Information (PII) is exposed.

The audit made the following 10 recommendations:

- Coordinate with the Department of Information Technology and Telecommunication (DoITT) to enable password complexity in the Microsoft Window environment for protection of the computer system, and hosted applications.

- Test the updates to ensure their compatibility with the NYCServ-Taxi application, and apply the necessary security updates to the Web server in order to strengthen its security posture.
- Implement an enterprise patch management solution (i.e. Symantec, McAfee, Trend Microsystems) to ensure that the latest security patches and updates are applied.
- Take necessary steps to test future web server upgrades and then plan ahead to make necessary upgrades.
- Remediate the NYCServ-Taxi application to prevent unauthorized internal access by URL manipulation.
- Restrict access to NYCServ-Taxi webpages with administrator level functions designed for management to authorized users only.
- Ensure against similar deficiencies (web pages vulnerable to URL manipulation) in future application development projects by incorporating necessary steps into their Quality Assurance and Testing program.
- Comply with the DoITT Data Classification Policy to help guide its employees to alleviate the risk of collecting and storing PII into the NYCServ-Taxi application.
- Review the NYCServ-Taxi application data for PII and remove, block, or shield the information from unauthorized disclosure.
- Employ proper encryption methods to protect PII that is stored on the hard drives of computer systems or other network storage devices.

In its response, OATH generally agreed with the first three of four areas of audit findings and recommendations. OATH stated that it has taken appropriate actions to alleviate and remediate the reported risks regarding internal security weaknesses. With regard to the findings and recommendations relating to PII exposure, OATH stated that it does not consider data collected by the NYCServ-Taxi application to be private data. In addition, OATH stated that, to the degree it retains scanned images that require heightened security, it has adequate procedures in place to ensure these images are secure.

Audit Follow-up

OATH reported that it has reviewed the findings and recommendations again and stated “we continue to be confident that the protocols we put in place are sufficient to address potential concerns and to establish adequate controls.”

Auditor’s Comment

The audit team urges OATH to review its position on the audit’s findings and recommendations as it regards to PII. The National Institute of Standards and Technology’s (NIST) Special Publication (SP) 800-122 defines PII as “any information about an individual maintained by an agency” and recommends that such information should be encrypted before it is transit or at rest.

OFFICE OF ADMINISTRATIVE TRIALS AND HEARINGS

Letter Report on the New York City Office of Administrative Trials and Hearings' Compliance with Local Law 36

Audit # SZ16-113AL

Comptroller's Audit Library #8441

Issued: June 24, 2016

Monetary Effect: None

Introduction

The audit determined whether the New York City Office of Administrative Trials and Hearings' (OATH) is in compliance with Local Law 36, which governs waste prevention, reuse and recycling by City agencies. Local Law 36 is intended to make City agencies, and ultimately the City as a whole, more sustainable through efforts that promote a clean environment, conserve natural resources and manage waste in a cost-effective manner. In addition, the audit examined OATH's efforts to follow recycling rules established by the New York City Department of Sanitation (DSNY) pursuant to Local Law 36. Our audit of OATH is one in a series we are conducting on the City's compliance with the local law.

In 1989, New York City established Local Law 19, codified as Administrative Code §16-301, *et seq.*, to establish an overarching "policy of the city to promote the recovery of materials from the New York City solid waste stream for the purpose of recycling such materials and returning them to the economy." The law mandates recycling in New York City by residents, agencies, institutions and businesses, and includes a series of rules to guide implementation. Local Law 19 requires the City to establish environmental policies to conserve natural resources and manage waste in a sustainable and cost-effective manner.

In 2010, the City enacted Local Law 36, amending the recycling provisions of Local Law 19 (Administrative Code §16-307) to require each City agency to develop a waste prevention, reuse and recycling plan, and submit the plan to DSNY for approval by July 1, 2011. Local Law 36 also requires each agency to designate a lead recycling or sustainability coordinator for the agency and, where the agency occupies more than one building, to designate an assistant coordinator for each building the agency occupies. By July 1, 2012, and in each year thereafter, the lead recycling coordinator for each agency is required to submit a report to the head of its agency and to DSNY "summarizing actions taken to implement the waste prevention, reuse, and recycling plan for the previous twelve-month reporting period, proposed actions to be taken to implement such plan, and updates or changes to any information included in such plan."

In addition, Local Law 36 requires the DSNY Commissioner to adopt, amend and implement regulations governing recycling by City mayoral and non-mayoral agencies. DSNY is also responsible for consolidating the information contained in agency reports and including this information in the agency's annual recycling report.

Results

The audit found that OATH generally complied with Local Law 36. However, the audit found that OATH did not establish a waste prevention, reuse and recycling plan until October 2013, notwithstanding that Local Law 36 requires such a plan to have been submitted to DSNY no later than July 1, 2011. The audit further found that OATH did not submit the required annual reports to its Commissioner or to DSNY for Fiscal Years 2012 and 2013.

The audit recommend that OATH submit the annual reports to its Commissioner and DSNY by July 1st of each year as required by Local Law 36.

In its written response, OATH agreed with the audit findings and said it “will take the recommendations in the report into consideration.” OATH also stated that it “only became aware of this requirement in 2013. Since that time OATH has been in compliance with Local Law 36.”

Audit Follow-up

OATH reported that it has reviewed the findings and recommendation again and stated “we continue to be confident that the protocols we put in place are sufficient to address potential concerns and to establish adequate controls.”

DEPARTMENT FOR THE AGING

Audit Report on the Development and Implementation of the Senior Tracking, Analysis and Reporting System Administered by the Department for the Aging

Audit # SI15-121A

Comptroller's Audit Library #8437

Issued: June 23, 2016

Monetary Effect: None

Introduction

This audit determined whether the Senior Tracking, Analysis and Reporting System (STARS) administered by the Department for the Aging (DFTA) meets the overall goals as stated in the system specifications, has adequate safeguards to ensure the information process is reliable, and is secure from unauthorized access.

DFTA is charged with promoting the independence, health and well-being of senior New Yorkers through advocacy, education, and the coordination and delivery of services. The Department receives federal, state and city funds for these purposes. These funds are distributed by DFTA through contracts with over 500 direct service providers. DFTA services include hot meals and activities at senior centers, home-delivered meals, case management, home care, transportation, and legal assistance.

In July 2012, DFTA contracted with PeerPlace Networks, LLC (PeerPlace) to customize their data management software into a single product called STARS to replace two computer systems. STARS is an internet-based system developed to manage and track client services. It contains one master client database that serves as the central repository of information for all connected service providers. STARS also contains modules tailored for specific services, such as preparing client route information for home delivery meals and tracking attendance at senior centers. Authorized users can create client profiles, update client data, send referrals to other programs, and run reports based on their privilege level. STARS was implemented in April 2013 at senior centers, and expanded to other service providers soon after.

Results

The audit determined that the overall goals of STARS as stated in the system specifications have generally been met. STARS provides a centralized system to share client information between DFTA and its contracted service providers. However, the audit found that during the system development stage, DFTA did not fully comply with the rules of the New York City Procurement Policy Board (PPB Rules) in connection with changes that were made to the contract deliverables. In addition, the audit found that DFTA failed in its implementation of STARS to comply with the Security Accreditation Process, a citywide Department of Information Technology and Telecommunications (DoITT) policy. Additionally, the audit found security control weaknesses in STARS, including that users were not required to periodically change their passwords, multiple users shared one account, and inactive employees' accounts were not immediately disabled. Further, the audit found system deficiencies that could affect the security and the accuracy of client data, including unexpected user log outs, the ability to enter future dates for past events, and duplicate client records.

To address these issues, the audit made 17 recommendations including that DFTA should:

- Ensure any future contract changes are made in full compliance with the PPB Rules.
- Ensure that STARS complies with DoITT's Citywide Security Policies and Standards.

- Require STARS users to comply with DoITT's Password policy.
- Ensure all terminated or inactive employee accounts are immediately deactivated from STARS.
- Review all accounts and ensure that STARS users are granted only the minimum level of privileges necessary for them to perform their job functions.
- Restrict STARS administrators' access to their assigned jurisdiction only.
- Work with PeerPlace to identify and resolve the condition that is causing unexpected user logouts.
- Work with PeerPlace to implement an event modification feature in the software, and create a policy and procedure for deleting/correcting erroneous event entries.
- Work with PeerPlace to ensure that all date fields are validated prior to accepting data entry.

In its response, DFTA generally agreed with the report's findings and recommendations. The agency stated, "DFTA will be following up on these recommendations as it continues its ongoing work to further enhance and improve STARS functionality."

Audit Follow-up

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

DEPARTMENT FOR THE AGING

Audit Report on the Compliance of the New York City Department for the Aging with Executive Order 120 Regarding Limited English Proficiency

Audit # SZ16-072A

Comptroller's Audit Library #8425

Issued: June 3, 2016

Monetary Effect: None

Introduction

This audit determined on whether the New York City Department for the Aging (DFTA) complied with Executive Order 120 (EO 120) regarding limited English proficiency (LEP) services. DFTA's mission is to work for the empowerment, independence, dignity and quality-of-life of New York City's diverse older adults and for the support of their families through advocacy, education, and the coordination and delivery of services.

With more than four million foreign-born residents from more than 200 different countries, New York is home to one of the most diverse populations in the world. New Yorkers come from every corner of the globe and speak over 200 different languages. Over 75 percent of all New Yorkers speak a language other than English at home, and almost 46 percent, or 1.8 million people, are limited in English proficiency. For these New Yorkers, interacting with City government can often be a challenge.

In July 2008, Mayor Bloomberg signed EO 120, which requires all City agencies to provide opportunities for limited English speakers to communicate with City agencies and receive public services. EO 120 specifically requires City agencies providing direct public services to ensure meaningful access to those services to LEP persons. To accomplish this, EO 120 requires these agencies to develop and implement agency-specific language assistance plans for LEP persons.

Results

The audit found that DFTA generally complied with EO 120. A review of each of DFTA's Language Access Plans from 2009 through 2016 indicated that DFTA has made substantial progress in providing meaningful language access to the agency's services for LEP customers at its central office located at 2 Lafayette Street. Each annual Access Plan described the steps that DFTA has taken to provide additional services to the LEP population.

At 2 Lafayette Street, Monday through Friday from 9:00 a.m. to 5:00 p.m., DFTA staff provide direct services to seniors that include referring seniors to services, and providing information about available benefits including food stamp eligibility and the application process, seniors' rights under equal employment opportunity laws, and the availability of senior citizen centers in New York City.

The audit also found that DFTA generally provides these services to its customers in the top six New York City LEP languages. Further, the audit found that through a City-wide contract with Language Line Services, Inc., DFTA has the ability to provide documentation translation and phone interpretation services in over 170 languages.

In their written response, DFTA officials generally agreed with the audit and the results of the report stating, "Per your recommendation, we will continue to adhere to EO120 *[sic]* and update our website with the latest language access plan."

Audit Follow-up

DFTA reported that it is in full compliance with EO 120 and will ensure continued compliance.

DEPARTMENT FOR THE AGING

Audit Report on the New York City Department for the Aging's Compliance with Local Law 20 and the Placement of Automated External Defibrillators

Audit # SZ16-093A

Comptroller's Audit Library #8440

Issued: June 24, 2016

Monetary Effect: None

Introduction

The audit determined whether the New York City Department for the Aging (DFTA) complied with Local Law 20, which governs the automated external defibrillator (AED) use and placement throughout the City. Local Law 20 includes requirements for training and certifying DFTA and senior center personnel on the use of AEDs, as well as the placement of AEDs in DFTA and in the 260 contractual senior centers, and specific elements that must be included in DFTA's Site-Specific Response and Maintenance Plan. .

DFTA's mission is to work for the empowerment, independence, dignity and quality of life of New York City's diverse older adults and support their families through advocacy, education and the coordination and delivery of services.

In 2005, the New York City Council enacted Local Law 20 requiring the placement of AEDs in public locations. These devices are specifically to be placed in: nursing homes; senior centers; the publicly accessible portions of buildings maintained by the New York City Department of Citywide Administrative Services (DCAS), Division of Facilities Management and Construction; selected City-operated parks; and certain ferry terminals and ferries owned and operated by the City.

The New York City Department of Health and Mental Hygiene (DOHMH) issued rules to implement Local Law 20 in November 2005. Local Law 20 and the DOHMH rules require that AEDs be acquired and operated in accordance with New York State Public Health Law §3000-b, which states that personnel must be trained in their use, and that the devices must be registered with the Regional Emergency Medical Services Council of New York City, Inc. (REMSCO) before use by non-health care professionals. REMSCO is a not-for-profit, tax-exempt corporation whose function is to improve emergency medical services for New York City.

Results

The audit found that DFTA generally complied with Local Law 20 and New York State Public Health Law §3000-b at its office at 2 Lafayette Street in Manhattan. DFTA developed a Site-Specific Response and Maintenance Plan, placed AEDs in the Centers, ensured that DFTA and Center personnel were trained in AED operation and CPR by a training facility that had been approved by the New York State Department of Health, and maintained a current collaborative agreement with REMSCO-NYC. Further, DFTA had its Site-Specific Response and Maintenance Plan on hand at 2 Lafayette Street, as well as appropriately trained personnel.

However, DFTA did not effectively monitor its senior centers to ensure that they were also in compliance with Local Law 20. Of the 31 Centers that were visited, 29 were not in compliance with certain aspects of Local Law 20. The areas of non-compliance included that some or all of these centers were missing Site-Specific Response and Maintenance Plans, signage indicating AED locations, and AED supplies. In addition, the audit found an absence of trained personnel and a lack of a current AED inspection. Although it appears that DFTA has provided the Centers with the means necessary to be compliant with Local Law 20, it does not effectively monitor them

to ensure that they adhere to all its requirements. It is DFTA'S responsibility to ensure that City-funded Centers are fully compliant with Local Law 20 and New York State Public Health Law §3000-b to ensure that seniors utilizing the Centers are provided proper care in case of an emergency.

The audit made eight recommendations to DFTA, including that it should:

- Perform inspections of the Centers to ensure that they are properly following the requirements of Local Law 20.
- Verify that each Center has the Site-Specific and Maintenance Plan.
- Monitor the Centers and verify that the Site-Specific and Maintenance Plan is available on their premises.
- Ensure that all Centers have the required signage indicating the location of AEDs and detailing emergency contact information.
- Ensure that all Centers have the necessary and up-to-date AED supplies and equipment.
- Ensure that all Centers have trained first responders on site at all times the Centers are open to the public.
- Ensure that its database is updated to include all trained first responders.
- Ensure that all Centers inspect AEDs on a weekly basis and maintain an inspection log documenting that AEDs are in good working order.

In their written response, DFTA officials generally agreed with the report's findings and all eight of the recommendations. DFTA stated that "DFTA recognizes the importance of LL20 and the role of defibrillators in emergency care. With that said we will be increasing our monitoring efforts to further strengthen senior centers' compliance with LL20 expectations."

Audit Follow-up

DFTA reported that all of the audit recommendations have been fully implemented.

DEPARTMENT FOR THE AGING

Letter Report on the New York City Department for the Aging's Compliance with Local Law 36

Audit # SZ16-095AL

Comptroller's Audit Library # 8420

Issued: May 13, 2016

Monetary Effect: None

Introduction

The audit determined whether the New York City Department for the Aging's (DFTA) compliance with Local Law 36, which governs waste prevention, reuse and recycling by City agencies. Local Law 36 is intended to make City agencies, and ultimately the City as a whole, more sustainable through efforts that promote a clean environment, conserve natural resources and manage waste in a cost-effective manner. In addition, in the course of the audit, we examined DFTA's efforts to follow recycling rules established by the New York City Department of Sanitation (DSNY) pursuant to Local Law 36. Our audit of DFTA is one in a series of audits we are conducting on the City's compliance with the local law.

In 1989, New York City established Local Law 19, codified as Administrative Code §16-301, *et seq.*, to establish an over-arching "policy of the city to promote the recovery of materials from the New York City solid waste stream for the purpose of recycling such materials and returning them to the economy." The law mandates recycling in New York City by residents, agencies, institutions and businesses, and includes a series of rules to guide implementation. Local Law 19 requires the City to establish environmental policies to conserve natural resources and manage waste in a sustainable and cost-effective manner.

In 2010, the City enacted Local Law 36, amending the recycling provisions of Local Law 19 (Administrative Code §16-307) to require each City agency to develop a waste prevention, reuse and recycling plan and submit the plan to DSNY for approval by July 1, 2011. Local Law 36 also requires each agency to designate a lead recycling or sustainability coordinator for the agency and, where the agency occupies more than one building, to designate an assistant coordinator for each building the agency occupies. By July 1, 2012, and in each year thereafter, the lead recycling coordinator for each agency is required to submit a report to the head of its agency and to DSNY "summarizing actions taken to implement the waste prevention, reuse, and recycling plan for the previous twelve-month reporting period, proposed actions to be taken to implement such plan, and updates or changes to any information included in such plan."

In addition, Local Law 36 requires the DSNY Commissioner to adopt, amend and implement regulations governing recycling by City mayoral and non-mayoral agencies. DSNY is also responsible for consolidating the information contained in agency reports and including this information in the agency's annual recycling report.

Results

The audit found that DFTA did not fully comply with Local Law 36. DFTA did not establish a waste prevention, reuse and recycling plan until January 2014, notwithstanding that Local Law 36 requires such a plan to have been submitted to DSNY no later than July 1, 2011. The audit further found that DFTA did not submit the required annual reports to its Commissioner or to DSNY for Fiscal Years 2012 through 2014.

The audit recommended that DFTA submit the required annual reports to its Commissioner and DSNY by July 1st of each year as required by Local Law 36.

In its written response, DFTA agreed with the report's findings and stated, "We also appreciate the audit's observations, and we will continue to follow them so as to remain in compliance with Local Law 36."

Audit Follow-up

DFTA reported that it is in full compliance with Local Law 36 and will ensure continued compliance.

DEPARTMENT OF BUILDINGS

Audit Report on the Department of Buildings' Issuance of Licenses to Site Safety Professionals

Audit # ME16-061A

Comptroller's Audit Library #8453

Issued: June 30, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City Department of Buildings (DOB) has adequate controls in place to ensure the appropriate issuance of licenses to Site Safety Professionals.

DOB is charged with ensuring the safe and lawful use of more than one million buildings and properties by enforcing the City's Building Code and Zoning Resolution and the New York State Multiple Dwelling and Labor Laws. DOB promotes worker and public safety through its review and approval of building plans, issuance of construction-related permits and licenses, and inspections. DOB issues licenses to eligible individuals in the construction trades, including Site Safety Professionals, the focus of the audit.

Two types of Site Safety Professional licenses are issued by DOB: a Site Safety Manager (SSM) license for a three-year term and a Site Safety Coordinator (SSC) license for a one-year term. Since October 1, 1987, DOB has been prohibited from approving any plans for the initial construction or demolition of buildings 15 stories or more in height, unless a licensed SSM is appointed to work at the site. As of July 1, 2008, DOB has also been prohibited from approving any plans for the initial construction or demolition of buildings 10-14 stories in height unless either a licensed SSM or SSC has been appointed to work at the site. The SSM or SSC must be present at all times that work is being performed on a building to monitor the construction workers and perform site safety inspections.

To become an SSM, an individual must take an exam on the safety rules that govern City construction sites and complete the background investigation process. An SSC applicant is not required to take an exam, but must complete the background investigation process. Applicants for both categories of Site Safety Professional licenses must provide a number of documents to DOB's Licensing and Exams unit (Licensing), including a Background Investigation Questionnaire, an Experience Verification Form, and a site safety course certificate from an approved DOB provider. Applicants must also meet at least one of the experience and training qualification options outlined in DOB guidelines.

For renewals, a licensee must submit a renewal application package, which should include a 7-hour Site Safety refresher course certificate from an approved DOB provider. A Licensing Renewal Investigative Clerk also conducts a criminal background check and determines whether an applicant has any outstanding Environmental Control Board penalties.

During Fiscal Year 2015, there were 125 initial SSM and SSC applications submitted to DOB—96 for an initial SSM license and 29 for an initial SSC license. In addition, during this time period, DOB received 412 renewal applications. As of August 2015, there were a total of 1,129 active SSM and SSC licenses—1,052 active SSM licenses and 77 active SSC licenses.

Results

The audit found that DOB needs to improve its controls governing the issuance of licenses to Site Safety Professionals. There was insufficient evidence that DOB had adequately reviewed some initial and renewal applications before granting licenses. The insufficient reviews appeared in part

to have been the result of limited supervisory oversight of the review process. Further, DOB did not adequately track the processing of applications for initial licenses, and there were delays in the initial application review process. These weaknesses, if not corrected, increase the risk that persons who are unqualified may nevertheless be granted site safety licenses, which would increase the risk to construction workers and the public. In addition, delays in the application process can contribute to shortages in the availability of licensed Site Safety Professionals.

To address these issues, the report made a total of 22 recommendations, including the following:

- DOB should review the qualifications of initial and renewal Site Safety Professional applicants more closely, to ensure that only qualified applicants are issued initial and renewed licenses.
- DOB should ensure that Licensing's application files contain all the supporting documentation necessary before initial and renewed Site Safety Professional licenses are issued.
- DOB should ensure that a Licensing supervisor reviews key applicant data and documents before initial or renewed Site Safety Professional licenses are issued.
- DOB should enhance its efforts to complete the background investigation of each applicant within the agency's informal goal of six months.
- DOB should develop and implement application review checklists to track the processing of initial and renewal applications for Site Safety Professional licenses.

In its response, DOB officials generally agreed with 18 of the audit's 22 recommendations and disagreed with four.

Audit Follow-up

DOB reported that the 18 recommendations that it generally agreed with have been fully or partially implemented, or are currently in the planning phase and as such have not yet been implemented. DOB continues to disagree with the remaining four recommendations.

DEPARTMENT OF BUILDINGS

Audit Report on the Department of Buildings' Controls over the Processing of Construction Permits

Audit # MG15-112A

Comptroller's Audit Library #8431

Issued: June 17, 2016

Monetary Effect: None

Introduction

This audit determined whether the controls established by the New York City Department of Buildings (DOB) for the processing of professionally certified construction applications are implemented on a consistent basis.

DOB is charged with ensuring the safe and lawful use of over 1,000,000 buildings and properties in New York City (the City) by enforcing the City's Building Code, Electrical Code, Zoning Resolution, the New York State Labor Law and the New York State Multiple Dwelling Law. To meet these responsibilities, DOB performs plan examinations, issues construction permits, inspects properties, license trades, issues Certificates of Occupancy, and Place of Assembly permits, among other things. Most of the permit applications require a New York State licensed professional engineer (PE) or registered architect (RA) to prepare construction drawings (plans) that are included in the applications submitted to DOB for approval.

Work permit applications may be submitted either directly by the property owner or by a PE or RA on the property owner's behalf, through DOB's Professional Certification Program. Work permit applications submitted by property owners undergo a review by a DOB plan examiner to ensure compliance with applicable building and construction rules and regulations. However, work permit applications submitted by PEs or RAs do not undergo a plan examiner review so long as they are certified by one of those licensed professionals as compliant with the applicable rules and regulations. To verify that all necessary documents have been provided with these professionally certified applications and that the applications are in compliance with applicable building and construction rules and regulations, DOB conducts audits of the professionally certified applications for which it issued permits. During the audit scope period, DOB required weekly audits of 20 percent of these applications.

Results

The audit found that the controls established by DOB for the processing of professionally certified construction applications are generally implemented on a consistent basis. The audit found that there is an appropriate segregation of duties, that there is an adequate application tracking system, and that DOB verifies that the registration of the license of the professional affiliated with the construction work and associated permit is current. However, the audit found weaknesses in DOB's implementation of its procedures that increase the risk that permits are granted for work that does not comply with City law and rules. In particular, the audit found that DOB did not conduct audits of 20 percent of professionally certified applications in accordance with its own requirements, but only half that amount.

In April 2016, DOB revised its internal audit requirements for audits of professionally certified applications, and replaced the 20 percent sample size with a "representative" sample, based on a revised risk paradigm. However, the audit identified concerns about DOB's implementation of this new policy. First, DOB has not completed its revision of the risk paradigm upon which this new policy is based, so the agency cannot be assured that the "representative" samples being

selected under this policy take into account all appropriate risk factors. Second, DOB does not indicate how this likely lower number of audits will provide a level of audit coverage comparable to that which the previous policy was intended to provide. Decreasing the targeted percentage of applications to be audited increases the risk that issues related to the other applications that would have otherwise been audited will remain undetected.

The audit made three recommendations, including:

- DOB should ensure that the required follow-up action is taken in all instances where permits are not in compliance with required guidelines.
- DOB should continue to seek additional staff to handle the increased work load due to the increase in the number of professionally certified applications.
- DOB should review its revisions of the professionally certified application audit goals for the agency to ensure that it fully takes into account the potential risks to public safety from the rate and types of non-compliance that have been observed in its audits. This review should include the completion of its risk paradigm so as to enable DOB to identify the specific characteristics of its representative samples.

In their response, DOB officials agreed with two of the audit's three recommendations, stating that they have already taken action to begin implementing them, and partially agreed with the remaining recommendation.

Audit Follow-up

DOB reported that it is in the process of implementing the two recommendations that DOB agreed with and will partially implement the remaining recommendation.

BUSINESS INTEGRITY COMMISSION

Audit Report of the Business Integrity Commission's Billing and Collection of Licensing and Registration Fees

Audit # FK16-090A

Comptroller's Audit Library #8446

Issued: June 28, 2016

Monetary Effect: None

Introduction

This audit determined whether BIC collected appropriate license and registration fees, and properly safeguarded license and registration fees in accordance with the New York City Administrative Code and the Rules of the City of New York. .

The Business Integrity Commission (BIC) is the law enforcement and regulatory agency that oversees the private sanitation (trade waste) industry and public wholesale markets in New York City. BIC's mission is to eliminate organized crime and other forms of corruption and criminality from these industries so that businesses can operate in a fair, competitive, and open environment.

BIC is responsible for investigating applicants who seek to conduct business in the trade waste industry and public wholesale markets, and issuing them licenses or registrations to operate which must be renewed every two to three years. Application fees range from \$1,000 to \$7,500, and may be paid by check, money order, or credit card. BIC uses the NIMBUS system (NIMBUS) to track license and registration applications and account for associated fees.

Results

The audit found that BIC generally charged and collected appropriate application fees for trade waste and public wholesale market licenses and registrations. However, the audit found that BIC did not adequately safeguard application fees that it received because it did not deposit cash receipts in a timely manner, failed to properly secure cash receipts while they were awaiting deposit, and did not separate the duties for receiving cash receipts and accounting for them in NIMBUS. Consequently, application fees were susceptible to misappropriation or loss.

To address these issues, the audit made nine recommendations, including that BIC should:

- Electronically scan and deposit all funds received in the bank on at least a daily basis.
- Place restrictive endorsements on incoming checks and money orders as soon as they are received.
- Secure checks and money orders awaiting deposit in a locked safe which has a combination that is changed periodically and known to few individuals.
- Separate the responsibilities for collecting license and registration application fees and accounting for them in NIMBUS.

In its response, BIC generally agreed with the report's findings and stated that it "recognizes the importance of internal controls and considers our response to the audit recommendations to reflect that principle by noting achievable improvements to be implemented, while keeping within the means of the agency and maintaining effectiveness and efficiency." Further, BIC stated that "[s]taffing constraints of the Licensing and Budget & Finance Units, as well as the limited size of the agency as a whole, is a key factor in our determination of achievable improvements in response to the audit recommendations."

Of the report's nine recommendations, the BIC agreed to implement or take some steps to address seven recommendations, and disagreed with two recommendations.

Audit Follow-up

With regard to the two recommendations that BIC disagreed with, BIC reported that it "again requested written clarification from DOF and Wells Fargo regarding manual endorsements. DOF has not provided any official clarification yet has responded that, as per Wells Fargo, a manual endorsement may interfere with the electronic endorsement and affect the clearing of the check. . . . BIC is currently testing depositing checks with both the manual endorsement and electronic endorsement. . . . and if it appears the checks are clearing with both endorsements, BIC will then resume manual endorsements."

BIC continues to state that, due to staffing constraints, it cannot issue pre-numbered receipts to payers in numerical sequence, account for all receipts, and compare them to cash receipts reports on a daily basis. However, BIC reported that it is "moving toward on-line electronic application and payment submissions thus ultimately ending the collection of checks and money orders at BIC."

CHARTER SCHOOLS

Audit Report on the Oversight of the Financial Operations of South Bronx Charter School for the International Cultures and the Arts

Audit # FM15-091A

Comptroller's Audit Library #8409

Issued: February 29, 2016

Monetary Effect: Potential Savings: \$180,780

Introduction

This audit examined whether the South Bronx Charter School for International Cultures and the Arts (the School) exercised adequate oversight over its fiscal affairs; whether the School's system of controls ensured that funds were appropriately expended, authorized, valid, and reasonable; whether transactions were accurately recorded and reported; and if potential conflicts of interest and related party transactions were adequately disclosed and approved. The audit covered funds and expenditures during the audit scope period of Fiscal Years (FY) 2013 and 2014.

The School is a dual-language school that offers classes in English and Spanish for students in kindergarten through 5th grade. During school year 2012-2013 (also referred to as FY 2013), the School enrolled an average of 390 students. At that time, the School shared space with traditional public schools operated directly by the New York City (the City) Department of Education (DOE) at two locations, 383 East 139th Street and 577 East 139th Street in the Bronx. In the 2013-14 school year (also referred to as FY 2014), the School enrolled an average of 385 students in kindergarten through 5th grade, and operated in the same two locations as in the prior year.

According to the School's certified financial statements for FY 2013 and FY 2014, the School reported total revenue in the amounts of \$5,762,130 and \$5,673,722, respectively. The majority of the revenue (\$5,237,829 in FY 2013 and \$5,212,061 in FY 2014) was provided by the DOE. The School also received funds from State, local, and federal grants and other contributions totaling \$524,301 in FY 2013 and \$461,661 in FY 2014. The School reported expenses in the amount of \$4,842,687 and \$4,203,589 for FY 2013 and FY 2014, respectively. In FY 2013, program expenses totaled \$3,804,619 and management and general expenses totaled \$1,038,068. Similarly, in FY 2014, program expenses totaled \$3,396,915 and management and general expenses totaled \$806,674.

Results

The audit found that although the School has generally reported its revenue and expenses accurately and has correctly reported student enrollment to DOE, it did not consistently follow its established internal control procedures to ensure the proper oversight of all its financial activities. Consequently, the School failed to maintain adequate internal controls over certain areas of its financial operations and specifically failed to properly segregate financial responsibilities, appropriately authorize financial transactions, properly document certain expenditures, and maintain an adequate inventory of assets.

As a result of these deficiencies, the audit found that, out of the sample of \$876,016 in operating expenditures we reviewed, \$104,915 were inadequately documented. An additional \$31,151 were not properly authorized, together comprising 15 percent of our sample. The audit also found that the School could not provide documentation to account for \$16,000 in MetroCards that were recorded as having been purchased for distribution to parents. In addition, the audit found that the School's principal may have been overpaid \$23,340 for her work related to an after-school program. Further, the School incurred \$5,374 in interest and penalties related to IRS payroll

withholding tax filings. Finally, the audit found that the School employed a greater number of uncertified teachers than permitted under its charter agreement.

To address these issues, the report made nine recommendations, including that the School:

- Update its written policies and procedures and ensure that the internal control weaknesses identified in this report are addressed.
- Ensure that all expenditures are documented and invoices are properly approved prior to payment.
- Refer the principal's after school payments to the School's Board of Trustees for review and recoupment of any overpayments, if necessary.
- Continue efforts to assist teachers to obtain certifications so that the School complies with its renewal agreement with DOE.

School officials generally agreed with the report's recommendations. In their response, they stated, "The Reports [*sic*] recommendations for improved internal controls and accounting procedures has [*sic*] merit." Further, they reported that the Board recognized the need for improved controls in 2013 and began to revise its Accounting and Finance Manual, which is currently under review by the finance committee and should be approved by the end of the fiscal year. However, School officials did not specifically address the report's findings, except stating that the Board was aware of and previously approved the Principal's after school earnings.

Audit Follow-up

South Bronx Charter School officials reported that all of the audit recommendations have either been implemented or are in the process of being implemented. The School has developed a new SOPM – Standard Operating Procedures Manual, which has been finalized and adopted on September 22, 2016.

CHARTER SCHOOLS

Audit Report on the Oversight of the Financial Operations of the Merrick Academy Queens Public Charter School

Audit # MH15-093A
 Comptroller's Audit Library #8434
 Issued: June 22, 2016
 Monetary Effect: None

Introduction

This audit determined whether Merrick Academy Queens Public Charter School (Merrick) exercised adequate oversight over its fiscal affairs; maintained a system of internal controls sufficient to ensure that funds were appropriately expended, authorized, valid and reasonable; accurately recorded and reported transactions, and adequately approved and disclosed in its financial statements potential conflicts of interest and related party transactions.

Merrick is a State University of New York (SUNY)-authorized charter school located at 136-25 218th Street in the Springfield Gardens section of Queens. Merrick was granted its first provisional charter by SUNY's Charter Schools Institute (the SUNY Institute), which acts on behalf of the Board of Trustees of SUNY (SUNY Trustees)—its authorizer—and was operating under its third charter renewal (July 11, 2011) during the audit's scope period and served students in grades K-6. Its charter was renewed again on February 3, 2015, for another five-year term to serve grades K-5.

During Fiscal Years (FYs) 2013 (July 1, 2012, through June 30, 2013) and 2014 (July 1, 2013, through June 30, 2014), Merrick had a management service agreement (the Management Services Agreement) with Victory Schools, Inc. (Victory), to manage the school's operations. Pursuant to this agreement, Victory had broad responsibility for the management and operation of the school. In exchange, Merrick agreed to pay Victory \$2,739 per enrolled student, which amounted to approximately \$2.6 million over two years. During school year 2012–2013, Merrick enrolled 499 students and reported revenue of \$7,080,658, while during school year 2013–2014, Merrick enrolled 500 students and reported revenue of \$7,139,811. Most of this revenue—\$6,704,641 in FY 2013 and \$6,878,345 in FY 2014—represents per-pupil payments received from the New York City Department of Education (DOE). The remainder came from federal, State, and local grants and other private sources.

Results

The audit found that Merrick failed to adequately oversee its fiscal affairs during the period under review. Although the school had established policies and procedures designed to facilitate fiscal management and oversight, the audit found that Merrick failed to consistently follow them. Specifically, Merrick modified its Management Services Agreement with Victory without memorializing the modifications in writing, as required by the contract. As a result, there was inadequate documentation to establish that payments of \$1.2 million to Victory in FYs 2013 and 2014 were necessary, appropriate, valid and reasonable. Merrick also failed to consistently use contracts or purchase orders as required by the school's operating procedures, and did not consistently ensure that payments made to vendors were adequately supported and properly authorized, or that invoices were paid in a timely manner.

The audit also found that Merrick lacked sufficient evidence that major decisions were adequately reviewed and voted on by the Board. Additionally, Merrick did not maintain a current inventory of fixed assets, nor did it have evidence that a periodic physical inventory count of such assets was

performed, as required by its written operating procedures at the end of FYs 2013 and 2014. Merrick also failed to consistently ensure that New York State Education Law requirements for employees' criminal background checks were followed.

To address these issues, the audit made seventeen recommendations to Merrick, including the following:

- Merrick should ensure that any modifications to its Management Services Agreement are documented in a formal writing.
- Merrick should ensure that it obtains approval for changes to its Management Services Agreement from the SUNY Institute.
- Merrick should ensure that a contract, purchase order or work order has been approved in connection with the procurement of all goods and services.
- Merrick should retain adequate documentation to support purchases and payments made to its vendors.
- Merrick should ensure that the appropriate authorizers approve all purchases and payments.
- Merrick should ensure that it pays its vendors in a timely manner.
- Merrick should ensure that the Board of Trustees reviews and considers all significant matters relating to the financial and operational practices of the school, and that the Board's minutes adequately record the applicable discussions.
- Merrick should ensure that the Board of Trustees votes on all significant matters pertaining to the financial and operational practices of the school and that the Board's minutes adequately record those votes.
- Merrick should ensure that it obtains required criminal background clearances for employees before allowing them to work at the school and that all evidence of criminal background inquiries and clearances are maintained in employees' personnel files.

Merrick agreed with the audit's 17 recommendations. However, Merrick expressed concerns about the accuracy of some of the findings. Merrick's concerns are based largely on its claims that 1) its inadequately documented actions were justified because they resulted in positive outcomes; and 2) a lack of documentation does not mean a lack of appropriate actions. However, the audit concludes there is no basis for many of the asserted positive outcomes and appropriate actions. Furthermore, as a publically funded institution, Merrick is required to maintain adequate documentation of expenditures and operations to ensure transparency and accountability.

Audit Follow-up

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

CHARTER SCHOOLS

Audit Report on the Oversight of the Financial Operations of the Bedford Stuyvesant New Beginnings Charter School

Audit # MJ15-094A
 Comptroller's Audit Library #8433
 Issued: June 22, 2016
 Monetary Effect: None

Introduction

This audit determined whether the Bedford Stuyvesant New Beginnings Charter School (BSNBCS) exercised adequate oversight over its fiscal affairs; whether it maintained a system of internal controls sufficient to ensure that funds were appropriately expended, authorized, valid, and reasonable; whether transactions were accurately recorded and reported; and if potential conflicts of interest and related party transactions were adequately disclosed and approved.

BSNBCS is overseen by a Board of Trustees (the Board), which is made up of eight unpaid volunteers. During the 2012–2013 school year (September through June), BSNBCS had an enrollment of 328 students in grades K-5. For the 2013-2014 school year, BSNBCS had an enrollment of 436 students in grades K-6, having added an additional grade that year. According to BSNBCS's certified financial statements, the school had total revenues of \$5.71 million in Fiscal Year (FY) 2013, which included \$4.77 million (84 percent) in pupil revenue. However, BSNBCS's total expenses for that same year were \$5.76 million, which resulted in the school ending the year with a net deficit of \$588,368. In FY 2014, BSNBCS had total revenues of \$7.16 million, which included \$6.59 million (92 percent) in pupil revenue, and total expenses of \$6.74 million, ending the fiscal year with a net surplus of \$418,343. The increase in pupil revenue in FY 2014 over FY 2013 was due to the increase in enrollment with the addition of grade 6 in FY 2014.

Prior to the approval of its Charter by its authorizer, the New York City Department of Education (DOE), in 2009 BSNBCS entered into a consulting agreement with Antares Venture Solutions, LLC (Antares, LLC), which required Antares, LLC's president and chief operating officer to serve as BSNBCS's Executive Director, responsible for overseeing the major operations of the school. He served in that position from the school's opening in September 2010 through June 30, 2014. A new Executive Director was hired by BSNBCS as of July 7, 2014, who was an employee of the school. In that capacity, the new Executive Director was responsible for overseeing the major operations of the school under the direction of the BSNBCS Board.

Results

The audit found that, following a period where BSNBCS's financial records showed a significant operating deficit, the Board's active oversight of the school's financial operations led to improvement during the scope period. However, the audit also found that the Board did not act prudently in certain fiscal matters, that the school's controls over its financial operations were not consistently followed, and that certain expenditures were made in violation of applicable rules and procedures. These weaknesses increased the risk of imprudent expenditures of school funds.

In reviewing a sample of 192 expenditures for FYs 2013 and 2014, the audit found that BSNBCS had adequate documentary support for 184 of the expenditures (96 percent) and that these expenditures appeared to be for valid business purposes. However, the audit also disclosed a number of instances where the school failed to comply with its own procedures as well as its Charter agreement and bylaws, including that:

- BSNBCS lacked contracts, detailed scope of services, detailed invoices, project plans, and evidence of the landlord's approval to sufficiently support \$1.66 million in reported construction costs for work reportedly performed between FY 2011 and FY 2014.
- BSNBCS did not have adequate controls over cash receipts from its school lunch, afterschool and fundraising programs, amounting to at least \$97,000 during FYs 2013 and 2014, to provide assurance that all cash was properly accounted for.
- BSNBCS did not consistently maintain a balance of \$70,000 in its escrow account in FY 2013.
- Some of the BSNBCS Board members did not submit the required Financial Disclosure Reports by the deadline August 1st for FYs 2013 and 2014.

A number of the deficiencies disclosed by the audit occurred during the period of time that the school was managed by the former Executive Director. In response to some of the audit findings, the current Executive Director has identified steps that have been taken to address some of these deficiencies. Nevertheless, the audit findings reveal that further improvements are still necessary.

To address these issues, the audit makes 19 recommendations, including the following:

- The BSNBCS Board should ensure that all contracts, especially those for building construction and alterations, are in writing and signed and dated by the Head of School. Further, all such contracts should be approved by the Board and evidence of such approval should be maintained.
- BSNBCS should ensure that when it plans to undertake any alterations of its leased premises, that it submits to the landlord: (a) a statement of the work proposed to be done; (b) an estimate of the cost thereof; and (c) detailed plans and specifications. Also, it should ensure that it obtains the landlord's written consent prior to undertaking any changes other than normal or routine repairs and maintenance.
- BSNBCS should ensure that it implements adequate cash controls, segregates the duties for handling, and properly accounts for cash payments collected from parent for afterschool programs, fundraising, and other school-related activities.
- BSNBCS should ensure that it continues to maintain the minimum required balance of no less than \$70,000 in its escrow account in accordance with its charter agreement.

BSNBCS officials generally agreed with 14 of the audit's 19 recommendations. In response to four of these recommendations, BSNBCS officials stated that the school agreed with and had adopted them as its practice; in response to 10 of the recommendations, BSNBCS officials stated the school agreed with them but contended that most were not necessary because of prior changes in the school's practices or other factors, which they maintained were not adequately considered by the auditors. BSNBCS officials disagreed with the remaining five recommendations pertaining to ensuring that payments for goods and services are adequately supported and the maintenance of student files.

Audit Follow-up

BSNBC reported that four recommendations have been implemented and that it is in compliance with 10 recommendations. BSNBC stated that it continues to disagree with the remaining five recommendations.

ADMINISTRATION FOR CHILDREN'S SERVICES

Audit Report on YMS Management Associates, Inc.'s Compliance with Its Contract with the New York City Administration for Children's Services

Audit # FP16-057A

Comptroller's Audit Library #8448

Issued: June 29, 2016

Monetary Effect: None

Introduction

This audit examined whether YMS Management Associates, Inc. (YMS) is meeting the requirements of its contract with the New York City Administration for Children's Services (ACS), and whether ACS is effectively monitoring YMS' compliance. The audit covered funds and expenditures during the audit scope period of Fiscal Year (FY) 2015.

ACS provides subsidized child care to eligible families by issuing day care vouchers that enable them to choose day care services from qualified service providers (Service Providers). To carry out its responsibilities under the day care voucher program, in 2007 ACS entered into a contract with YMS to disburse payments to Service Providers on a monthly basis and to carry out other fiduciary tasks necessary as the City's payment agent.

ACS' contract with YMS was for the period of May 1, 2007, to April 30, 2010, and totaled \$1,206,575,382; \$1,203,586,000 in program funds to be disbursed to Service Providers and \$2,989,382 in administrative funds as a fee for YMS (the Contract). The Contract also included a three-year renewal option that was exercised, which would extend it through April 30, 2013. In November 2012, ACS extended the Contract for one year through April 2014 in order to ensure the continuity of services. Using the negotiated acquisition method of procurement, ACS extended the Contract two more times through April 2016. In connection with these procurements, ACS stated that it needed to enter into negotiated acquisitions to ensure continuity of services while it reviewed the child care voucher payment program and that it anticipated issuing a request for proposals (RFP) for a new contract with a service start date on or about May 1, 2016. Since 2013, the Contract has been modified three times to increase the amount of funds to be disbursed to the Service Providers. Total program funds and administrative funds were increased to \$3,991,238,297 and \$9,492,998, respectively. During the last year of the Contract (May 1, 2015 to April 30, 2016) YMS received \$451,704,542 in program funds and \$973,056 in administrative fees.

Results

The audit found that YMS generally complied with Contract requirements, including that YMS properly processed voucher payments in accordance with ACS' instructions, provided the required number of clerical staff to ACS, installed and maintained a direct deposit system, properly paid ACS interest on programmatic funds, and maintained the required levels of insurance.

However, the audit also found that YMS failed to validate Service Provider Tax Identification Numbers (TIN). As a result, during Calendar Years 2014 and 2015, a total of \$9.4 million in compensation was paid to Service Providers and reported to the Internal Revenue Service (IRS) without proper TINs. Further, the audit found that YMS did not implement and maintain a debit card system as required in the contract. Nonetheless, YMS continued to receive the full contract fees, which incorporated the costs associated with the debit card system, even though it never had to pay for it.

The audit also found that ACS did not exercise adequate oversight over YMS to ensure that it complied with the terms of the Contract, including the requirement for TIN validation, and the implementation and maintenance of the debit card system. Finally, the audit found that ACS did not ensure the funds maintained by YMS were insured over the \$250,000 Federal Insurance Deposit Corporation limit.

To address these issues, the report made 12 recommendations, 6 to ACS and 6 to YMS, including the following:

YMS should:

- Review the 112 Service Providers cited in the report and obtain valid TINs. If a valid TIN cannot be obtained, withhold payment in accordance with IRS regulations until one is provided.
- Repay ACS the implementation and maintenance costs of the debit card system required under the old Contract.
- Validate TINs in accordance with the methodology outlined in the new contract.
- Implement the debit card system in accordance with the new contract requirement.

ACS should:

- Review the payment records associated with the 135 providers who were previously paid without valid TINs, determine if any payments were erroneously made and recoup payments that were.
- Continue to conduct a full review of Service Provider TINs. If valid TINs cannot be obtained, ensure that YMS withholds payment in accordance with IRS regulations from the Service Provider until one is provided.
- Immediately enforce and continuously monitor compliance of all terms on the new contract.

YMS officials disagreed with the report's findings and did not address the report's recommendations. In their response, YMS officials stated that "[i]t is YMS' position that it complied with all areas of the audited Contract and that the findings in the Audit related to technical issues with the knowledge or consent of ACS and that should in no way reflect upon YMS's abilities, integrity or satisfaction of its obligations under the Contract." YMS also stated that it and ACS were unaware that their TIN validation process was not meeting requirements until 2013, and YMS has met with ACS repeatedly to address the issue thereafter. However, YMS was unable to resolve the problem alone because it did not have access to confidential government databases or an accurate TIN matching database. In addition, YMS stated that it was ACS' decision not to implement a debit card system.

In their response, ACS officials agreed with four of the six recommendations, but disagreed with the report's findings. ACS officials stated that "[t]he difficulties in TIN validation stemmed from factors beyond YMS' control—specifically that the U.S. Internal Revenue Service would not allow vendors access to confidential, comprehensive government databases like the IRS eService TIN-Matching database." In addition, ACS officials stated that it was their decision not to implement the debit card system and that it "has been diligent in its oversight of the YMS contract. . . ." ACS did not agree to recoup the implementation and maintenance costs of the debit card system from YMS and did not address the recommendation that it review the payment records associated with the 135 providers who were previously paid without valid TINs.

Audit Follow-up

YMS reported that five recommendations have either been implemented or are in the process of being implemented, but did not address the recommendation to repay ACS the implementation and maintenance costs of a debit card system required under the old contract. Instead, YMS stated that "it is working with ACS and its bank to implement a debit card system".

ACS reported that five recommendations have either been implemented or are in the process of being implemented and the remaining recommendation for YMS to repay ACS maintenance costs for a debit card system was also not addressed by ACS.

ADMINISTRATION FOR CHILDREN'S SERVICES

Audit Report on the Oversight of the Close to Home Program Non-Secure Placement by the New York City Administration for Children's Services

Audit # MD15-056A

Comptroller's Audit Library #8424

Issued: June 2, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City Administration for Children's Services (ACS) had adequate controls in place to monitor the Close to Home Non-Secure Placement (NSP) Program. ACS is responsible for protecting the safety and promoting the well-being of New York City's children and strengthening families by providing child welfare, juvenile justice, child care, and early education services. In 2010, ACS took over many of the responsibilities of the New York City Department of Juvenile Justice, including services for children and families involved in New York City's juvenile justice system. Through its Division of Youth and Family Justice (DYFJ), ACS manages, funds and oversees various services for youth including detention and placement, intensive community-based alternatives and support for families.

Close to Home legislation, passed in March 2012, allows youth found by the New York City (City) Family Court to have committed a delinquent act (an act that if performed by an adult would be considered a criminal act) to be ordered into ACS' custody and placed in a residential placement program close to their families and communities. ACS oversees two types of residential placement services for these adjudicated youths: NSP and Limited-Secure Placement (LSP). Youth who are considered lower risk are generally placed in the NSP program, the least restrictive setting, while higher risk youth are typically placed in the LSP program, where the facilities have more security features to ensure the safety of both the residents and the communities.

ACS contracts with non-profit providers to operate NSP group homes in or immediately adjacent to the five boroughs. Each residence is supposed to be designed to look and feel like a home environment. Youth in the NSP program receive individualized educational services through the New York City Department of Education. Youth also receive medical, mental health and substance abuse services as needed, and participate in recreational, cultural and group activities within and outside of the group home. As of July 1, 2014, nine Close to Home NSP providers were contracted with ACS to provide a total of 32 NSP sites.

During Fiscal Years 2014 and 2015, 334 and 226 delinquent youths, respectively, were transferred into the Close to Home program and placed in an NSP residence. The total cost paid to NSP vendors in Fiscal Years 2014 and 2015 was \$52.3 million and \$42.6 million, respectively, which comes to approximately \$169,480 per youth.

Results

The audit found that ACS has inadequate controls in place to effectively monitor the Close to Home NSP Program. There were weaknesses in ACS' monitoring of services provided to the youth while in residential placement and in the performance of the Close to Home NSP providers overall. The deficiencies identified in the report have diminished the effectiveness of ACS' efforts to ensure that the non-profit providers are delivering the required services to youth in Close to Home residential placement.

With regard to monitoring the cases of youths in the program, the audit found limited evidence that ACS verifies that services reportedly provided by the contracted non-profit providers to the

youth in ACS' care were actually provided. Nor could we find evidence that all required contacts with the youth and their parents or legal guardians took place. In addition, there was inadequate evidence that ACS Placement and Permanency Specialist (PPS) staff discussed all reported incidents, such as AWOLs, assaults, and altercations, with the youths involved, and verified that the Close to Home NSP providers documented their efforts to debrief youths involved in incidents.

With regard to monitoring the performance of NSP non-profit providers, the audit found inadequate evidence that ACS performed all required site visits, which include periodic unannounced visits as mandated by the City's Procurement Policy Board Rules. For those site visits that did take place, the audit found that ACS did not adequately assess the NSP sites' operations nor did it adequately track the Close to Home NSP providers' implementation of corrective actions to address the deficiencies that ACS identified. In addition, the audit found that ACS does not take the necessary steps to adequately assess Close to Home NSP providers' performance, and lacked adequate documentation to support the performance evaluations it recorded in the City's Vendor Information Exchange System (VENDEX).

Because the audit found that ACS does not effectively assess the non-profit providers' compliance with their contracts, ACS has limited assurance that youths in residential placement receive the services for which the City is paying. Thus, ACS has not provided adequate assurance that City funds are being properly spent. Further, without adequate oversight and assurance that required services are being provided, there is an increased risk that youths will not be rehabilitated, which could result in them committing future criminal acts when released from the program.

The audit made 14 recommendations, including:

- ACS should ensure that the ACS PPS periodically independently verify that required services are being provided to their assigned youth.
- ACS should develop a mechanism whereby supervisors can more readily track the performance of ACS PPS staff to ensure that the staff: 1) conduct the required monthly youth contact/visits to assess the services being provided; and 2) discuss incidents with the youths involved and confirm that the CTH NSP providers are also appropriately discussing the incidents with the youth.
- ACS should develop a tool whereby supervisors can more readily track monitoring visits to ensure that the monitors perform the required number of monitoring visits each year, including unannounced visits.
- ACS should ensure that the site visits include a more comprehensive review that assesses providers' operations and that follow-up is conducted for any deficiencies identified.
- ACS should ensure that the corrective actions of CTH NSP providers on Heightened Monitoring Status and Corrective Action Status are adequately tracked to ensure timely compliance.
- ACS should establish a means of formally assessing and evaluating CTH NSP provider performance and contract compliance.
- ACS should maintain adequate documentation to support its annual VENDEX Contractor Performance Evaluations of CTH NSP providers.

In its response, ACS generally agreed with the audit's findings and recommendations.

Audit Follow-up

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

ADMINISTRATION FOR CHILDREN'S SERVICES

Audit Report on the Administration for Children's Services' Controls Over Its Investigation of Child Abuse and Neglect Allegations

Audit # MG15-061A

Comptroller's Audit Library #8429

Issued: June 15, 2016

Monetary Effect: None

Introduction

This audit determined whether the Administration for Children's Services (ACS) has adequate controls over its process for investigating allegations of child abuse and neglect.

ACS was created in 1996 to ensure the safety and well-being of children in New York City (City). ACS' Division of Child Protection (DCP) is responsible for protecting children who are abused or neglected and for ensuring that they and their families are provided services specifically tailored to their needs. DCP's Child Protective Services Borough Offices (borough offices) are responsible for investigating reports of alleged child abuse and neglect. The borough offices investigate an average of roughly 60,000 reports of alleged child abuse and neglect each year.

An investigative team consisting of a Child Protective Manager (manager), a Child Protective Specialist Supervisor (supervisor), and a Child Protective Specialist (case worker) conducts the investigation. Deputy Directors of each borough office are responsible for overseeing investigations, and for ensuring that managers perform their required reviews. The investigative team must conduct a thorough assessment of the safety risk level of every child in a household. All of the details of each investigation must be documented by the case worker and supervisor in a timely manner within progress notes. Supervisors are supposed to regularly review the case workers' progress notes and make comments and suggestions in the notes as needed. At the conclusion of the investigation, if no credible evidence exists, the report is deemed "unfounded." If the investigation reveals that "some credible evidence" of child abuse and neglect exists, the report is deemed "indicated."

Results

The audit found that ACS lacked sufficient controls over its process for investigating allegations of child abuse and neglect. Although ACS has established formal guidelines that govern the process, it has not developed sufficient controls to ensure that those guidelines are followed. The audit found limited evidence that supervisors and managers performed required case reviews on a consistent basis. This is due in large part to management's failure to develop an effective mechanism to gauge compliance with investigatory guidelines. The audit also questioned whether ACS has devoted sufficient resources to support its investigatory function. These weaknesses hinder ACS' ability to ensure that investigatory steps are conducted in a timely manner.

Moreover, when ACS staff fail to consistently follow guidelines and directives, it weakens any controls that may be established and increases the risk that investigatory results may be flawed. Consistent with this concern, the audit's review of 25 sampled cases revealed multiple areas within each case where staff did not adhere to ACS guidelines, and these issues were not detected during the course of the investigation.

At the exit conference for this audit, ACS officials stated that some of the investigatory procedures they previously supplied during the course of the audit were provided in error because they were outdated and no longer applicable. Consequently, the officials contended that a number of the

findings in this report pertaining to inadequate controls are not significant or no longer valid. However, the newly provided information does not support their current assertions. It appears that rather than seeking to strengthen its policies and procedures and to better help the vulnerable children in its charge, ACS has attempted to discredit the audit findings with irrelevant and possibly outdated procedures. This action raises significant concerns about the ability of ACS management to correct the weaknesses identified in this report.

The audit made the following recommendations:

- ACS should formulate an efficient internal control system, including uniform policies and procedures that are distributed to its staff in a timely manner.
- ACS should ensure that managers and supervisors perform timely reviews during all stages of the investigation, as well as ensure that case workers perform all key steps of an investigation.
- ACS should develop a system that allows the recording of managerial reviews in a manner that can be clearly documented in terms of when they were performed.
- ACS should ensure that Deputy Directors properly track managerial random reviews so that they can be certain that all random reviews were performed and in the required time period.
- ACS should conduct a study to determine the adequacy of its current case load requirement to determine if it is appropriately staffed to perform thorough investigations. Depending on the study's findings, ACS should use this study as justification for seeking additional funding from the City's Office of Management and Budget to hire additional case workers.
- ACS should ensure that its staff complies with all aspects of an investigation, including following supervisory directives, complying with guidelines and maintaining notebooks during the course of an investigation.
- ACS should ensure that caseworkers update progress notes in a timely manner and that this aspect is carefully monitored by the supervisors.

In their response, ACS officials agreed with six of the seven audit recommendations, stating that they have already taken action to begin implementing them. In addition, they stated they will take the remaining recommendation under consideration.

Audit Follow-up

ACS reported that it is in the process of implementing the recommendations that it agreed with.

DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES

Audit Report on the Department of Citywide Administrative Services' Energy Conservation Efforts

Audit #7E14-120A

Comptroller's Audit Library #8390

Issued: July 7, 2015

Monetary Effect: None

Introduction

This audit was conducted to determine whether the Department of Citywide Administrative Services' (DCAS) Energy Management (DEM) ensured that energy conservation goals for City buildings were being implemented.

DCAS-DEM is responsible for managing energy accounts and energy efficiency initiatives for City government operations. Its responsibilities include overseeing the City's goal of reducing municipal greenhouse gas (GHG) emissions for City buildings, including compliance with the Greener, Greater Buildings Plan legislation.

DCAS-DEM benchmarks electricity, natural gas, and steam usage for all City buildings subject to Local Law 84, and records this information in the EPA's Portfolio Manager, except for those buildings managed by the Department of Education (DOE). DCAS-DEM is also responsible for overseeing the preparation of City buildings' energy efficiency reports. It is responsible for submitting the required compliance schedule to the Department of Buildings (DOB), coordinating the implementation of retro-commissioning measures, and managing the design and construction of capital improvements. DCAS-DEM annually reports on its energy use performance in the Mayor's Management Report.

In 2007, the Mayor's Office of Long-Term Planning and Sustainability (currently named the Mayor's Office of Sustainability) prepared "PlaNYC: A Greener, Greater New York," which set forth goals and standards for the City and its residents for conserving energy, reducing GHG emissions, reducing climate change, responding to its consequences, and fostering economic growth. PlaNYC was updated in 2011 and contained specific initiatives and recommendations that City agencies were to undertake, including the construction of buildings in compliance with "green" environmental standards and the determination of actual consumption of electricity, natural gas, steam and fuel oil in City buildings.

PlaNYC proposed that by 2017 the City reduce municipal GHG emissions by 30 percent below the Fiscal Year 2006 level of 3.79 million metric tons. PlaNYC contained specific initiatives and recommendations that City agencies were to undertake, including the construction of buildings in compliance with "green" environmental standards, and the determination of actual consumption of electricity, natural gas, steam and fuel oil in City buildings.

Two specific pieces of legislation were the major focus of this audit: Local Law 84 (which requires "benchmarking" energy and water use annually); and Local Law 87 (requiring energy audits and retro-commissioning of building systems). These local laws apply to all buildings located within New York City, whether privately or publically owned, with some exceptions. This audit is concerned only with buildings owned and managed by the City (City buildings).

Results

The audit found that DCAS-DEM has not consistently ensured that energy efficiency goals and measures are being implemented in City buildings. In particular, DCAS-DEM lacks in-house goals for the reduction of GHG emissions and does not track the progress it has made to reduce these

emissions for City buildings. Moreover, the audit found DCAS' reporting in the Mayor's Management Report to be inconsistent and of questionable utility.

Additionally, the audit found the following problems in DCAS-DEM's management of energy efficiency efforts and compliance with Local Laws 84 and 87:

- Benchmarking of City buildings was incomplete;
- Data was improperly reported;
- Data was not adequately verified;
- DCAS-DEM's compliance schedule was incomplete; and
- There were no official procedures for prioritizing buildings for energy efficiency projects.

The audit attributed many of these deficiencies to significant weaknesses in DCAS-DEM's internal controls. These include a lack of written policies and procedures and an absence of supporting documentation. As a result, DCAS-DEM's ability to oversee the City's goal of reducing municipal GHG emissions for City buildings, including compliance with the local laws, has been severely hampered.

This report recommends that makes 10 recommendations, including that DCAS-DEM should:

- Establish in-house GHG emission reduction goals (annual, long-term, etc.) in consultation with the Mayor's Office of Sustainability to determine the extent to which its actions contribute to the overall City goal of reducing GHG emissions and to help ensure that the City meets its goal of reducing GHG emissions by 30 percent between 2006 and 2017;
- Establish and document a process for determining the in-house GHG emission reductions its efforts have thus far resulted in, and continue to monitor and track its progress towards achieving its goals in accordance with this process;
- Establish formal written policies and procedures, including detailed definitions, that explain how the indicators presented in the Mayor's Management Report are computed. These policies and procedures should also establish a timeframe for the retention of documentation associated with these computations;
- Comply with Local Law 84 by ensuring it includes all the required buildings in its benchmarking. To determine which buildings must be included, DCAS-DEM should establish procedures to ensure that it has and maintains an accurate inventory of such buildings;
- Establish written procedures and a methodology for benchmarking buildings associated with campuses (e.g., multiple buildings with shared energy meters) and ensure that data is accurately measured and recorded;
- Establish written procedures to address extreme fluctuations in City buildings' energy consumption, including assigning specific numeric parameters (i.e., tolerances) to define an extreme fluctuation in energy usage or GHG emissions. In addition, maintain sufficient documentation to show the results of investigations into fluctuations;

Audit Follow-up

DCAS reported that seven recommendations have been implemented and continue to disagree with and will not implement the remaining three recommendations concerning establishing in-house GHG emission reduction goals for 2006-2017, determining the in-house GHG emissions reductions, and verifying the accuracy of the data that DOE reports.

MANHATTAN COMMUNITY BOARDS

Audit Report on the Office Equipment Inventory Practices at the 12 Manhattan Community Boards

Audit # SR15-117A

Comptroller's Audit Library #8417

Issued: April 28, 2016

Monetary Effect: None

Introduction

This audit determined whether the twelve Manhattan Community Boards comply with certain inventory procedures applicable to office equipment that are set forth in the Department of Investigation's (DOI) *Standards for Inventory Control and Management*. The audit also determined whether the twelve Community Boards maintained effective internal controls over equipment as required by Comptroller's Directive # 1.

New York City is divided into 59 administrative districts, each served by a Community Board, which is a local representative body authorized by the New York City Charter to advocate for the residents and needs of its district. Community Boards have various responsibilities, including assessing neighborhoods' needs, addressing community concerns, and vetting land use and zoning proposals. Manhattan has twelve Community Boards that collectively cover the entire borough. Each of the Manhattan Boards has a District Manager and at least one full-time clerical staff person.

Results

The audit found that only three of the twelve Manhattan Community Boards, Boards #1, #2, and #7, were in compliance with DOI's *Standards for Inventory Control and Management* and Comptroller's Directive #1. The other nine Community Boards failed to adhere to these City inventory control standards. The audit found that 33 items identified on the inventory lists of four of the Community Boards (Boards #4, #8, #9, and #11) could not be located during visits to the four Boards. Further, during visits to the Community Boards, auditors identified 51 items at six Community Boards (Boards #4, #8, #9, #10, #11, and #12) that were not listed on the current inventory lists. Finally, the audit found that nine of the Boards maintained incomplete inventory records (exceptions were Boards #1, #2, and #7) and that the items were not always labeled in accordance with DOI standards. Based on the missing items and the inaccuracies in the inventory found during testing, the audit concluded that there is a potential risk of loss, misappropriation or theft.

In addition, the audit found that Community Board #5 had 12 questionable expenses totaling \$1,069.47 that were made using miscellaneous vouchers. These vouchers did not have the proper documentation to indicate the official Board purpose for the expense. Also, the audit found that five Community Boards (Boards #2, #5, #8, #9, and #10) purchased 25 office equipment items using incorrect object codes on 20 payment vouchers.

This audit made a total of 10 recommendations, including that each Community Board should:

- Ensure that all missing inventory items are accurately accounted for.
- Ensure that complete and accurate records of all office equipment are maintained in accordance with DOI's *Standards for Inventory Control and Management* and Comptroller's Directive #1.
- Affix identification tags to all major office equipment items and include a sequential internal control number.

- Charge all office equipment purchases to the correct object code in accordance with Comptroller's Directive #24, Agency Purchasing Procedures and Controls.

In their responses, each of the 12 Boards agreed with almost all of the report's findings and recommendations and described the steps they have taken or will take to implement the report's recommendations.

Audit Follow-up

Manhattan CB #1 was found to be in compliance with the Department of Investigation's Standards for Inventory Control and Management and Comptroller's Directive #1.

Manhattan CB #2 reported that it "will make a more determined effort to use the correct object codes in the future."

Manhattan CB #3 reported that all of the mistakes have been corrected.

Manhattan CB #4 reported that it is already complying with eight recommendations and plans to implement the remaining two recommendations by the end of the calendar year.

Manhattan CB #5 reported that it is implementing the audit recommendations.

Manhattan CB #6 reported that its inventory list has been updated with all item locations.

Manhattan CB #7 reported that the audit found its current practices in compliance and will follow the Comptroller's Directives in the future.

Manhattan CB #8 reported that the audit recommendations have been implemented.

Manhattan CB #9 reported that all of the audit recommendations have been implemented.

Manhattan CB #10 reported that the audit recommendations have been implemented.

Manhattan CB #11 reported that all equipment is tagged, an inventory list is maintained, and all equipment is tracked and maintained in a safe cabinet.

Manhattan CB #12 reported that all equipment has an ID tag and is recorded in the inventory log.

NEW YORK CITY COMPTROLLER'S OFFICE

Cost Allocation Plan Fiscal Year 2015

Report: #SR16-084S

Comptroller's Audit Library # N/A

Issued: December 15, 2015

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 staff time spent providing services to various City agencies during Fiscal Year 2015.

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 New York City Department of Consumer Affairs' Compliance Inspections

Audit # MJ15-105A

Comptroller's Audit Library #8445

Issued: June 28, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City (City) Department of Consumer Affairs (DCA) carried out its annual and biennial inspections in an equitable and timely manner to ensure adequate coverage of business locations throughout the City, in accordance with applicable regulations and the agency's internal protocols. DCA is charged with promoting a fair and vibrant marketplace in the City. It seeks to accomplish this by licensing and regulating nearly 80,000 businesses in 55 different industries and by enforcing the New York City Consumer Protection Law (CPL), along with other consumer protection and business regulations. The CPL prohibits unfair trade practices when dealing in consumer goods or services.

DCA's Division of Enforcement performs on-site inspections of businesses to ensure compliance with the CPL, as well as with City and New York State (State) regulations governing licensing and weights and measures. Businesses may be inspected based on a request from consumers or other DCA units or as part of a "patrol inspection," which occur as part of an inspector's regularly scheduled route.

Certain business types, such as electronics stores, second hand auto dealers and garages, are required to have licenses in order to maintain or operate businesses. DCA is mandated to inspect these businesses at least once every two years to determine whether they comply with various regulatory requirements, including whether refund policies are posted, per unit pricing for items is displayed and cash register receipts for transactions are provided. Further, the City and State weights and measures regulations require commercial scales (weighing and/or measuring devices and accessories) to be inspected and tested for accuracy at least once a year.

To ensure that businesses comply with the Consumer Protection Law (CPL), DCA has established a number of internal inspection thresholds for certain business categories. This audit focused only on business categories that have annual (within 365 days) and biennial (within 730 days) inspection thresholds. Businesses in those categories that have not been inspected within the annual and biennial thresholds are categorized as "high priority." In addition, business establishments that receive a violation for non-compliance with the CPL are also categorized as "high priority" and DCA sets expedited timeframes for them to be re-inspected—nine months for businesses inspected on an annual basis and 18 months for businesses inspected biennially.

Results

The audit found that DCA's protocols for scheduling business locations for inspections helped ensure that DCA's inspections of businesses were fairly distributed throughout each of the City's 59 community districts. The audit also found that DCA's supervisory staff generally completed the required periodic follow-up checks of field inspectors under their supervision.

However, the audit found that DCA did not consistently conduct timely inspections of licensed businesses and of businesses with scales. DCA met its statutorily mandated timeframes to conduct inspections of DCA-licensed businesses only 86 percent of the time and met its mandated timeframes to conduct annual scale inspections only 36 percent of the time. For inspections categorized as high priority because the businesses previously had been cited for

violations, DCA conducted only 25 percent within its internal expedited thresholds. For high priority inspections where business locations were not inspected within its annual and biennial threshold, 75 percent were still outstanding 90 days after the threshold dates had passed.

The audit found that insufficient staffing resources may have contributed to these deficiencies. The audit also found that the agency's tracking methods hinder its ability to ensure the timeliness of inspections. Because DCA has not programmed its database to assign each business a unique identifier, its ability to identify the specific businesses that require inspections is limited.

The degree to which DCA is able to conduct these re-inspections has a direct impact on the risk to consumers from deceptive business practices, such as dishonest advertising, false or misleading representations for price reductions, and sale of expired food. In addition, the degree to which DCA is able to inspect high priority businesses in a timely manner has a direct impact on the risk that certain business owners may commit consumer fraud and such instances go undetected.

The audit made seven recommendations, including:

- DCA should reallocate its resources as needed to ensure that licensed businesses are inspected at least once every two years as mandated by Title 6 §1-16 of the Rules of the City of New York.
- DCA should reallocate its resources as needed to ensure that commercial scale devices are inspected and tested for accuracy at least once a year as mandated by the City and State weights and measures regulations.
- If a reallocation of resources is not feasible or sufficient, DCA should consider seeking additional funding from the City's Office of Management and Budget to enable it to hire additional inspectors to help achieve its mandated inspections.
- DCA should ensure that inspections deemed high priority due to violations on prior inspections are conducted in a timely manner to help ensure that conditions leading to those violations have been adequately addressed.
- DCA should explore options in its database that would permit each business it must inspect to receive a unique identifier that would facilitate tracking.

In its response, DCA generally agreed with the audit's recommendations. However, it disagreed with some of the audit's findings, stating that it "believes the City Comptroller's report misconstrues DCA's enforcement efforts in 2014 and 2015. . . [and] contends that keys aspects of the analysis reflected in this report are inaccurate and mischaracterize DCA's internal control mechanisms."

Audit Follow-up

DCA reported that one recommendation has been implemented and the remaining six recommendations are in the process of being implemented. DCA also stated that it has submitted a request to the Office of Management and Budget for an additional 15 staff persons that are needed to conduct the required inspections.

BOARD OF CORRECTION

Letter Report on the New York City Board of Correction's Compliance with Local Law 36

Audit # SZ16-085AL

Comptroller's Audit Library # 8397

Issued: December 22, 2015

Monetary Effect: None

Introduction

This audit determined whether the New York City Board of Correction's (BOC) compliance with Local Law 36, which governs waste prevention, reuse and recycling by City agencies. The objective of this audit was to determine whether BOC is complying with the local law, which is intended to make City agencies, and ultimately the City as a whole, more sustainable through efforts that promote a clean environment, conserve natural resources and manage waste in a cost-effective manner. In addition, the audit examined efforts BOC made to follow recycling rules established by the New York City Department of Sanitation (DSNY) pursuant to Local Law 36. Our audit of BOC is one in a series we are conducting on the City's compliance with the local law.

In 1989, New York City established Local Law 19, codified as Administrative Code §16-301, *et seq.*, to establish an overarching "policy of the city to promote the recovery of materials from the New York City solid waste stream for the purpose of recycling such materials and returning them to the economy." The law mandates recycling in New York City by residents, agencies, institutions and businesses, and includes a series of rules to guide implementation. Local Law 19 requires the City to establish environmental policies to conserve natural resources and manage waste in a sustainable and cost-effective manner.

In 2010, the City enacted Local Law 36, amending the recycling provisions of Local Law 19 (Administrative Code §16-307) to require each City agency to develop a waste prevention, reuse and recycling plan and submit the plan to DSNY for approval by July 1, 2011. Local Law 36 also requires each agency to designate a lead recycling or sustainability coordinator for the agency and, where the agency occupies more than one building, to designate an assistant coordinator for each building the agency occupies. By July 1, 2012, and in each year thereafter, the lead recycling coordinator for each agency is required to submit a report to the head of its agency and to DSNY "summarizing actions taken to implement the waste prevention, reuse, and recycling plan for the previous twelve-month reporting period, proposed actions to be taken to implement such plan, and updates or changes to any information included in such plan."

In addition, Local Law 36 requires the DSNY Commissioner to adopt, amend and implement regulations governing recycling by City mayoral and non-mayoral agencies. DSNY is also responsible for consolidating the information contained in agency reports and including this information in the agency's annual recycling report.

Results

The audit found that BOC did not fully comply with Local Law 36. BOC did not establish a waste prevention, reuse and recycling plan, notwithstanding that Local Law 36 requires such a plan to have been submitted to DSNY no later than July 1, 2011. The audit also found that BOC did not submit the required annual reports to its Executive Director or to DSNY for Fiscal Years 2012 through 2015.

The audit recommends that BOC submit the required annual reports to its Executive Director and DSNY by July 1st of each year as required by Local Law 36.

In its written response, BOC agreed with the report's findings and stated that it will "work with the Department of Sanitation in the coming months to effectively implement the Comptroller's recommendations, including the submission of a waste prevention, reuse and recycling plan to DSNY and an annual report, by July 1."

Audit Follow-up

BOC reported that it has implemented the audit recommendation.

DEPARTMENT OF DESIGN AND CONSTRUCTION

Audit Report on the New York City Department of Design and Construction's Administration of the Minority- and Women-owned Business Enterprise Program

Audit # MH15-124A

Comptroller's Audit Library #8452

Issued: June 29, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City (City) Department of Design and Construction (DDC) complied with key Minority- and Women-owned Business Enterprise (M/WBE) Program provisions of Local Law 1 of 2013 (LL1).

DDC manages a design and construction portfolio of the City's capital program valued at approximately \$10 billion. As the City's primary capital construction manager, it is responsible for overseeing the construction of many of its civic facilities. In 2005, Local Law 129 created the City's M/WBE Program, which was superseded and modified by LL1 in 2013. In accordance with LL1, the City establishes percentage goals for M/WBE utilization that City agencies are expected to meet in their procurements of contracts in the following categories: professional services, standard services, construction and goods. The M/WBE Program aims to increase M/WBE contracting opportunities by maximizing access to bids or proposal opportunities for prime contracts.

The M/WBE Program is administered jointly by the Department of Small Business Services (DSBS) and the Mayor's Office of Contract Services (MOCS). The two agencies jointly issue the *M/WBE Program Annual Report* each fiscal year, as well as interim quarterly M/WBE Program Compliance Report after each of the first three quarters in a fiscal year. These reports, along with the annual MOCS' *Agency Procurement Indicators* report, summarize City-certified M/WBE program activity, prime contract and subcontract utilization data, as well as additional data specified in §6-129 of the New York City Administrative Code. In order to compile these reports, MOCS pulls data from the City's Financial Management System (FMS).

To help City agencies increase their awards to M/WBEs, MOCS has issued the *M/WBE Policies, Procedures and Best Practices* (MOCS Manual) to each agency's M/WBE Officer and Agency Chief Contracting Officer. The MOCS Manual provides guidelines and best practices for LL1 compliance and standardized LL1-related forms. LL1 requires City agencies to develop and submit an *M/WBE Utilization Plan* each fiscal year to DSBS. LL1 also requires that agency M/WBE Officers monitor their agencies' procurement activities to ensure utilization goal compliance and to assess progress towards an agency plan's participation goals.

Results

The audit found that DDC has: 1) an M/WBE Compliance Unit responsible for monitoring prime contractor M/WBE compliance with LL1; 2) agency-wide M/WBE utilization goals; 3) justification for not adopting the city-wide M/WBE utilization goals; and 4) adequate documentation for denying or approving proposed bidders' waiver requests.

Nonetheless, the audit found weaknesses in DDC's monitoring to ensure that prime contractors meet their M/WBE goals. The audit found that DDC does not maintain a centralized monitoring and tracking system that lists all contractors with contracts subject to LL1. Further, DDC did not record in FMS all required information for contracts subject to M/WBE participation goals, and many of the FMS entries were not made in a timely manner. The audit also found insufficient

evidence that DDC monitored the prime contractors' use of M/WBEs for those contracts having M/WBE participation goals.

For the sampled contracts, there was insufficient evidence documenting DDC's review of the prime contractors' records to verify payments made to M/WBE subcontractors; insufficient evidence that job-site inspections were performed to verify the use of M/WBE subcontractors in projects; and no evidence that audits were conducted on the prime contractors' books and records. The audit also found that of the 10 prime contractor utilization initiatives that were sampled, two were not performed. Specifically, DDC did not advertise procurement opportunities in minority publications and it did not create a formal means of tracking M/WBE utilization and sharing information within the agency.

These deficiencies are largely due to DDC's failure to develop and implement an authoritative set of standard procedures governing LL1 requirements. These deficiencies inhibit DDC from effectively assessing its compliance with its agency-wide M/WBE utilization goals, and its prime contractors' compliance with established participation goals.

The audit made nine recommendations, including the following:

- DDC should develop and maintain a centralized tracking and monitoring system for contracts subject to LL1 that permits monitoring efforts to gauge the prime contractors' progress towards achieving their M/WBE goals.
- DDC should ensure that all prime contracts and subcontracts are accurately entered into the applicable FMS tables in a timely manner.
- DDC should monitor and document prime contractors' efforts to achieve their M/WBE utilization goals by verifying payments made to M/WBE subcontractors.
- DDC should perform and properly document job-site inspections to ensure M/WBE subcontractor performance and utilization, contact M/WBEs identified in the plan to confirm their participation and audit the contractors' books and records.
- DDC should establish a formal means of monitoring its procurement activities to ensure compliance with the agency's utilization plan and to monitor its progress towards meeting the participation goals established in its plan.
- DDC should immediately develop and disseminate detailed written procedures to key personnel that address all LL1 requirements. These should include, but not limited to, personnel responsibilities and FMS entries of LL1-applicable contract information and detailed documentation requirements to help ensure DDC's compliance with the law.

In its response, DDC generally agreed with the audit's nine recommendations.

Audit Follow-up

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

DEPARTMENT OF EDUCATION

Audit Report on the Department of Education's Controls over the Small Item Payment Process of Its Schools within Children First Network 404

Audit # MD15-096A

Comptroller's Audit Library #8403

Issued: January 28, 2016

Monetary Effect: None

Introduction

This audit determined whether the Department of Education (DOE) had adequate controls over Small Item Payment Process (SIPP) transactions processed by schools within Children First Network (CFN) 404.

DOE has established SIPPs to facilitate the purchase and payment of non-recurring Other Than Personal Service (OTPS) items of up to \$5,000 for small incidental purchases. SIPPS are also used for such for the procurement of goods and services when either the purchase order (PO) or requisition method of purchase is not practical. It can also be used to reimburse a DOE employee for emergency, over-the-counter purchases, and other business-related expenses, such as travel.

During Fiscal Year 2014, DOE's schools spent approximately \$24 million using SIPP transactions, of which \$754,623 was spent by the 32 schools supported by CFN 404. Of this amount, the five schools in the audit sample spent a total of \$304,597 (40 percent) in SIPPs.

Results

The audit found that, in a sample of five schools, DOE did not adequately follow its procedures to ensure that SIPP payments were adequately supported and allowable. The weaknesses found affected \$79,200 (26 percent) of \$304,597 in sampled SIPP expenditures during the audit period. The audit found insufficient reviews at the school and CFN levels to ensure that applicable procedures were followed. Auditors believe these weaknesses contributed to the multiple deficiencies the audit identified, including unsupported SIPP payments, the inappropriate use of SIPPs, and lack of evidence that required bidding procedures were consistently followed.

While the amounts of the expenditures made on any one occasion were relatively small, totaling \$5,000 or less, the aggregate amounts expended through SIPPs system-wide throughout DOE was approximately \$24 million. As a result, weak controls and enforcement by DOE could potentially result in significant amounts of DOE funds being misspent. Further, the weaknesses found by the audit increase the risk that fraudulent or disallowed purchases may be made through the SIPP process.

To address these issues, the audit made 13 recommendations, including:

- DOE should ensure that the oversight unit reviews SIPP transactions prior to approval to confirm that SIPPs were appropriately used, that the transactions are adequately supported, and that they comply with DOE's purchasing policies and procedures.
- DOE should ensure that the oversight unit conducts periodic reviews of the schools' SIPP transactions and generates necessary reports to identify possible deficiencies, such as questionable patterns, trends, or excessive use of non-contracted vendors.
- DOE should ensure that the schools obtain and maintain adequate supporting documentation on file, including travel-related documentation, prior to processing and approving SIPP requests.

- DOE should ensure that bidding requirements are adhered to for all purchases meeting the dollar value thresholds, and that appropriate documentation is maintained on file.
- DOE should ensure that split transactions are not processed and approved.

In its response, DOE generally agreed with the audit's findings and agreed with eight of the audit's thirteen recommendations and partially agreed with the remaining five recommendations.

Audit Follow-up

DOE reported that twelve recommendations have been implemented and the remaining recommendation is in the process of being implemented.

DEPARTMENT OF EDUCATION

Audit Report on the Department of Education's Controls over the Small Item Payment Process of Its Schools within Children First Network 603

Audit # MH15-100A

Comptroller's Audit Library #8410

Issued: March 2, 2016

Monetary Effect: Potential savings: \$5,248

Introduction

This audit determined whether the New York City Department of Education (DOE) had adequate controls over Small Item Payment Process (SIPP) transactions processed by schools within Children First Network (CFN) 603. It examined whether these payments were supported and represented allowable expenditures. DOE provides primary and secondary education to over one million students. Prior to May 2015, DOE operated approximately 60 CFNs designed to provide schools throughout the City with instructional and operational support. Starting in May 2015, CFNs were replaced by DOE Borough Field Support Centers (BFSCs). Much like the CFNs, BFSCs assist schools with their instructional and operational efforts, including providing financial management and human resource support.

DOE has established SIPP to facilitate the purchase and payment of non-recurring Other Than Personal Service items that cost up to \$5,000. A SIPP transaction provides for the disbursement of funds to pay a vendor for small incidental purchases or for the procurement of goods and services when a purchase order is not practical. It is also a mechanism that provides reimbursement to a DOE employee for the purchase of small over-the-counter items, as well as certain other small business-related expenses.

SIPPs are entered into DOE's Financial Accounting Management Information System (FAMIS) database. These transactions of up to \$500 are required to be approved by the designated approver at the school, usually a principal or assistant principal. SIPP transactions of more than \$500 and up to \$2,500 must be approved at the school level by either a principal or assistant principal and then routed through FAMIS for approval by a designated official at an oversight entity. During the audit period, this was the Children's First Network, but is now a DOE-approved Borough Field Support Center. SIPP transactions above \$2,500 through \$5,000 are required to be approved by the school, and then routed in FAMIS for approval by both the support entity, which was CFN 603 for the five sampled schools, and by an official in DOE's Division of Financial Operations.

Results

The audit found weaknesses in DOE's controls over SIPP transactions processed by the five sampled schools from CFN 603. Specifically, the audit found that 324 (78 percent) of the 414 sampled SIPP transactions had one or more deficiencies that affected \$145,395 (75 percent) of the sampled expenditures during the audit period.

At all five of the sampled schools, the reviews at the school level were insufficient to ensure that applicable procedures were followed. In addition, the audit found little evidence that CFN 603 officials ensured that adequate reviews or reconciliations of SIPP transactions of \$500 or less were conducted. As a result, the audit identified multiple deficiencies, including split transactions, which are multiple individual purchases in amounts under the SIPP threshold from a vendor rather than a single purchase, in order to avoid the more stringent reviews that would apply if one larger purchase was made. The audit also found unsupported SIPP transactions; duplicate payments

totaling \$5,248; the use of incorrect object codes; the inappropriate payment of sales tax; and a lack of evidence that required bidding procedures were consistently followed. While the amount of the expenditure made on any one occasion was \$5,000 or less, the aggregate amounts expended through SIPPs in the five sampled schools was \$388,604. Since DOE spent \$24 million system-wide during Fiscal Year 2014, the weaknesses identified could result in a significant amount of improper expenditures.

To address these issues, the audit made 16 recommendations to DOE, including the following:

- DOE should ensure that split transactions are not approved or processed.
- DOE should ensure that the schools obtain and maintain adequate supporting documentation on file prior to processing and approving SIPP requests.
- DOE should ensure that bidding requirements are adhered to for all purchases meeting the dollar value thresholds, and that appropriate bidding documentation is maintained on file to support the bidding.
- DOE should ensure that duplicate transactions are not approved or processed.
- DOE should ensure that the correct object codes are used when generating a SIPP transaction.
- DOE should ensure that school employees use the appropriate sales tax exempt certificates to avoid paying New York State and City sales taxes for goods and services procured using SIPP money. If a certificate is not used, the employee should not be reimbursed for the tax.

In its response, DOE generally agreed with the audit's 16 recommendations but disagreed with the finding that a SIPP transaction for a reimbursement to a principal was not approved in accordance with DOE rules.

Audit Follow-up

DOE reported that 15 recommendations have either been implemented or are in the process of being implemented and continues to disagree with the remaining recommendation.

BOARD OF ELECTIONS

Audit Report on the New York City Board of Elections' Inventory Practices for Office Equipment and Voting Machines

Audit # SR15-127A

Comptroller's Audit Library #8426

Issued: June 6, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City Board of Elections (BOE) is complying with certain inventory procedures as set forth in the Department of Investigation's (DOI) *Standards for Inventory Control and Management*. The audit also determined whether the BOE is maintaining internal control systems as required by Comptroller's Directive #1.

The BOE is made up of ten Commissioners, two from each borough, who are appointed by the City Council for four year terms. It has its main administrative office in Manhattan and a borough office in each of the five boroughs. In addition, it maintains five separate storage facilities for voting machines, one in each borough. During Fiscal Years 2014 and 2015, the BOE spent approximately \$640,000 for electronic office equipment, such as computers, monitors, tablets, printers, and televisions. Electronic voting equipment, such as voting machines (DS200 scanners and the AutoMARK ballot marking device), computers and monitors for the Central Scanning and Tabulation System, Election Night Results laptops, Microsoft Surface tablets, and printers are purchased separately, but no new purchases were made of such electronic equipment during this audit scope period.

Inventory records for electronic equipment purchased for general office use are maintained by the BOE's Management Information System (MIS) on 11 separate Microsoft Excel spreadsheets, one for each BOE location. Inventory records for electronic voting equipment are maintained on S-Elect inventory management (S-Elect), an electronic inventory management system that records and tracks electronic equipment used for elections. When voting equipment is purchased it receives a label with a barcode that is used for tracking the location of the item. The label identifies the item as the property of the City of New York and includes the agency control number.

Results

This audit found that the BOE did not maintain adequate controls over its inventory of electronic equipment and failed to adhere to either DOI's *Standards for Inventory Control and Management* or Comptroller's Directive #1. The audit found that the BOE's inventory records for both voting equipment and for general office equipment were incomplete and inaccurate. While we were able to account for all but 11 of the 5,042 items listed in inventory records that were tested, the audit identified 287 items that the BOE had purchased, both voting equipment and office equipment, that were physically on-site in BOE premises but were not listed on its current inventory records. Auditor also found more than 1,000 items that were not properly tagged. The large number of items on-site that were omitted from BOE's inventory records raises a concern that the BOE's inventory records are not consistently and reliably updated to reflect BOE's receipt of incoming items. In addition, the audit found numerous instances of noncompliance with other inventory controls in the BOE's inventory records, including the BOE's failure to consistently record asset-control numbers and serial numbers, and the existence of duplicate serial numbers. Finally, the audit found that the BOE purchased 103 office equipment items using incorrect object codes on seven payment vouchers. Based on the inventory control weaknesses found during testing, the audit concludes that there is a potential risk of loss, misappropriation or theft.

This audit made the following eight recommendations, including that the BOE should:

- Ensure that all missing inventory items are located and accounted for.
- Maintain complete and accurate records of all equipment in accordance with DOI's *Standards for Inventory Control and Management* and Comptroller's Directive #1.
- Update its inventory records promptly and accurately when changes occur, including new purchases.
- Conduct an annual inventory count of all its major electronic equipment, ensuring that accurate information regarding all such items and their locations are properly recorded in BOE's inventory records.
- Ensure that the annual inventory count of major electronic equipment is properly supervised.
- Affix proper identification tags marked "Property of the City of New York" to all electronic equipment items and include a sequential internal control number.
- Review and enhance its written inventory procedures and include all the requirements set forth by DOI's *Standards for Inventory Control and Management*.
- Charge all office equipment purchases to the correct object code in accordance with Comptroller's Directive #24, Agency Purchasing Procedures and Controls.

In its response, the BOE generally agreed with the report's findings and recommendations and described the steps they have taken or will take to implement the report's recommendations.

Audit Follow-up

BOE reported that all of the audit recommendations have been implemented.

DEPARTMENT OF FINANCE

Audit Report on the Reliability and Accuracy of General Corporation Tax Data Administered by the Department of Finance

Audit # 7115-107A

Comptroller's Audit Library #8449

Issued: June 29, 2016

Monetary Effect: None

Introduction

This audit determined whether data pertaining to the General Corporation Tax (GCT) administered by the Department of Finance (DOF) exists in a secure environment and is readily accessible only to authorized users. The audit also determined whether this data is sufficiently reliable for collection purposes, and contains required information for the enforcement and penalty collection process. DOF has a broad range of responsibilities that include collecting nearly \$35 billion annually in revenue for the City of New York and administering the City's business and excise taxes. The City's GCT accounted for \$2.9 billion in revenue in Fiscal Year 2015.

The GCT process starts when a business taxpayer files an annual return, either by paper or electronically. All paper tax forms are scanned and validated by a third party vendor, and check payments are mailed to a bank lockbox. All electronic filings are transmitted to DOF daily from a vendor-managed electronic collection point. During the audit scope period, the tax information was sent daily to DOF electronically and uploaded into the agency's Fairtax system (Fairtax). DOF used Fairtax to manage all tax revenue, billing, notice, and payments. Fairtax maintained GCT transactions and generated notices when taxpayers fail to pay taxes on time. When there is a failure to pay taxes on time, Fairtax issued a Notice of Tax Due with interest and penalties accrued.

If a taxpayer has not paid after 30 days of such a notice being issued, the DOF issues a Notice and Demand for Payment, and the case is transferred to DOF's Collections Division. However, if a taxpayer has been audited, Fairtax would send a Notice of Tax Determination. If the taxpayer still has not responded after 90 days of the Notice of Tax Determination, a Notice and Demand is sent as a final reminder, and the case is transferred to DOF's Collections Division.

Fairtax administration of the GCT was replaced by the Business Tax System (BTS) in January 2016. According to DOF officials, BTS is slated for full implementation by the close of 2017, when it will replace Fairtax completely. However, the GCT was managed through Fairtax during the entire audit scope period.

Results

The audit determined that GCT data generally existed in a secure environment with restricted access, and is readily accessible only to authorized users identified by DOF. Security policies and technical controls restrict unauthorized access and provide a safeguard to GCT data. The audit also found that GCT data was generally reliable for collection purposes based on an examination of whether essential information for billing and collection purposes was missing from GCT. The audit further determined that the data provided the necessary information for enforcement and penalty collection and included addresses, TIN numbers and owner contact information. In addition, the audit found that Fairtax made automatic corrections to accounts for taxpayers who selected an inappropriate option on their returns.

However, based on the GCT data the auditors received from DOF, the audit also found a total of \$195 million in outstanding GCT balances owed to the City. This amount does not reflect accounts with pending decisions, nor transactions that are processed in batch that may decrease

the outstanding balances owed when processed. Several weaknesses identified in DOF's tracking and collection processes may have contributed to outstanding arrears. The audit found that, on average, DOF forwarded 14 percent of the accounts in arrears to its Collections Unit each year. The audit also found that Fairtax did not track accounts with outstanding balances in real-time, which may have resulted in delays in the collection of outstanding balances. In addition, the audit found that tax bills only reflected the taxpayer's current year's GCT liability and did not automatically reflect cumulative GCT tax liability. An analysis found several cases where taxpayers had outstanding balances for two or more consecutive years. Finally, the audit found several manual adjustments to tax return accounts in Fairtax that were not accompanied by reasons, descriptions, or proper approvals (RSN) to justify their changes. The failure of the system to require a reason for a change and/or a mandatory electronic approval process could enable unauthorized adjustments and make it more difficult for management to monitor these adjustments. To address these issues, the audit recommended that DOF:

- Ensure that Fairtax or any successor system has embedded modules to track GCT accounts in real-time, until paid or otherwise resolved.
- Reassess its process for reviewing and collecting outstanding balances owed to the City in order to expedite collection efforts, and to make GCT data in Fairtax or any successor system more reliable.
- Ensure Fairtax or any successor system has the capability to display taxpayer's cumulative balances in real time and to automatically transmit invoices that reflect cumulative balances.
- Review all accounts with missing RSN, RSN descriptions, and/or approvals to ensure that they were appropriately adjusted.
- Ensure Fairtax or any successor system has proper technical controls (i.e., mandatory fields) prior to accepting manual adjustments.
- Ensure that all manual adjustments include a RSN, RSN description, and proper approvals in Fairtax or any successor system.

In its response, DOF agreed with three of the audit recommendations, partially agreed with two and disagreed with one. While DOF agreed with certain systemic findings and recommendations, DOF disagreed with the audit finding and recommendation relating to "outstanding balances may result in loss of revenue."

Audit Follow-up

DOF reported that three recommendations have been implemented, one recommendation has been partially implemented, and the remaining two recommendations were not implemented. DOF stated that "there is no collection advantage to processing an adjustment in real time when a statutory notice finalizing an assessment must be mailed to a taxpayer before collection proceedings may begin."

DEPARTMENT OF FINANCE

Audit Report on the Administration of the Payments In Lieu of Taxes Program by the New York City Department of Finance

Audit # FM15-125A

Comptroller's Audit Library #8436

Issued: June 21, 2016

Monetary Effect:	Potential revenue	\$1.3 million
	Actual revenue	\$478,533

Introduction

The objectives of this audit were to determine whether the Department of Finance (DOF) accurately calculated Payments in Lieu of Taxes (PILOT) and billed property owners in accordance with the terms of these related agreements. It also examined whether DOF ensured that properties with PILOTs that ended were promptly placed on New York City's property tax roll.

The City of New York offers incentives to induce commercial, industrial and manufacturing businesses to undertake major capital investments that create and retain jobs in New York City. PILOT is a property tax incentive that can be obtained through a project agreement with the City. Under such an agreement, the City exempts property holders from paying real property taxes and instead agrees to accept a set payment, which is less than the expected tax rate, for a period of years.

DOF is responsible for calculating PILOTs and issuing bills to property owners pursuant to a 1992 Amended Memorandum of Understanding between the New York City Office of Management and Budget (OMB), the New York City Economic Development Corporation (EDC), the New York City Industrial Development Agency (IDA) and DOF. Currently, DOF manually calculates and bills the PILOT amount due based on the PILOT terms negotiated between IDA and individual project owners.

IDA is empowered by the New York State Industrial Development Act (Article 18A, Title 1 of the New York State General Municipal Law) to provide benefits to induce business owners to remain, establish or expand their businesses in New York City. It provides companies with access to financing or tax benefits to strengthen and diversify the City's tax and employment base, and encourages economic development by retaining jobs and creating new ones.

When a project's PILOT benefit terminates because the property owner opts out or the property owner defaults due to non-compliance with the terms of the agreement, IDA issues a Tax Directive Letter (TDL) notifying DOF of the project benefit's end. The TDL alerts DOF to record the property on the City's property tax roll and reestablish the levy of the real property tax.

Results

The audit found that DOF failed to accurately bill a total of \$3.5 million in PILOT-related revenue during the period under review. Of this amount, DOF underbilled a total of \$1.3 million for four IDA PILOT projects and failed to place the properties of two terminated projects back onto the City tax roll in a timely manner, which resulted in \$478,533 in additional previously uncollected tax revenue. Further, the audit found that DOF miscalculated the PILOT for two projects and overbilled those property owners approximately \$1.7 million.

To address these issues, the audit recommended that DOF:

- Determine whether the four sampled PILOT projects' approximately \$1.3 million in underbilled revenue can be recovered by the City and take all appropriate steps to recover it.
- Determine whether any refunds are due to property owners who were overbilled and take all appropriate steps to notify them of property owners of the overbilling.
- As part of its PILOT calculation, assess project owners for the portion of land utilized by any subtenants.
- Review all project agreements to identify and assess all the components of the methodology, to ensure PILOT calculations are accurate.
- Consider utilizing its Property Tax System to perform its PILOT calculations.
- Request EDC provide DOF with annual submissions of Subtenant Occupancy Surveys. Then ensure that all PILOT calculations are adjusted accordingly to reflect current subtenant occupancy.
- Improve its processes to ensure that all PILOT properties are immediately returned to the City's tax roll when projects' PILOTs expire or are terminated.

In its response, DOF agreed with the findings related to the two terminated PILOTs that were not returned in a timely fashion to the tax roll, but disagreed with most of the findings related to its inability to consistently apply the correct methodology when calculating PILOT payments. DOF stated at the exit conference that EDC officials either explicitly agreed with DOF's calculations or did not object to them. DOF officials also disagreed with the \$1.7 million overbilling of Project # 861 because DOF has no way of determining if our methodology is correct. Of the seven recommendations, DOF agreed with three, partially agreed with two, and disagreed with two.

Audit Follow-up

DOF reported that two recommendations have been implemented and that the remaining five recommendations either have been partially implemented or are in the process of being implemented.

DEPARTMENT OF FINANCE

Audit Report on the Tax Classification of Real Property in the Borough of Brooklyn by the New York City Department of Finance

Audit # SR15-115A

Comptroller's Audit Library #8406

Issued: February 18, 2016

Monetary Effect: Potential Revenue \$2.09 million

Introduction

This audit conducted to determine whether the New York City Department of Finance (DOF) has adequate procedures in place to ensure that properties in the borough of Brooklyn that are listed as mixed-use properties on the assessment rolls, specifically in Tax Classes 1, 2a, or 2b, are correctly classified. In accordance with the *New York Real Property Tax Law* (RPTL), DOF classifies every parcel of property in New York City for real-estate purposes.

- *Class 1:* Consists of residential properties with three or fewer units and “Mixed Commercial/Residential Use” (mixed-use) properties with three or fewer residential and commercial units, where 50 percent or more of the space is used for residential purposes.
- *Class 2:* Includes all other primarily residential properties that are not designated Class 1. Class 2 also has three sub-classes:
 - Class 2a for a 4-to-6 unit rental building;
 - Class 2b for a 7-to-10 unit rental building; and
 - Class 2c for a 2-to-10 unit cooperative or condominium.
- *Class 3:* Includes real estate of utility corporations and special franchise properties, excluding land and certain buildings.
- *Class 4:* Includes all other properties, such as stores, warehouses, hotels, office buildings, and any vacant land not classified as Class 1.

Properties are assessed at a percentage of their full market value based on their classifications. Class 1 properties are assessed at 6 percent of market value and Class 2, 3, and 4 properties are assessed at 45 percent.

During Fiscal Year 2015, DOF collected \$21.5 billion in property taxes. According to DOF records, there were 1,096,247 taxable properties, consisting of 708,676 Class 1 properties, 272,640 Class 2 properties, 4,603 Class 3 properties, and 110,328 Class 4 properties.

Results

The audit found that DOF does not have adequate procedures in place to ensure that properties in Brooklyn listed as mixed-use within Tax Class 1, 2a, or 2b on the assessment rolls have been correctly classified. Based on our inspections of mixed-use properties in July 2015, the audit identified 197 out of 15,952 properties listed as Tax Classes 1, 2a, or 2b that appeared to be misclassified. While DOF inspected 47 of the 197 properties during May and June 2015 just prior to our reviews, assessors only requested that 13 of these 47 properties be re-inspected for a possible change in their tax and building classifications. As of December 16, 2015, DOF had not re-inspected or changed the tax class for any of the 13 properties. Using DOF guidelines, the audit calculated that changing the tax classification of the 197 properties to reflect the observed

usages of the buildings would result in an additional \$2.09 million in taxes after the increases phase in over the required five-year period.

The audit recommended that DOF:

- Inspect the 197 properties (including the 47 previously inspected) and determine whether these properties are misclassified.
- Make necessary adjustments to the assessment rolls for any of the 197 properties that are determined to be misclassified to ensure that the property owner is assessed the proper amount of tax.
- Retrain assessors on what to look for during an inspection of such properties. .
- Consider enhancing its oversight and quality assurance functions to ensure proper classification of properties.

In its response, DOF agreed with the audit's recommendations and stated that it would address the issues identified. DOF acknowledges in its response to the audit that at least 140 out of the 197 properties identified in the report were, in fact, misclassified.

Audit Follow-up

DOF reported that the audit recommendations have either been implemented or are in the process of being implemented.

DEPARTMENT OF FINANCE

Audit Report on the New York City Department of Finance's Administration of the Cooperative Condominium Tax Abatement Program

Audit # SR16-055A

Comptroller's Audit Library #8402

Issued: January 27, 2016

Monetary Effect: Potential Revenue \$10,018,348

Introduction

This audit was conducted to determine whether the New York City Department of Finance (DOF) ensures that condominium owners receiving the Co-op/Condo Abatement meet the eligibility requirements of the program. DOF is responsible for implementing and monitoring tax benefits granted under the New York State Cooperative and Condominium Tax Abatement Program, which provides a partial tax abatement for residential real property held in the cooperative or condominium form of ownership in New York City. During Fiscal Year 2015, there were 35,335 condominium units that received Co-op/Condo abatements totaling \$76.46 million, and 226,284 cooperative units that received abatements totaling \$322.98 million. This audit focuses on Co-op/Condo Abatements granted to condominium units.

Results

The audit found that DOF allowed owners of at least 1,249 properties to receive Co-op/Condo Abatements for which they were not eligible. These properties received 3,471 improperly granted abatements from Fiscal Years 2013 through 2016 that resulted in a loss of property tax revenue of at least \$10,018,348. Specifically, the audit found that DOF did not remove Co-op/Condo Abatements from 1,049 properties after a condominium was sold to either a corporation or LLC. In addition, the audit found that DOF improperly processed and granted new Co-op/Condo Abatements to at least 36 condominiums that were owned by a corporation or LLC subsequent to the 2013 eligibility rule change. Finally, the audit found 164 properties that are not classified by DOF for residential use received Co-op/Condo Abatements as well.

The audit recommended that DOF:

- Remove the abatements from properties that, according to the DOF Automated City Register Information System (ACRIS) data base, are owned by either a corporation or LLC.
- Recover the \$9,858,638 in erroneous or excessive abatements that were granted to the properties owned by either a corporation or LLC.
- Remove the abatements from properties that are not classified as Tax Class 2 properties.
- Recover the \$159,710 in erroneous or excessive abatements that were granted to properties not classified as Tax Class 2.
- Ensure that controls are implemented to prevent a property owned by a corporation or LLC from receiving the abatement.
- Ensure that controls are implemented to prevent a property not classified as a Tax Class 2 property from receiving the abatement.
- Determine why 36 ineligible condominiums were granted Co-op/Condo Abatements, and take all appropriate action to prevent further occurrences.

In its response, DOF generally agreed with the audit's recommendations and stated that it would address the issues identified. Further, the agency stated that it "appreciates the Comptroller's audit findings regarding the administration of the Cooperative Condominium Tax Abatement Program (CCA)." However, with regard to the recommendations that DOF recoup prior erroneous abatements, DOF officials responding to the audit stated that "[w]e will meet internally with the Commissioner and our Legal department to determine if it is appropriate to recoup benefits from prior years for these properties."

Audit Follow-up

DOF reported that eleven recommendations have either been implemented or are in process and the remaining recommendation has not been implemented. DOF does not plan to recoup any money from erroneous or excessive abatements granted to properties not classified as Tax Class 2.

DEPARTMENT OF FINANCE

Audit Report on the Tax Classification of Real Property in the Borough of Queens by the New York City Department of Finance

Audit # SR16-091A

Comptroller's Audit Library #8428

Issued: June 10, 2016

Monetary Effect: Potential Revenue \$1.28 million

Introduction

This audit was conducted to determine whether the New York City Department of Finance's (DOF) procedures ensure that mixed-use properties in the borough of Queens classified as Tax Class 1 are correctly classified. In accordance with the *New York Real Property Tax Law* (RPTL), DOF classifies every parcel of property in New York City for real-estate purposes. These tax classes are as follows:

- *Class 1:* Consists of residential properties with three or fewer units and "Mixed Commercial/Residential Use" (mixed-use) properties with three or fewer residential and commercial units, where 50 percent or more of the space is used for residential purposes.
- *Class 2:* Includes all other primarily residential properties that are not designated Class 1. Class 2 also has three sub-classes:
 - Class 2a for a 4-to-6 unit rental building;
 - Class 2b for a 7-to-10 unit rental building; and
 - Class 2c for a 2-to-10 unit cooperative or condominium.
- *Class 3:* Includes real estate of utility corporations and special franchise properties, excluding land and certain buildings.
- *Class 4:* Includes all other properties, such as stores, warehouses, hotels, office buildings, and any vacant land not classified as Class 1.

Properties are assessed at a percentage of their full market value based on their classifications. Class 1 properties are assessed at 6 percent of market value and Class 2, 3, and 4 properties are assessed at 45 percent.

During Fiscal Year 2015, DOF collected \$21.5 billion in property taxes. According to DOF records, there were 1,096,247 taxable properties, consisting of 708,676 Class 1 properties, 272,640 Class 2 properties, 4,603 Class 3 properties, and 110,328 Class 4 properties in New York City.

Results

The audit found that DOF's procedures did not consistently ensure that Queens properties listed as mixed-use within Tax Class 1 on the assessment rolls have been correctly classified. Based on our inspections of properties listed by DOF as Class 1 mixed-use in January 2016 on the assessment rolls, the audit identified 154 out of 4,607 properties listed as Tax Class 1 that, based on our preliminary analysis, appeared to be misclassified. While the audit was in process, DOF requested the list of the 154 properties prior to the completion of the analysis. DOF assessors then inspected the 154 properties and determined that 78 were incorrectly classified, 19 properties required an interior inspection, and 57 required no change. After reviewing DOF's inspection results, the auditors agreed with them. We appreciate DOF's efforts to address apparent problems prior to the completion of the audit. We note, however, that the audit revealed

some weaknesses in DOF's assessment process as evidenced by the fact that several of the properties DOF agreed had been improperly classified had been inspected by the agency not long before the inspections and so should already have had their tax classes changed.

Using DOF's guidelines, the audit calculated that changing the tax classification of the 97 properties—including 78 that DOF agreed were incorrectly classified, plus the 19 that require an interior inspection--would result in an additional \$1.28 million in taxes after the increases phase in over the required five-year period.

The audit made the following three recommendations:

- DOF should conduct an interior inspection of the 19 remaining properties and make the necessary adjustments to the assessment rolls for any of the properties that are determined to be misclassified to ensure that the owner is assessed the proper amount of tax.
- DOF should ensure that assessors are properly trained and able to perform their responsibilities, including conducting inspections of mixed use properties.
- DOF should consider enhancing its oversight and quality assurance functions to ensure that assessors properly inspect properties, and recommend that they revisit misclassified properties as required by the Administrative Inspection Project Instruction manual.

Agency Response

In its response, DOF agreed with the audit's recommendations and stated that it would address the issues identified. DOF acknowledges in its response to the audit, at least 78 properties identified in the report were, in fact, misclassified with an additional 19 scheduled for additional inspections. However, the agency contends that the "audit estimate of an additional \$1.28 million in tax revenue includes 19 parcels requiring interior inspection. DOF believes that this estimate is overstated."

Audit Follow-up

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

DEPARTMENT OF FINANCE

Final Letter Report on the Follow-Up Review of the Removal of Cooperative Condominium Tax Abatements for the Ineligible Properties Identified in Our Recent Audit of the New York City Department of Finance

Audit # SR16-120SL

Comptroller's Audit Library #8444

Issued: June 28, 2016

Monetary Effect: Actual Revenue \$3,224,577

Potential Revenue \$676,421

Introduction

This follow-up review was conducted to determine whether the New York City Department of Finance (DOF) removed the cooperative condominium tax abatements (Co-op/Condo Abatements) from ineligible properties that were identified in the recent report, *Audit Report on the New York City Department of Finance's Administration of the Cooperative Condominium Tax Abatement Program* (Audit #SR16-055A), issued on January 27, 2016. As discussed in that audit report, DOF allowed owners of at least 1,249 properties to receive Co-op/Condo Abatements for which they were not eligible. These properties received 3,471 improperly granted abatements from Fiscal Years 2013 through 2016 that resulted in a loss of property tax revenue of at least \$10,018,348.

Results

The review found that for the 2016/2017 tax year, DOF has removed the Co-op/Condo Abatement from 920 of the 1,249 properties that were identified as ineligible in the previous audit. As a result, the City will realize a gain of \$3,224,577 in revenue for 2016/2017 tax year. This gain will continue as long as the property is owned by a corporation or LLC or the property is classified for non-residential use. The review also found that ownership of 34 properties had transferred to an individual, which makes them eligible for the abatement in 2016/2017.

However, the review found that DOF did not remove the abatement from 295 properties that were identified as ineligible, which will allow the continued loss of property tax revenue in the amount of \$651,413 for Fiscal Year 2017. Specifically, the review found that DOF did not remove Co-op/Condo Abatements from 154 properties that, according to the current deeds on DOF's Automated City Register Information System, are owned by either a corporation or an LLC and 141 properties that are not classified by DOF for residential use.

In addition, the review found that DOF did not remove the School Tax Relief (STAR) or Enhanced STAR exemption from 72 properties owned by a corporation or an LLC, which allows the continued loss of \$25,008 in property tax revenue.

The follow-up review recommended that DOF should:

- Immediately remove the Co-op/Condo Abatements from the 295 ineligible properties.
- Immediately remove the STAR/ESTAR from the 72 ineligible properties.

In its response, DOF partially agreed with the report's recommendations and stated that it would address the issues identified. Further, the agency stated that it "appreciates the opportunity to respond to the findings and recommendations included in the above-referenced Draft Letter Report dated June 16, 2016. DOF is taking steps to enhance its controls to prevent LLCs, corporations and non-tax class 2 properties from receiving cooperative condominium abatements. In the last year, we have been working with OMB to secure resources to correct prior errors for

all our exemptions and abatement programs and the FY17 budget allocates resources for such a purpose.”

Audit Follow-up

DOF reported that both recommendations are in the process of being implemented. DOF is in the process of removing the abatements from 289 of the 295 properties identified in the audit. According to DOF, six of the properties identified as LLCs or corporations were owned by individuals and will retain the abatement.

NEW YORK CITY FIRE DEPARTMENT

Audit Report on the Use of Purchasing Cards by the New York City Fire Department

Audit # MJ15-099A

Comptroller's Audit Library #8411

Issued: March 7, 2016

Monetary Effect: None

Introduction

This audit was conducted to determine whether the Fire Department of New York City (FDNY) had established adequate controls over its use of purchasing cards (P-cards). P-cards are credit cards issued by the City to agency staff, generally for small purchases, that enable agencies to speed up transaction processing times and reduce administrative costs. They help reduce and eliminate some intermediate steps required by the City's traditional procurement processes.

The Comptroller's Office and the Department of Citywide Administrative Services (DCAS) have issued guidelines and procedures governing City agencies' authorization and use of P-cards. Under these guidelines, agencies must establish internal procedures that govern the use and controls of P-cards.

In Calendar Year 2014, the FDNY had approximately 130 authorized P-card holders with single transaction limits ranging from \$5,000 to \$20,000. During the same year, the FDNY's P-card users made 4,802 P-card purchases totaling \$4.3 million, the second highest amount of P-card purchases of all agencies with P-card use that year.

Results

The audit found that the FDNY lacked sufficient evidence to show that the P-card holders' monthly logs and supporting documentation were promptly reviewed and reconciled with the monthly P-card transaction statements. In addition, the FDNY did not appropriately segregate duties and require that a person other than the P-card holder (the purchaser) receive the purchased goods upon delivery or require the routine use of receiving reports to document receipt of goods purchased with P-cards. As a result, the potential for fraud and inappropriate P-card use is increased.

The audit further noted that cardholders did not consistently comply with P-card use requirements. This weakness indicates that management should strengthen its efforts to ensure cardholders' compliance with FDNY P-card policies and procedures across the agency as well as ensure that agency personnel follow Comptroller's Memorandums #1-01 and 14-1, governing procurement, including P-card use.

With the exception of these deficiencies, the audit concluded that the FDNY had implemented adequate controls over the use of P-cards. Specifically, the FDNY implemented policies and procedures governing the authorization, use, approval, and accountability over P-cards. Further, these policies and controls incorporate key provisions of Comptroller's Memorandum and DCAS' Citywide P-card policies and guidelines. If consistently applied, the FDNY policies and procedures will help ensure that: 1) goods and services purchased using P-cards are appropriate; 2) transactions are made by authorized cardholders and are paid for promptly; and 3) P-card transactions are not used to circumvent established City and agency procurement requirements and regulations.

To address the findings raised in this audit, the audit recommended the following:

- The FDNY should ensure that card-holder monthly P-card/credit card logs be promptly reconciled with the monthly statements prior to payment.
- The FDNY should require appropriate segregation of duties, so that designated individuals other than the purchaser receive the ordered goods upon delivery.
- The FDNY should require the use of receiving reports or suitable alternative documentation (e.g., invoices or packing slips), sign and date the documentation, and note the quantity and condition of goods received. Any shortages, discrepancies and/or damage to the goods on delivery should be documented.
- The FDNY should require that when a service is purchased via a P-card, a department head co-sign a statement acknowledging that the service was satisfactorily completed. Any problems or deficiencies with the service should be noted as well.
- The FDNY should ensure that its P-card holders obtain price quotes and appropriately document them on the P-card tabulation sheets when procuring goods valued in excess of \$5,000 with a P-card or purchases that are grant-funded, as required by FDNY procedures.
- The FDNY should remind all of its P-card holders that, as a government agency, the FDNY should not be charged sales tax for any goods and/or services procured for agency use with a P-card.

FDNY officials agreed or partially agreed with nine of the audit's 10 recommendations and disagreed with the recommendation that it reconcile cardholders' monthly P-card/credit card logs with monthly statements prior to payment.

Audit Follow-up

FDNY reported that it continues to agree and is implementing three recommendations, partially agrees with six recommendations, and disagrees with the remaining recommendation. FDNY asserts that in order to prevent incurring late and interest fees, FDNY needs to pay the P-cards bills prior to reconciling the monthly statements. In addition, FDNY states that requiring segregation of duties for receiving goods is not practical for goods delivered to specific facilities.

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Audit Report on the Department of Health and Mental Hygiene's Permitting of Child Care Centers

Audit # MJ15-054A

Comptroller's Audit Library #8438

Issued: June 24, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City Department of Health and Mental Hygiene (DOHMH) maintained adequate controls to ensure that center-based Group Child/Day Care (GDC) providers that are granted permits to operate in the City have fulfilled applicable regulatory requirements. DOHMH's Bureau of Child Care (BCC) is responsible for overseeing and monitoring approximately 2,300 GDCs that are subject to Article 47 of Title 24 of the Rules of the City of New York (RCNY), also known as the City Health Code. A GDC is a center-based program that provides childcare to three or more children under age 6 for five or more hours per week and more than 30 days in a 12-month period. GDCs are City-regulated, under the direct jurisdiction of DOHMH. BCC processes initial and renewal GDC permit applications, inspects GDC facilities, reviews program staffing and operations, investigates complaints, and monitors providers' compliance.

To operate, a GDC must obtain a permit from DOHMH, which is renewed every two years. To obtain an initial or renewal permit a GDC must submit an application to DOHMH along with all required documentation (e.g., a valid certificate of occupancy, written safety plan, proof of workers' compensation and disability benefits insurance). In addition, the GDC must submit information about supervision and staffing at the facility. According to Article 47 of the City Health Code, a GDC is also required to undergo a water lead test. However, the regulation does not include the test results as one of the required documents to be submitted to DOHMH in order to obtain a permit. The provider must retain certain information on site so that it is available to DOHMH inspectors at the time of an inspection, such as staff qualifications, training, and the results of criminal background checks, along with information about the children such as their immunization records and emergency contact information.

Each GDC location is required to undergo at least one inspection annually. However, BCC frequently conducts two inspections, one related to the GDC's physical premises, including sanitary facilities, storage areas, lighting, fire and electrical safety, and one related to its program operations, including staffing levels and qualifications, educational programs, health screening of staff and children, and other topics, to assess compliance with Article 47 of the City Health Code.

BCC uses the Child Care Activity Tracking System (CCATS) to track and record all related events (e.g. documentation submissions, inspections, complaints) for GDCs throughout the permit process. CCATS serves as a data warehouse where all GDC program information, inspection results, and scanned document images are maintained. All DOHMH requirements for a GDC to obtain a permit are programmed into CCATS in an effort to ensure that permits are only issued where all the requirements for issuance have been met.

Results

The audit found that, during the period under review, DOHMH generally maintained adequate controls over its permit process to provide reasonable assurance that GDCs submitted all documents as required by law to DOHMH before being granted permits to operate. However, at the same time, the audit found weaknesses in DOHMH's permitting process that raised health and safety concerns. Specifically, DOHMH did not ensure that all of the GDCs had tested the

water at their facilities for lead as required by Article 47 of the City Health Code. To carry out Article 47's requirement that every GDC test its water for lead, DOHMH designed its CCATS system to only issue permits to GDCs that had submitted proof that they tested the water in their facilities for lead. Yet, the audit found that BCC management overrode its own requirement and instructed staff to enter into the CCATS database a statement that a report of a water lead test with acceptable results had been received in cases where no such test had been performed, or where there was no evidence that an acceptable result had been reported.

The audit found that for more than half of the 119 GDCs sampled, CCATS indicated that reports showing acceptable water tests for lead had been provided, but no evidence of these reports were found in the files. In addition, the audit found that although BCC had protocols for its CCATS permit process, BCC lacked a comprehensive set of policies and procedure covering all aspects of its oversight and monitoring of GDC providers. Furthermore, BCC lacked sufficient supervisory oversight of its field inspection staff.

To address these issues, the audit recommended:

- DOHMH BCC should ensure that no GDC is issued a permit, either new or renewal, without submitting a report evidencing the completion of a water lead test in compliance with Article 47 of the City Health Code.
- DOHMH BCC should follow up on the 70 GDCs cited in this report for not having conducted a water lead test and ensure that a test is performed as soon as is feasibly possible.
- DOHMH BCC should review its records and determine whether other GDCs in addition to the 70 identified through our sample have an entry in CCATS that reflects that a negative lead test was received where it had not been and ensure that a test is performed as soon as is feasibly possible.
- DOHMH BCC should develop a comprehensive policies and procedures manual that addresses all internal processes and functions carried out by BCC with regard to monitoring compliance of GDCs and distribute the manual to appropriate personnel.

DOHMH agreed with six of the audit's recommendations and disagreed with two—one that recommends that DOHMH require the completion of a water lead test before a new or renewal permit is issued, and a second that recommends that DOHMH ensure that sufficient control activities are put in place to mitigate its risk exposure to fraudulent and/or corrupt activities.

Audit Follow-up

DOHMH reported that it has either implemented or is in the process of implementing the audit recommendations that it agreed with and continues to disagree with the remaining two audit recommendations.

DEPARTMENT OF HOMELESS SERVICES

Audit Report on the Controls of the Department of Homeless Services over the Shelter Placement and the Provision of Services to Families with Children

Audit # MG14-088A

Comptroller's Audit Library #8396

Issued: December 18, 2015

Monetary Effect: None

Introduction

This audit determined whether the Department of Homeless Services (DHS) has adequate controls to ensure that homeless families with children are placed in facilities that are maintained in satisfactory condition and that the needs of families are assessed and monitored in a timely manner.

DHS is charged with addressing issues related to homelessness, including providing temporary, emergency shelter to individuals and families with no other housing options available to them. DHS must also ensure that sheltered families receive appropriate services—either on-site or through referrals to other agencies—to help them in their transition out of the shelter system. State regulations require that an Independent Living Plan (ILP) be developed for families residing in temporary housing. Shelter providers are required to meet with families on a bi-weekly basis to determine the families' progress and to help them obtain the skills required to return to permanent housing. During Fiscal Year 2013 through March 2014, DHS provided shelter to approximately 12,500 families with approximately 23,500 children.

Results

The audit found that DHS does not have sufficient controls to ensure that units within the shelter facilities are adequately maintained, that the needs of homeless families are assessed in a timely manner, or that the families receive appropriate services, including those designed to assist them to transition to permanent housing. During the audit's scope period, there were only 14 Program Analysts assigned to oversee the provision of services at 155 family shelters housing approximately 12,500 families. Given the extent of oversight required, DHS does not apply sufficient resources to ensure that these families receive mandated services.

The audit's inspections of 101 apartments at eight randomly selected shelters found that the majority had one or more conditions that raise health and safety concerns, including rodent and roach infestation, peeling paint, water damage, and mold on bathroom ceilings. In addition, because DHS does not maintain overall performance data on whether shelter providers developed ILPs in a timely manner or monitored families' progress in meeting ILP goals, the audit was unable to determine whether such services generally took place as required.

The audit also identified security issues during visits to the eight sampled shelters, such as an insufficient number of security guards at two shelters, no sign-in and sign-out logs at one shelter, and inoperable cameras at another shelter.

To address these issues, the audit recommended that DHS:

- Consider a reallocation of current staff from other DHS units to increase the number of Program Analysts overseeing the shelters to better monitor whether shelters are in compliance with the terms of their agreements. The agency should also continue to seek additional funding from the City's Office of Management and Budget to enable it to hire additional Program Analysts, as it has represented that it is currently doing.

- Ensure that the shelter providers promptly correct the conditions that raise health and safety concerns in the eight sampled shelters identified in this report.
- Reinforce to shelter providers the importance of performing the required number of unit inspections. At the same time, DHS should enhance its own monitoring system so as to keep track of the number of unit inspections that are performed on a weekly and bi-weekly basis.
- Modify existing monitoring controls and develop additional ones as needed that would allow it to ensure that shelter providers are completing ILPs in a timely manner and scheduling the required number of ILP sessions.
- Modify existing monitoring controls and develop additional ones as needed to ensure that shelter providers follow up with clients who do not consistently accomplish the tasks set forth in their ILPs and/or attend their ILP sessions and conferences.
- Work with shelter providers to ensure that all shelter facilities, including clusters, are provided with adequate security, including a sufficient number of security guards and security cameras.

In their response, DHS officials generally agreed with the audit's 13 recommendations, stating that they have already taken action to begin implementing them.

Audit Follow-up

The Human Resources Administration (HRA), the agency overseeing DHS reported that DHS is in the process of implementing two recommendations and have already implemented the remaining 11 recommendations.

DEPARTMENT OF HOMELESS SERVICES

Report of Findings of Possible Employee Misconduct Uncovered in Connection with Audit #SZ15-056AL

On May 17, 2016, we issued a confidential letter report to the Department of Social Services and the Department of Investigation entitled *Report of Findings of Possible Employee Misconduct Uncovered in Connection with Audit #SZ15-056AL, Audit Report on the Department of Homeless Services' Monitoring of Their Employees Who Drive City-Owned or Personally-Owned Vehicles on City Business, March 2, 2015.*

NEW YORK CITY HOUSING AUTHORITY

Audit Report on the New York City Housing Authority's Maintenance and Repair Practices

Audit #FK14-102A

Comptroller's Audit Library #8392

Issued: July 13, 2015

Monetary Effect: None

Introduction

This audit determined whether the New York City Housing Authority (NYCHA) completed Work Orders satisfactorily and in a timely manner and accurately reported Work Order statistics.

NYCHA has provided housing for low and moderate income New York City residents since it was chartered in 1934. Currently, there are approximately 400,000 residents in 328 developments in all five boroughs. NYCHA uses the Maximo software system to create, assign, and track Work Orders to perform maintenance and repair work that is requested by residents or initiated by NYCHA and private management companies overseen by NYCHA. There are four categories of Work Orders: Corrective Maintenance Work Orders; Inspection Work Orders; Preventive Maintenance Work Orders; and Violation Work Orders.

In January 2013, NYCHA reported that it had a backlog of more than 420,000 Work Orders. To address the backlog and improve residents' quality of life, NYCHA announced that it was implementing new operational efficiencies and process changes to achieve its goals of eliminating the entire backlog by the end of 2013, and permanently reducing the average wait time for repairs and responding to emergency repair requests. In connection with this initiative, NYCHA reported monthly statistics on its website including the number of open Work Orders, the average amount of time it takes NYCHA to complete Work Orders, and its backlog of open Work Orders.

Additionally, in April 2014, NYCHA entered into a Stipulation and Order of Settlement (the Settlement) with residents who alleged they suffered from asthma and alleged that NYCHA failed to make reasonable accommodations and modifications in its policies, practices, and procedures to effectively abate mold, mildew, and/or excessive moisture conditions. The Settlement provided that NYCHA would modify its policies and procedures, train staff, and "maintain an average service level of no more than seven (7) days for completion of . . . work orders that require simple repairs . . . and an average service level of no more than fifteen (15) days for completion of more complex repairs."

As of April 2015, NYCHA reported that it had 120,730 open Work Orders and advised that NYCHA's manageable workload is about 90,000 Work Orders. For that same time, NYCHA reported that, on average, it took NYCHA 35 days to complete repairs.

Results

The audit found that NYCHA did not meet its goals of eliminating its entire Work Order backlog and permanently reducing repair wait times. In particular, NYCHA did not meet its stated goals for the completion of its largest category of Work Orders, Corrective Maintenance Work Orders, within prescribed time frames. Additionally, NYCHA did not ensure that Violation Work Orders were performed in a timely manner and did not establish time frames for or adequately track the completion of Inspection and Preventive Maintenance Work Orders. Further, in its performance reports to the public, NYCHA significantly understated Work Order statistics, including the total number of open Work Orders, the average amount of time it takes NYCHA to complete Work Orders, and its backlog of open Work Orders. To the extent that NYCHA reported dramatic reductions in the number of open Work Orders and the time it took to

complete repairs, the audit found, at least in part, that reductions resulted from NYCHA making administrative changes in the way it categorized and closed Work Orders, rather than from actually performing repairs more quickly.

NYCHA also did not effectively track whether residents were satisfied with work in accordance with its own procedures. Further, with regard to mold, mildew, and/or excessive moisture conditions, NYCHA did not train all staff and assign qualified staff to assess conditions and design and perform remediation work.

Based on survey responses the audit received and auditors review, it cannot be assured that NYCHA completes Work Orders in a satisfactory manner because of these issues.

The report makes a total of 27 recommendations, including that NYCHA:

- Publicly report the actual time it takes to address emergency repairs and complete routine and complex repairs.
- Record and track actual or targeted completion dates for Inspection and Preventive Maintenance Work Orders.
- Include all Work Orders, regardless of location and category, in the total number of Work Orders reported on its website.
- Report the actual number of Work Orders open beyond prescribed time frames on its website.
- Ensure that mold, mildew, and excessive moisture inspection and remediation Work Orders are assigned to appropriately trained staff.
- Employ system edits to ensure that mold, mildew, and excessive moisture inspection and remediation Work Orders are assigned to properly qualified staff.

In its response, NYCHA stated that it shared many of the concerns raised in the report and that it was “committed to changing the way we do business.” NYCHA attributed its maintenance and repair deficiencies to “[b]illions in underfunding by all levels of government, outdated and inefficient management models, and rapidly deteriorating buildings. . . . As funding has decreased, capital repairs and rehabilitations have been deferred resulting in the dramatic increase in the needs and costs for maintenance and repairs.”

Of the report’s 27 recommendations, NYCHA did not address 16 recommendations, agreed to implement or indicated that it was already following 9 recommendations, and disagreed with 2 recommendations.

Audit Follow-up

NYCHA reported that it is implementing or taking steps to fully address 21 of the report’s 27 recommendations. However, NYCHA disagreed with or did not fully address the remaining 6 recommendations. NYCHA did not agree to implement recommendations aimed at ensuring the integrity of Maximo data by accounting for all created Work Orders, and the complete and accurate reporting of open Work Orders. With regard to Work Order reporting, NYCHA did not agree to report Preventive Maintenance and Inspection Work Orders on its website, to stop including open Work Orders and administratively closed Work Orders in its calculation of the average number of days to complete a repair, and to create a single Parent Work Order for requested repairs that relate to a same condition within an apartment. Further, NYCHA did not state whether it will report Work Orders for all locations including privately-managed developments and the average number of days to complete emergency repairs on its website.

NEW YORK CITY HOUSING AUTHORITY

Audit Report on the New York City Housing Authority's Emergency Preparedness

Audit # SR14-113A

Comptroller's Audit Library #8395

Issued: December 14, 2015

Monetary Effect: None

Introduction

This audit was conducted to determine whether the New York City Housing Authority (NYCHA) has developed and implemented an emergency preparedness and recovery plan in the event of any service interruptions or natural disasters. NYCHA develops, constructs, and manages affordable housing in New York City. Its mission "is to increase opportunities for low- and moderate-income New Yorkers by providing safe, affordable housing and facilitating access to social and community services."

On October 29, 2012, Hurricane Sandy (Sandy) hit New York City, causing massive flooding and other damage in all five boroughs. The storm directly affected many NYCHA residents and damaged 402 NYCHA buildings that contained over 35,000 apartments. Approximately 80,000 residents lost essential services including electricity, elevator service, heat, and hot water because their heating and electrical systems were located in basements that flooded.

Results

The audit found that NYCHA's efforts to prepare for emergencies contain significant deficiencies, increasing the risk that it will not be able to effectively handle emergency situations and restore the agency to a normal level of operation in an expeditious manner. NYCHA's Emergency Procedures Manual does not properly define its emergency management team and fails to identify a distinct hierarchy of who would be in charge in the event of an emergency situation. The agency does not have a communication plan that specifies how critical information will be disseminated to NYCHA's employees, residents, and other stakeholders. It does not incorporate an overall view of NYCHA's capabilities and potential hazards during major emergencies, including identification of resources, critical services and operations, and community groups that could potentially assist with the emergency response.

The audit also found that to the extent that NYCHA's Emergency Procedures Manual does set out procedures to follow in cases of different types of emergencies, NYCHA has not complied with certain key provisions. Further, NYCHA does not maintain accurate information on its tenants with disabilities in its Tenant Data System (TDS) and NYCHA's Property Managers do not maintain complete lists of tenants with physical disabilities. Finally, the audit found that NYCHA has poor controls over its inventory of generators.

The audit made 19 recommendation, including that NYCHA:

- Develop and implement an emergency preparedness plan to include an overall view of NYCHA's capabilities and potential hazards for major emergencies, and identify its resources, critical services, and the operations needed before, during, and after an emergency;
- Require each development to adhere to the Emergency Procedures Manual and develop, maintain, and continually update a staffing plan for maintaining essential services in the event of an emergency;

- Ensure that information on all disabled occupants is current, accurately recorded and reported in each of the relevant systems, files, and lists;
- Develop a plan to ensure that all emergency contact information for disabled tenants is accurate and properly updated in NYCHA's TDS; and
- Develop a plan to ensure that all emergency contact information for disabled tenants is accurate and is being properly updated in NYCHA's TDS.

In its response, NYCHA stated that it is "committed to protecting the welfare of its residents. . . . We have enhanced our emergency management programs to plan for, manage and recovery from major disasters. . . . Due to the time period for this audit, we believe the findings and recommendations miss significant improvements NYCHA has made in relation to its emergency preparedness and response." In addition, NYCHA stated that many of the audit's recommendations are "in agreement with NYCHA's current preparedness actions."

Audit Follow-up

NYCHA reported that 18 recommendations have either been implemented or are in the process of being implemented. The remaining recommendation to determine how the Emergency Reporting System will be utilized for disseminating information was not implemented. NYCHA stated that the Executive and Emergency Services Department staff use this system for compiling data and not for communication.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Audit Report on the Development of City-Owned Vacant Lots by the New York City Department of Housing Preservation and Development

Audit # FM14-112A

Comptroller's Audit Library #8404

Issued: January 25, 2016

Monetary Effect: None

Introduction

This objective of this audit was to identify City-owned vacant land that can be developed into affordable housing and whether HPD has, in accordance with its rules, established plans with realistic time schedules for the transfer of property for development.

HPD's mission is "to make strategic investments that will improve and strengthen neighborhoods while preserving the stability of our existing housing stock." In furtherance of this mission, it "is responsible for carrying out Mayor Bill de Blasio's *Housing New York: A Five-Borough Ten-Year Plan*, an initiative to build or preserve 200,000 affordable housing units." To accomplish these goals, HPD enters into agreements with developers to construct and rehabilitate buildings on City-owned land and private sites. Generally, developers must respond to a Request for Proposal (RFP) or a Request for Qualifications (RFQ) as part of a competitive process to be selected to develop housing on public, *i.e.*, City-owned land. Next, development on public sites generally requires that the developer go through a Uniform Land Use Review Procedure (ULURP), which involves reviews and approvals of the plans by multiple parties such as Community Boards, the City Planning Commission, and elected officials including the Mayor.

The City provides developers with various financing and tax incentives to encourage them to build affordable housing. As a result of HPD's efforts, underutilized vacant properties that were a blight in many City neighborhoods have been developed into safe affordable homes.

Results

The audit found that the City owns over a thousand vacant lots that could be developed under existing urban renewal programs, but many of these lots have been allowed to languish and remain undeveloped for up to 50 years or longer. While HPD contends that over the years it has disposed of most of the lots it has been responsible for, the audit found that as of September 18, 2015, HPD listed 1,131 vacant lots under its jurisdiction. Further, the audit found that although HPD solicits developers to build on these properties, it has not established plans with realistic time schedules to actually transfer City-owned vacant properties to developers.

Pursuant to General Municipal Law § 502, HPD has devised urban renewal plans for areas that include its vacant properties. However, the audit found that projected schedules are often pushed to a later date and sometimes no date is specified at all, even though the law requires "a proposed time schedule for the effectuation of such plan." Accordingly, it appears that schedules with adequate procedures to transfer City-owned properties to developers have not been consistently formulated. Finally, the audit identified an additional 340 City-owned vacant lots under the jurisdiction of other City agencies that could be considered to be used for residential construction.

The audit recommended that HPD:

- Develop and propose a realistic time schedule for transferring City-owned lots to developers.

- HPD should take into consideration the required steps and the time frames to complete these steps when determining the time schedule. These steps should include:
 - Selection of a developer for a specific site;
 - Submission of architectural plans by developer;
 - Approval of architectural plans;
 - Meeting with community representatives;
 - ULURP process;
 - Obtaining financing; and
 - Obtaining all approvals from within HPD to proceed with project and transfer the lots.
- HPD should document, retain, and track the established time schedules it proposed for transferring City-owned lots to developers. This should also include instances where a timeframe has yet to be determined. Additionally, HPD should document reasons why any established time schedules are subsequently changed.
- HPD should coordinate with other City agencies and the Mayor's Office to review the lots identified in this audit that have been assigned to other City agencies, and determine if they would be better suited for development of affordable housing.

In their response, HPD officials stated it already is following the procedures recommended in the audit.

Audit Follow-up

HPD reported that all of the audit recommendations are already being implemented.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Audit Report on the New York City Department of Housing Preservation and Development's Administration of the Minority- and Women-Owned Business Enterprise Program

Audit # MD15-111A

Comptroller's Audit Library #8412

Issued: March 18, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City Department of Housing Preservation and Development (HPD) complied with the key provisions of Local Law 1 of 2013 (LL1) that pertained to the New York City's Minority- and Women-Owned Business Enterprise (M/WBE) Program.

HPD is the largest municipal housing preservation and development agency in the nation. The agency is responsible for promoting the construction and preservation of affordable, high quality housing for low- and moderate-income families throughout the City by enforcing housing quality standards, financing affordable housing development and preservation, and ensuring sound management of the City's affordable housing stock.

In 2005, Local Law 129 (LL129) created the M/WBE Program, which was modified by LL1 in 2013. The M/WBE Program, administered jointly by the Department of Small Business Services (DSBS) and the Mayor's Office of Contract Services (MOCS), aims to eliminate discrimination in City contracting. Such discrimination was quantified through a disparity study commissioned by the New York City Council. Based on this disparity study, the City Council established Citywide contracting participation goals for M/WBEs that it set forth in LL1. Pursuant to LL1, these contracting participation goals may be met through awards of prime contracts or subcontracts for the procurement of professional services, standard services, construction services and goods. The M/WBE Program aims to increase M/WBE contracting opportunities by maximizing access to bid or proposal opportunities for prime contracts. However, under New York State law, agencies are required to award prime contracts through a competitive process and M/WBE status *may not* be a factor in making such an award. The M/WBE Program requires City agencies to set M/WBE participation goals on individual contracts, subject to the law.

LL1 requires City agencies to develop and submit an *M/WBE Utilization Plan* each fiscal year to DSBS. Each agency must factor in Citywide goals for M/WBE utilization when setting its own goals for procurement, and make all reasonable efforts to meet the goals it has set for M/WBE participation. LL1 also requires that agency M/WBE Officers monitor their agency's procurement activities to ensure utilization goal compliance and to assess their agency's progress towards the participation goals established in its plan.

Results

The audit found that HPD was not in compliance with key provisions of LL1 that pertained to the M/WBE Program. Specifically, HPD did not track or maintain a complete centralized list of all contracts and subcontracts subject to LL1 that were awarded to M/WBEs. HPD also did not record all required contract information in the City's Financial Management System (FMS) for contracts subject to LL1 M/WBE participation goals. Because of HPD's failure to record all of the required contract information in FMS, the audit found that HPD potentially overstated the reported dollar amounts awarded to M/WBEs of four sampled prime contracts totaling \$174,554 by \$13,900.

The audit also found inadequate evidence that HPD monitored its prime contractors' use of M/WBEs for contracts awarded with participation goals. There was no documentary evidence of

HPD's review of the prime contractors' records to verify payments made to subcontractors, and no evidence of job-site inspections or of any contacts with M/WBE subcontractors to verify their use. Further, the audit found inadequate evidence that HPD considered relevant information required by LL1 when setting its annual Agency M/WBE utilization goals; performed some of the M/WBE initiatives that the agency stated it would perform in its *M/WBE Utilization Plans*; and monitored its progress towards achieving its M/WBE utilization goals.

These deficiencies hinder HPD's efforts to effectively assess its compliance with its agency-wide M/WBE utilization and its prime contractors' compliance with established participation goals.

The audit made 12 recommendations, including:

- HPD should maintain a complete centralized list of all prime contractors and subcontractors to help track and monitor contracts subject to LL1.
- HPD should ensure that it correctly enters all prime contracts and subcontracts into the applicable FMS tables.
- HPD should monitor and document the prime contractors' use of M/WBEs and verify payments made to them by, at a minimum, performing job-site inspections to ensure subcontractor performance and utilization, contacting M/WBEs identified in the plan to confirm their participation and auditing the contractors' books and records.
- HPD should conduct a more thorough evaluation of its M/WBE utilization goals, consider increasing its goals in future years where applicable, and document all factors considered in establishing its goals.
- HPD should advertise procurement opportunities in minority publications in order to increase opportunities for prospective M/WBE bidders.
- HPD should establish a formal means of monitoring its procurement activities to ensure compliance with the agency's utilization plan and to monitor its progress towards meeting the participation goals established in its plan.

In its response, HPD agreed with 11 of the audit's 12 recommendations but disagreed with the need for eight of them, arguing that the agency was already in compliance. HPD also disagreed with many of the audit's findings, stating that it "had already implemented many of the policies and practices recommended in the Audit Report." After carefully reviewing HPD's arguments, there was no basis to alter any of the audit's findings or the report's overall conclusion.

Audit Follow-up

HPD reported that 11 recommendations have either been implemented or contends that they were already in compliance. HPD continues to disagree with many of the audit's findings and with the remaining recommendation.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Audit Report on the Department of Housing Preservation and Development's Monitoring of Building Owners' Compliance with Affordable Housing Provisions and Requirements

Audit # MG15-118A

Comptroller's Audit Library #8450

Issued: June 29, 2016

Monetary Effect: None

Introduction

This audit determined whether the controls established by the Department of Housing Preservation and Development's (HPD's) Tax Credit and Home Compliance (TC&H) unit for the monitoring of building owners' compliance with affordable housing provisions and requirements are implemented on a consistent basis to ensure that: 1) tenants residing in affordable housing projects meet eligibility requirements; 2) rents are charged in accordance with affordability requirements; and 3) units are adequately maintained.

HPD is the largest municipal housing preservation and development agency in the nation. The agency is responsible for promoting the construction, rehabilitation and preservation of affordable, high quality housing for low and moderate-income families, for enforcing housing quality standards, financing affordable housing development and preservation, and for ensuring sound management of the City's affordable housing.

HPD's Division of Asset Management (Asset Management) is responsible for monitoring various housing projects' financial health, overseeing the physical condition of buildings that are financially assisted by or through certain City and other government programs, and for ensuring continued compliance with regulatory agreements. HPD's TC&H unit is part of Asset Management and is responsible for overseeing affordable housing projects that receive Low Income Housing Tax Credits, as well as those that are funded through a federal program administered by the U.S. Department of Housing and Urban Development (HUD) called "HOME."

HPD's compliance analysts review an owner certification and rent roll form submitted by building owners to assess whether the owners have fulfilled the terms and conditions of their regulatory agreements. In addition, HPD must visit 20 percent of the units identified by their owners as low-income units and verify the information provided in the annual owners' certifications and rent rolls. Moreover, HPD must physically inspect these affordable housing units to ensure that they are in good physical condition and compliant with the New York City Housing Maintenance Code.

As of Calendar Year 2015, the TC&H unit monitored 589 affordable housing projects, which consisted of 54 tax-credit projects, 276 HOME projects and 259 projects that received a combination of both tax credits and HOME funds. These 589 are associated with 25,279 affordable units in 1,955 buildings.

Results

The audit found that the controls established by HPD's TC&H unit are implemented on a consistent basis for the monitoring of building owners' compliance with affordable housing provisions and requirements. However, the audit found a number of weaknesses that hinder HPD's ability to ensure that building owners consistently comply with requirements. Specifically, the audit found that Asset Management does not maintain a complete list of all rental projects that the TC&H unit oversees. In addition, the audit found that HPD does not have a watch list to track building owners who consistently fail to comply with affordable housing requirements, and does not verify building owners' assertions that deficiencies cited by the agency in inspection reports

have been corrected. Finally, the audit found that HPD does not have an effective tracking mechanism in place that would allow it to review all affordable housing units under its oversight on an aggregate basis, including the issues found with the units. This hinders HPD's ability to track building owners' overall compliance status for their affordable housing projects.

To address the issues raised, the audit made the following five recommendations:

- Asset Management should periodically review its asset management portfolio database and update it as needed to ensure that applicable buildings and units from the TC&H compliance data are included into the portfolio database.
- HPD should establish a watch list to track those building owners who have a history of repeated non-compliant behavior.
- HPD should enforce its contractual authority to institute legal proceedings for the repayment of funds obtained from HPD for HOME projects and take steps to prevent these owners from future business dealings with the City.
- HPD should independently verify that the measures reported by building owners to correct deficiencies were actually made.
- HPD should create a formal tracking mechanism that would allow it to clearly identify the number of projects and units that it is responsible for overseeing on an aggregate level.

In its response, HPD agreed with one recommendation and agreed in principle with two others. HPD disagreed with our recommendation that it independently verify that the measures reported by building owners to correct deficiencies were actually made and did not directly address our recommendation that it create a formal tracking mechanism for all of the projects and units that it oversees.

Audit Follow-up

HPD reported that two recommendations are in the process of being implemented and disagreed with the remaining three recommendations. HPD is in the process of finalizing a contract with a vendor for a software system to assist with managing affordable housing.

HUMAN RESOURCES ADMINISTRATION

Audit Report on the New York City Human Resources Administration's Monitoring and Oversight of Vendors who Provide Housing to Clients of the HIV/AIDS Services Administration

Audit # MD14-107A

Comptroller's Audit Library #7400

Issued: January 7, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City Human Resources Administration (HRA) had adequate controls in place to ensure that vendors are providing services to HIV/AIDS Services Administration (HASA) clients in accordance with their agreements.

HRA's HASA provides assistance to individuals with AIDS or clinical symptomatic HIV illness in applying for public benefits and services and case management. HASA also provides supportive housing for HASA clients and their immediate family members who are homeless or at risk for homelessness. HASA provides two types of housing: non-emergency (permanent) housing and emergency transitional housing. According to information provided by HASA, between July 1, 2012, and April 16, 2014, HRA had 170 active contracts with 61 vendors that required them to provide approximately 5,600 units of permanent and emergency housing. HRA during this period also had 43 agreements they identified as Memorandums of Understanding (MOUs) with 32 vendors that required them to provide an additional 1,459 units of housing.

HASA monitors its housing vendors in four ways: HASA Housing Specialists conduct housing inspections of vendors' facilities and units; HASA's Quality Assurance (QA) staff perform program evaluations by reviewing sample case records and inspecting sample units; HASA's Finance unit monitors vendors' timely submission of required reports, such as budget and monthly reports; and HASA oversees expenditures through its Finance unit by conducting monthly reviews of invoices submitted by the vendors, known as desk audits). In addition, HRA's Bureau of Internal Vendor Audits started assisting HASA by performing fiscal audits of vendors (fiscal accountability) as of July 2013.

Results

The audit found that HRA has inadequate controls to ensure that its vendors provide services to HASA clients in accordance with contract requirements. The housing inspection database HRA developed to track housing inspections is unreliable and there was no evidence that housing inspections were consistently conducted in a timely manner or that inspection results were promptly and formally shared with vendors. The audit also found that HRA does not ensure that key contract terms are followed and did not ensure that assessments of customer satisfaction were performed as required by Procurement Policy Board Rules. In addition, the audit identified a number of instances in which HRA continued to pay vendors for clients after they were reported as deceased and it found weaknesses in HRA's oversight designed to ensure fiscal accountability for its vendors.

To address these issues, the audit made 17 recommendations, including:

- HRA should ensure that any data processing issues responsible for errors and inconsistencies in the management reports generated by the database are corrected.
- HASA should ensure that an attempt is made to inspect all contracted units within established time frames and that it maintains a record of those attempts.

- HASA should ensure that inspection results are formally shared with vendors timely and that it maintains evidence of such notifications.
- HASA should provide training and guidance as needed to staff to ensure that they have a good understanding of the inspection process and that inspections are conducted in a consistent manner.
- HRA should ensure that HASA's QA program evaluation includes all key contract provisions, including those that are unique to the different categories of housing and services provided to clients.
- HASA should ensure that reports are appropriately used to identify deceased clients so that payments to the vendors for the clients' housing can be stopped and/or other clients can be moved into those units in a timely manner.
- HRA should include specific contact information on how complaints can be submitted in the "Client Bill of Rights" that is distributed to clients.
- HRA should make efforts to complete the fiscal audits of HASA vendors to determine whether expenses are being billed in accordance with the contracts and to identify whether there are any areas of concern that may need additional controls.

In its response, HRA generally agreed with the audit's findings and agreed with 15 of the audit's 17 recommendations. HRA disagreed with the recommendations that it should ensure that reports are appropriately used to identify deceased clients and recoup the overpayments made to the vendors for the deceased clients referenced in this report. It maintains that for these recommendations no corrective action is necessary.

Audit Follow-up

HRA reported that it has implemented or is in the process of implementing 16 recommendations. The remaining recommendation to recoup the overpayments made to vendors for the deceased clients referenced in the audit will not be implemented.

METROPOLITAN TRANSPORTATION AUTHORITY

Audit Report of the Metropolitan Transportation Authority's Oversight of the Access-A-Ride Program

Audit # FK15-098A

Comptroller's Audit Library #8421

Issued: May 17, 2016

Monetary Effect: Potential revenue: \$1.4 million annually

Introduction

This audit examined the Metropolitan Transportation Authority's (MTA) controls over Access-A-Ride contractors' billing and payments. The goal was to determine whether the MTA adequately monitors AAR contractors to ensure they are providing paratransit services in a timely manner.

The Americans with Disabilities Act (ADA) of 1990 requires public transportation authorities to provide a paratransit system for passengers with disabilities who are unable to use public bus or subway service. The agreement between New York City and the Metropolitan Transportation Authority (MTA) New York City Transit authorizes the MTA's Paratransit Division (Paratransit) to administer and operate the City's paratransit service, known as Access-A-Ride (AAR). AAR offers shared ride, door-to-door paratransit service in the City and limited parts of Nassau and Westchester County 24 hours a day, seven days a week, including holidays.

AAR primarily delivers service through a network of Dedicated Service Contractors (DSCs) and Broker Car Service Contractors (BCSCs). During Calendar Year 2015, Paratransit paid \$321.4 million to DSCs and BCSCs for a total of 6 million combined trips.

DSCs use Paratransit-owned vehicles (specially equipped buses and cars) to perform AAR trips and are solely dedicated to the provision of paratransit service. Although they do not own the vehicles, DSCs are responsible for maintaining these vehicles and for providing drivers, dispatchers, and all other personnel necessary to manage and perform AAR trips. DSCs receive payments for the number of hours that vehicles are in AAR service, overhead costs, and vehicle maintenance costs, and are reimbursed for items such as tolls and vehicle insurance and registration.

BCSCs provide transportation services to ambulatory passengers through a network of subcontracted livery and black car service providers. BCSCs' payments are dependent on zone-based rates for each trip performed.

The contracts for Dedicated Service and Broker Car Service both specify minimum contractor-performance standards for reliable and timely service and provide remedies to the Paratransit in the event a contractor fails to meet these performance standards. As a means of monitoring contract performance, both Dedicated Service and Broker Car Service contracts require the installation and use of Global Positioning System (GPS) devices in all vehicles used in the AAR system. The GPS devices should enable Paratransit to determine whether contractors meet minimum performance standards related to reliable and timely service and to ensure that payment amounts are correct. For DSCs, Paratransit used a GPS System known as Automatic Vehicle Location Monitoring (AVLM).

Results

The audit found that Paratransit failed to effectively monitor AAR contractors' compliance with contract requirements for reliable and timely customer service and accurate reporting of pick-up and drop-off times. As a result, customers suffered from unreliable and unsatisfactory service.

Further, Paratransit overpaid its contracted vendors, made additional questionable payments and failed to effectively manage the contracts to ensure better service and to obtain cost savings.

The audit specifically found that Paratransit did not ensure that contractually-mandated GPS devices were installed, operating properly, and activated when required in all contractor-operated vehicles. Moreover, even when GPS data was available, in most cases Paratransit did not use it to evaluate contractor performance or to determine whether the contractors' invoiced payment amounts were correct. Instead, Paratransit relied primarily on contractors' self-reported trip and vehicle data, which was often inaccurate and inconsistent with or unsupported by GPS data. Consequently, Paratransit did not accurately assess whether DSCs and BCSCs met minimum performance standards for reliable and timely service and made overpayments and questionable payments to contractors. In addition, Paratransit failed to decrease the number of trips assigned to a BCSC that consistently failed to meet required customer service standards.

Paratransit also missed significant cost savings opportunities by failing to direct DSCs to implement service efficiencies that were available as of 2009. These efficiencies would have enabled Paratransit to negotiate lower pricing for Dedicated Service contracts currently valued at \$4.2 billion. Finally, Paratransit did not ensure that Reservation Agents offered customers the most cost-effective travel options.

To address these issues, the audit made 21 recommendations including that Paratransit should:

- Ensure that all DSCs' vehicles are equipped with AVL and that AVL is properly functioning and activated when in AAR service.
- Direct DSCs to stop recording "reconciled" times in ADEPT except upon system failure.
- Use AVL data to evaluate DSC performance; determine whether they met minimum no show and on time performance standards; calculate liquidated damages, credits for performance deficiencies, and incentive payments; and calculate contract component payments including Vehicle Service Hours.
- Take substantive measures against DSCs that inaccurately report trip and vehicle data, including higher penalties, reducing trip volumes, not renewing contracts and terminating contracts.
- Consider all remedies available for breach of material Broker Car Service Contract provisions up to and including termination.
- Consider seeking new BCSCs and/or alternatives to the existing Broker Car Service model.
- Negotiate reductions in Dedicated Service Contract prices based on service and management efficiencies, including reduced personnel costs and recordkeeping requirements.
- Immediately issue written notifications to all Reservation Agents to remind them of the Trip Offering Policy.

The auditors requested that the MTA formally respond to the audit's findings and recommendations. However, the MTA did not provide written comments.

Audit Follow-up

The MTA reported that 20 recommendations have either been implemented (11 recommendations) or are in the process of being implemented (9 recommendations). The MTA rejected the report's remaining recommendation to specify whether vehicles that may be classified in more than one maintenance category should be paid at the lesser or greater Maintenance Cost rate.

METROPOLITAN TRANSPORTATION AUTHORITY

Letter Audit Report on Phase II of the Wireless Voice and Data Services in New York City's Subway System as Provided by Transit Wireless

Audit Number: SZ16-086AL
Comptroller's Audit Library #8416
Issued: April 12, 2016
Monetary Effect: None

Introduction

The objective of this audit was to determine whether the wireless voice and data communication system installed by Transit Wireless (TW) within certain New York City subway stations--including platforms, mezzanines, and various points within public access passageways--operates effectively. This audit is the second in a series to examine the ongoing installation of cellular and wireless services in the New York City subway system.

In 2007, following a request for proposals process, the Metropolitan Transportation Authority's (MTA) Board granted TW an exclusive license to provide commercial cellular/PCS and Wi-Fi service in 277 underground subway stations. Under the agreement, TW acts as a neutral host, constructing the distributed antenna system within the stations (excluding the tunnels between stations) and sub-licenses rights to use that system to cellular carriers, Wi-Fi providers, and other network users.

TW installs equipment and antennas at each underground station to provide cellular and Wi-Fi coverage throughout public areas. The in-station equipment and antennas are linked by fiber optic cables to TW trunk fiber optic cables, which run through the streets and connect back to a base station hotel (hub) that houses the head-end equipment for TW, the cellular carriers, Wi-Fi providers, and New York City Transit (NYCT).

TW installed the wireless network in 47 underground subway stations in Manhattan as part of Phase I (previous Audit Number SZ15-062AL), including major station complexes such as Times Square and Grand Central, and stated it had installed the wireless network in 29 stations in Queens (the subject of this audit). Phase III is underway and includes stations located mostly in Manhattan. All 277 underground stations in New York City are contractually required to be in service by the end of 2017.

Results

The audit found that the wireless voice and data communication system currently installed by TW within the 29 Phase II subway stations auditors tested (including platforms, mezzanines, and various points within public access passageways) operates as intended. In addition, on January 8, 11 and 26, and February 7 and 23 of this year, auditors revisited the 47 stations tested in Phase I and found these to still be operational. Furthermore, the audit found that there was an immediate Wi-Fi connection. The audit recommended that the MTA, NYCT and TW continue their current plan to provide voice and data service to the remaining 201 underground New York City subway stations.

In its response, NYCT stated that it "acknowledges and accepts the conclusion of the attached draft audit of NYCT's Wireless Voice and Data Service, which found that the wireless voice and data communications system installed in 29 Phase II underground Queens subway stations operates as intended. The audit also positively notes that the system continues to operate as intended at the 47 stations at which it was previously installed during Phase I. Please note that we also acknowledge the continuation of the New York City Comptroller's testing of the availability of wireless connections as we continue to install this service at the remaining 201 underground stations."

MULTI-AGENCY

Audit Report on the Financial and Operating Practices of the Bryant Park Corporation and Bryant Park Management Corporation

Audit #FN15-129A

Comptroller's Audit Library #8455

Issued: June 30, 2016

Monetary Effect: None

Introduction

The audit determined whether the Bryant Park Corporation (BPC) accurately reported revenue and expenses and complied with major requirements in its exclusive management agreement with New York City (the City) Department of Parks and Recreations (Parks) and its contract with the New York City Department of Small Business Services (DSBS). The management agreement with Parks (the Parks Management Agreement) allows BPC to hold public events and use facilities within Bryant Park, including restaurant and other food services, through concessions and other agreements with third parties. The agreement also allows BPC to retain the revenue generated through these activities to support its work. BPC's operations are overseen by a Board of Directors (the Board), which consists of 14 members.

BPC is also responsible for overseeing the operations of Bryant Park Management Corporation (BPMC), an entity created to manage the Bryant Park Business Improvement District (Bryant Park BID). While BPMC has its own Board of Directors, some of whom also sit on the BPC Board, BPMC relies entirely on BPC's staff and management to conduct its operations and maintains common bank accounts with BPC. BPMC (and so in effect BPC) functions as the District Management Association (DMA) of the Bryant Park BID. In this capacity, BPC is responsible for ensuring that supplemental services are being provided in accordance with the district plan approved by DSBS. Bryant Park BID operations are funded by property assessments imposed on area property owners and are governed by the requirements of the DSBS contract (the DSBS Contract). Based on the DSBS Contract, the revenue of the Bryant Park BID may be used for capital improvements, maintenance, public safety, community services and other specified services to improve business conditions and activities within the BID.

Although BPC and BPMC are two separate legal entities, their financial statements are consolidated because of their close financial and organizational relationship. BPC and BPMC do not maintain separate books and records. In Fiscal Years 2013 and 2014, BPC and BPMC reported combined revenue of \$8,841,243 and \$14,549,213, respectively. The majority of this revenue was derived from BPC's sponsorships and park usage fees; \$1,100,000 of this revenue for each of the Fiscal Years 2013 and 2014 was derived from assessments charged to property owners. In Fiscal Years 2013 and 2014, BPC and BPMC reported combined expenses of \$9,994,253 and \$12,881,529, respectively.

Pursuant to a 34th Street BID contract between 34th Street Partnership, Inc., (the designated DMA for the 34th Street BID) and DSBS, BPC also shares certain management and support staff and office space with the 34th Street BID. Expenses shared by BPC and the 34th Street BID include office space and salaries of the President, Controller/CFO, and other senior management. The allocation of these common expenses between BPC and the 34th Street BID is based on the amount of time each staff member worked for each entity and the office space is allocated based on use.

Results

The audit found that BPC was generally in compliance with the Parks Management Agreement and with the DSBS Contract. However, the audit found internal control deficiencies that may affect BPC's oversight over its operations and the accuracy of its financial reporting.

Specifically, BPC did not implement adequate timekeeping procedures and did not provide sufficient documents to support its cost allocation of joint salary expenses. The audit also found deficiencies in BPC's procurement practices, including that it did not consistently execute purchase orders prior to billing for goods or services; adhere to its own procurement procedures; maintain written contracts; and adhere to the subcontracting procedures required by the DSBS Contract. Further, BPC did not establish procedures to secure competitive bids for contracts prior to the submission deadlines. In addition, BPC failed to obtain the required conflict-of-interest disclosures from its key employees and a majority of the Board members. BPC also failed to consistently ensure that its concessionaires, subcontractors, and event operators maintained the proper insurance, did not retain essential documents in its personnel files, and failed to follow its own procedures for employee education reimbursements.

Finally, Parks has not revised its agreement with BPC since it was entered into in 1985. As a result, the terms of the agreement do not necessarily reflect current conditions in and around Bryant Park and in the City as a whole and so potentially do not maximize benefits to the City.

This report makes 12 recommendations to BPC, Parks and DSBS.

Specifically, BPC should;

- Revise its written policies and procedures to strengthen internal controls as follows:
 - Implement a central timekeeping system to account for each employee's time-in/time-out, total hours worked, and a secure interface for data entry, reviewer and approver processes;
 - Implement an appropriate methodology to allocate payroll expenses for employees shared by the BPC and other entities;
 - Execute purchase orders prior to the billing of goods and services to ensure that adequate approval is obtained, sufficient funds are available for potential expenses, and an appropriate receiving report is utilized;
 - Maintain all supporting documents relating to BPC's procurement processes, including bids, required approvals from the Board and City agencies, and signed contracts;
 - Ensure that VENDEX background checks are on file for contractors who have contracts exceeding \$100,000 within a 12-month period;
 - Obtain all required approvals from the construction committee and DSBS and/or Parks, if applicable, for purchases over \$20,000;
 - Execute written contracts for all independent contractors and vendors conducting business with BPC; and
 - Establish monitoring procedures to ensure all BPC employees adhere to the policies and procedures, including the employee education reimbursements, governing BPC's operations.
- Obtain Board and DSBS approvals when less than three bids are obtained.

- Revise its written policies and procedures over the subcontracting of supplemental services to ensure that the BPC's written policies are consistent with the DSBS Contract.
- Establish policies to properly safeguard submitted bids;
- Obtain the necessary conflict-of-interest disclosure forms from its employees and Board members.
- Ensure sufficient documentation is maintained in personnel files to appropriately reflect BPC's hiring and staff performance evaluation practices.
- Ensure all outside entities conducting business with the BID maintain insurance coverage that is required by the license agreements.

Parks officials should:

- Ensure BPC implement the recommendations of this report.
- Conduct periodic review of BPC's operations to ensure compliance with the Parks Management Agreement.
- Consider amending the terms in the management agreement to include the types of internal controls that BPC should establish for its operation and to better optimize the benefits for the City.

DSBS officials should:

- Ensure BPC implement the recommendations of this report.
- Conduct periodic review of the BPC's operations to ensure compliance with the DSBS Contract.

Of the report's seven recommendations addressed to BPC, it agreed to implement five recommendations, partially agreed to implement one related to strengthening the internal control and disagreed with one recommendation related to revising procurement policies to comply with the DSBS subcontracting requirements. Both Parks and DSBS generally agreed with the remaining recommendations directed at them.

Audit Follow-up

BPC reported that five recommendations are either implemented or are in the process of being implemented, one recommendation is partially implemented, and the remaining recommendation has not been implemented.

Parks reported that all of the recommendations addressed to Parks are being implemented.

DSBS reported that both recommendations have been implemented.

MULTI-AGENCY

Report on the Potential Duplication, Overlap, and Fragmentation of New York City's Employment-Related Programs

Report # MJ14-080S

Comptroller's Audit Library #8393

Issued: October 22, 2015

Monetary Effect: None

Introduction

The goal of this study was as follows: 1) to identify employment-related programs administered by New York City (City) agencies, the resources allocated, and the populations served by these programs; 2) to determine the degree to which duplication, overlap, or fragmentation exists among such programs; and 3) to identify potential opportunities for creating greater efficiencies. The scope of this study was Fiscal Years (FYs) 2013 and 2014 (July 1, 2012 through June 30, 2014).

This study applied methods similar to those used by the United States Government Accountability Office (GAO) to identify and report on federal programs, agencies, offices and initiatives with duplicative goals. Specifically, this study targeted employment-related service programs administered by City agencies and focused on apparent indications of duplication, overlap, and fragmentation. For the purposes of this report, closely mirroring the definitions employed by the GAO, the following definitions apply:

- Duplication occurs when two or more agencies, or organizational units within an agency, are each independently engaged in the *same* type of program or activity and/or provide the *same* service to the *same* beneficiaries (target population).
- Overlap occurs when multiple agencies, or organizational units within an agency, engage in the provision of *similar* services and/or target similar beneficiaries.
- Fragmentation exists when more than one agency or organizational unit within an agency administers or is involved in the same program.

The identification of overlap and fragmentation in a program does not necessarily mean that inefficiencies and wastefulness exist. Nonetheless, the existence of duplication, overlap, and/or fragmentation of programs may be an indication that there are opportunities to save taxpayer dollars, maximize budgetary resources, and create greater efficiency of program operations and performance.

Results

During Fiscal Years 2013 and 2014, a total of 14 City agencies were involved in the administration of 90 employment-related programs at a cost of more than \$1.09 billion over the two-year period. Collectively, the agencies reported that these programs provided services to more than 440,000 program participants at a cost of \$535.3 million in FY 2013, and more than 480,000 participants at a cost of \$554.7 million in FY 2014. The total number of people who participated in these programs was almost certainly lower than totals reported, however, because individuals may have participated in more than one employment-related program during the period reviewed. Federal funds accounted for 49 percent of the funds spent on these programs, with the City supporting 34 percent of funds for these programs, the State contributing 14 percent, and private sources contributing 3 percent.

Based on the information provided by 14 agencies, no instances of duplication, as defined above, appeared to exist. Conversely, all of the reported 90 programs had some level of overlap

in the category of services provided and all but one had overlap in the populations targeted. Regarding fragmentation, 10 programs were found to involve the collaboration of two or more agencies; however, none of the agencies identified instances of fragmentation within their respective organizations.

Key study observations include the following:

- More than 70 percent of overall program funding was allocated to programs administered by the Human Resources Administration (HRA), the Department of Education (DOE), and the Department for Youth and Community Development (DYCD).
- Almost 75 percent of the participants were reportedly served by programs administered by HRA and the Department of Small Business Services (DSBS).
- The populations targeted by the City's employment-related programs fell under 12 demographic groupings. Twenty-nine of the City's 90 programs were targeted in whole or in part to unemployed workers or employed and low-income workers, the most highly targeted demographic, followed by cash assistance recipients and High school/ College/ GED prep students (13 programs each), general public (10 programs), and jail-sentenced individuals (inmates) (8 programs).
- Agencies reported that 90 percent of the City's employment-related programs provided multiple services (i.e., employment counseling and assessment, development of job opportunities, job readiness and skills training, job referral, job placement, and other non-employment related services).

However, the ability to conduct a comparative analysis among agencies of participant involvement and the expenditure of resources was limited due to variations in the manner in which agencies reported costs and participant information related to these programs. Thus, the degree to which the City is able to use a study such as this to identify opportunities to maximize its scarce resources depends on the ability of the City to reconcile these variations and make meaningful comparisons between agencies, programs and populations served.

To address the issues raised in this study and to help achieve greater efficiencies in employment programs, the report recommended that:

- The City develop a standard framework and implement guidelines for agencies to use to track and report relevant data (resources expended, participants served, etc.) associated with the City's employment-related programs.
- The City comprehensively review the areas identified in this study where overlap and fragmentation of programs or services exist to evaluate where savings could be achieved, costs reduced and/or operational efficiencies enhanced.
- The City evaluate its employment-related programs on a periodic basis (e.g., annually or bi-annually) to identify the extent to which non-mandatory overlap, duplication, or fragmentation of services exists. Where such conditions are identified, the City should consider consolidating employment programs where feasible.

Report Follow-Up

Not Applicable

MULTI-AGENCY

Review of Managerial Lump-Sum Payments

Monetary Effect: Actual Savings \$771,131

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, 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 review.

For Fiscal Year 2016, those audits of the managerial lump-sum requests submitted by city agencies resulted in a savings to the City of New York of \$771,131:

Total number of claims in Fiscal Year 2016	655
Total amount of agency-prepared lump-sum claims	\$ 17,332,183
Total amount of lump-sum claims approved for payment	\$ 16,561,052
Claims correctly prepared by the agency	392
Claims reduced during audit	343
Claims increased during audit	49
Claims denied	0
Total dollar value of agency overpayments, before audit	\$ 781,626
Total dollar value of agency underpayments, before audit	\$ 10,495
Net Savings resulting from audit	\$ 771,131

DEPARTMENT OF PARKS AND RECREATION

Audit Report on the New York City Department of Parks and Recreation's Compliance with Local Law 20 and the Placement of Automated External Defibrillators

Audit # SZ16-094A

Comptroller's Audit Library #8439

Issued: June 24, 2016

Monetary Effect: None

Introduction

The audit determined whether the New York City Department of Parks and Recreation (Parks) complied with Local Law 20, which governs the automated external defibrillator (AED) use and placement throughout the City. The objective of the audit was to determine whether Parks is in compliance with the Local Law 20 requirements for training and certifying City personnel on the use of AEDs, the placement of AEDs in parks and recreational centers, and whether Parks' Site-Specific Response and Maintenance Plan includes all the required elements.

In 2005, the New York City Council enacted Local Law 20 requiring the placement of AEDs in public locations. These devices are specifically to be placed in: nursing homes; senior centers; the publicly accessible portions of buildings maintained by the New York City Department of Citywide Administrative Services (DCAS), Division of Facilities Management and Construction; selected City-operated parks; and certain ferry terminals and ferries owned and operated by the City.

The New York City Department of Health and Mental Hygiene (DOHMH) issued rules to implement Local Law 20 in November 2005. Local Law 20 and the DOHMH rules require that AEDs be acquired and operated in accordance with New York State Public Health Law §3000-b, which states that personnel must be trained in their use, and that the devices must be registered with the Regional Emergency Medical Services Council of New York City, Inc. (REMSCO) before use by non-health care professionals. REMSCO is a not-for-profit, tax-exempt corporation whose function is to improve emergency medical services for New York City.

Local Law 20 also requires the Department to identify at least six parks in each borough under its jurisdiction that would be considered a public place, and determine the quantity and location of AEDs. Further, at least one of the selected parks in each borough must exceed 170 acres.

The Department maintains a municipal park system of nearly 30,000 acres, which includes 1,900 parks, and facilities throughout the five boroughs ranging from community and recreation centers to golf courses and swimming pools.

Results

The audit found that Parks generally complied with Local Law 20 and with New York State Public Health Law §3000-b regarding training and certifying City personnel on the use of AEDs, the provision of operational AEDs and adequate supplies, and the placement of AEDs at Parks' facilities and recreational centers. Parks maintains inspection reports and device registrations and is in compliance with provisions of its collaborative emergency health care provider agreement with REMSCO-NYC (Collaborative Agreement). However, the audit found that Parks does not have a current Collaborative Agreement since Parks has not refiled the Collaborative Agreement every two years as required. Furthermore, two locations were missing proper signage indicating the availability and location of the AEDs in Parks' buildings.

The audit made the following two recommendations:

- Parks should ensure that it has on file its current signed Collaborative Agreement with REMSCO.
- Parks should ensure that all its parks and recreation centers have the required signage at the main entrance indicating the location of AEDs and the contact information of the site's trained responders.

In their written response, Parks officials agreed with the report's findings and agreed that "a Collaborative Agreement is required to be filed every two years from the date of the initial Collaborative Agreement," and that they "will ensure that a newly signed Collaborative Agreement is in place." With regard to the required signage, Parks stated, "This matter has been addressed, and we have installed AED signage at the two locations."

Audit Follow-up

Parks reported that one recommendation has been implemented and the remaining recommendation is in the process of being implemented.

DEPARTMENT OF PROBATION

Letter Report on the New York City Department of Probation's Compliance with Local Law 36

Audit # SZ16-067AL

Comptroller's Audit Library #8394

Issued: November 9, 2015

Monetary Effect: None

Introduction

The audit reviewed whether the New York City Department of Probation's (DOP) compliance with Local Law 36, which governs waste prevention, reuse and recycling by City agencies. The objective of this audit was to determine whether DOP is complying with the local law, which is intended to make City agencies, and ultimately the City as a whole, more sustainable through efforts that promote a clean environment, conserve natural resources and manage waste in a cost-effective manner. The audit also examined DOP's efforts to follow additional recycling rules established by the New York City Department of Sanitation (DSNY), pursuant to Local Law 36. Our audit of DOP is one in a series of audits we are conducting on compliance with the local law.

In 1989, New York City established Local Law 19, codified as Administrative Code §16-301, *et seq.*, to establish an overarching "policy of the city to promote the recovery of materials from the New York City solid waste stream for the purpose of recycling such materials and returning them to the economy." The law mandates recycling in New York City by residents, agencies, institutions and businesses, and includes a series of rules to guide implementation. Local Law 19 requires the City to establish environmental policies to conserve natural resources and manage waste in a sustainable and cost-effective manner.

In 2010, the City enacted Local Law 36, amending the recycling provisions of Local Law 19 (Administrative Code §16-307) to require each City agency to develop a waste prevention, reuse and recycling plan and submit the plan to DSNY for approval by July 1, 2011. Local Law 36 also requires each agency to designate a lead recycling or sustainability coordinator for the agency and, where the agency occupies more than one building, to designate an assistant coordinator for each building the agency occupies. By July 1, 2012, and in each year thereafter, the lead recycling coordinator for each agency is required to submit a report to the head of its agency and to DSNY "summarizing actions taken to implement the waste prevention, reuse, and recycling plan for the previous twelve-month reporting period, proposed actions to be taken to implement such plan, and updates or changes to any information included in such plan."

In addition, Local Law 36 requires the DSNY Commissioner to adopt, amend and implement regulations governing recycling by City mayoral and non-mayoral agencies. DSNY is also responsible for consolidating the information contained in agency reports and including this information in the agency's annual recycling report.

Results

The audit found that DOP did not fully comply with Local Law 36. DOP did not establish a waste prevention, reuse and recycling plan until April 2015, notwithstanding that Local Law 36 requires such a plan to have been submitted to DSNY no later than July 1, 2011. The audit also found that DOP did not submit the required annual reports to its Commissioner or to DSNY for Fiscal Years 2012, 2013, and 2014. Although Local Law 36 requires that each agency designate one assistant coordinator for each building it occupies, the audit found that DOP has designated only two additional assistant coordinators to assist its agency's lead coordinator for its thirteen City-owned (DOP occupied) office buildings.

During a site visit to the Bay Street office in Staten Island, auditors noted that the waste generated from the office, including shredded papers and cans, is collected and placed in a trash compactor before it is picked up by the waste management company. A trash compactor allows more waste to fit into a smaller space by compaction. However, once the trash is compressed, recyclables are difficult to separate; this practice may hinder DOP's effort to comply with Local Law 36. In addition, 7 of DOP's 11 facilities did not have proper recycling signage posted at the receptacles. Signage and labeling provide instruction for the proper disposal of designated recyclable materials.

The audit recommends that DOP submit the required annual reports to its Director and DSNY by July 1st of each year and designate additional assistant coordinators as required by Local Law 36. The audit also recommends that DOP review its waste collection process at the Staten Island office to ensure it is in compliance with New York City Recycling Law and label each recycling receptacle at the other six locations to indicate what recyclable materials should be placed in each container.

In its written response, DOP agreed with the report's findings and stated that it has appointed an Assistant Coordinator for each building it occupies; that it will submit the annual reports in a timely manner; and that it has obtained recycling signage from DSNY and has posted it at all receptacles. DOP also addressed the finding at the Bay Street office in Staten Island by contacting the landlord "to explore the feasibility of separating" the recyclable materials.

Audit Follow-up

DOP reported that all of the audit recommendations have been implemented.

QUEENS BOROUGH PUBLIC LIBRARY

Audit Report on the Financial and Operating Practices of the Queens Borough Public Library

Audit #FN14-099A

Comptroller's Audit Library #8389

Issued: July 7, 2015

Monetary Effect: None

Introduction

The objectives of this audit were to determine whether the Queens Borough Public Library (the QBPL or the Library) appropriately authorized and recorded the Library's expenditures and whether those expenditures were necessary for the operation of the Library; and complied with the applicable laws, rules, and regulations governing the use of the QBPL's funds.

The QBPL was incorporated in 1907 to establish and maintain a free public library system serving the residents of Queens. It is governed by a board of trustees (the Board), the members of which are appointed by the New York City (the City) Mayor and the Queens Borough President. In addition, representatives of the City Comptroller, the Mayor, the Speaker of the City Council, the Public Advocate, and the Queens Borough President sit on the Board as non-voting *ex-officio* members.¹ Currently, the QBPL is one of the largest library systems in the country, providing services to approximately 2.3 million residents in Queens through 62 branches. In Fiscal Year 2014, the QBPL circulated approximately 15.8 million books and other materials and reported nearly 11.2 million attendees.

The QBPL is primarily funded by City tax levy funds. The City also provides most of the Library's buildings and City capital funds for infrastructure work. In addition to City funds, the QBPL receives funding from New York State; federal grants; private donations; and the collection of revenues from book sales, fines, and Library fees. For Fiscal Years 2008 to 2013, the QBPL received between \$121 and \$129 million per year in revenue and support.

Results

Our audit found that the QBPL failed to ensure that adequate financial controls were in place to properly allocate and expend its resources. The Handbook for Library Trustees of New York State, which was incorporated in its entirety in the QBPL's Manual for Trustees, requires that board members exercise due diligence and care to ensure that financial resources are used efficiently and effectively in furtherance of an institution's goals. In addition, the Board members are required to exercise fiduciary duty to safeguard the use of public and private funds and adopt policies and rules for the Library's governance. The audit found that the Board did not ensure that key financial controls were in place and, as a result, the audit identified many questionable expenditures and practices engaged in by the Library's senior management.

Among the weaknesses the audit found were a lack of oversight over credit card expenditures, a failure to properly account for managerial employees' work hours, and a failure to report all compensation on certain executive employees' federal W-2 compensation disclosure forms. Further, the audit found that the QBPL failed to substantiate its bases for repeatedly allocating in its financial records the majority of the Library's expenditures to the Library's City Fund, which caused that fund to operate with multi-year deficits, even though other non-City unrestricted funds that had surpluses during this time period that could have been used for these expenditures. The

¹ An ex-officio member is a government official or corporate representative who is required to represent the government or their employer as part of a major grant provision or coalition effort. According to the QBPL's by-laws, its "ex-officio members may participate in all meetings and deliberations of the Board, both in public and executive session but shall not vote on any matter."

audit also found that, despite the availability of these unrestricted funds, QBPL executives repeatedly requested additional funding from the City to cover basic operating costs, while using non-City funds that had previously been shielded from the Comptroller's audits to pay for many questioned expenditures.

Finally, our audit could not substantiate the reasonableness of the QBPL management's decision to increase management compensation while it decreased Library hours and reduced staff, all during a period when the Library reported it was experiencing severe financial difficulties.

The audit made nine recommendations, including that the QBPL should:

- Revise its policies and procedures to ensure that proper Board and managerial oversight responsibilities are established and exercised for all aspects of the Library's operations, including but not limited to the activities of the CEO and other executive staff.
- Ensure the establishment and enforcement of proper financial controls for the effective use of the QBPL's resources.
- Revise the timekeeping policy to ensure all employees, including managerial employees, properly account for their work hours.
- Review prior W-2s issued by the QBPL to determine the value of any income not properly stated and take appropriate action, including reissuing any W-2s, if necessary.
- Recoup the value of any improper personal expenditures from credit card users or revise the W-2 forms to include the personal charges as wages of the staff.
- Ensure going forward that all compensation is included as taxable income on employees' W-2s.
- Establish a reasonable methodology to properly allocate costs among different funds.
- Maintain accurate records to support fund allocations and other financial and operational decisions, including raises, bonuses, staff reductions, and reductions in services.
- Review the QBPL's policies and procedures to ensure that they adequately promote the mission of the Library and ensure the proper allocation of resources.

The QBPL agreed with all of our findings and recommendations. In its response, the QBPL stated that,

Overall, the audit findings were accurate in reflecting Library practices prior to the implementation of reforms and added internal controls, including new and revised policies and procedures; a process that is ongoing. The audit findings included opinions regarding appropriate expenses and operational decisions that will be reviewed carefully by the administration and Board, including the context in which those decisions were made ...

We appreciate the audit work done by the Comptroller and his staff. Strengthening the Library's fiscal accountability is a top priority for the Board of Trustees and management. The recommendations provided in this report are certain to assist us in meeting that goal.

Audit Follow-up

QBPL reported that seven recommendations have been implemented and the remaining two recommendations are in the process of being implemented.

QUEENS BOROUGH PUBLIC LIBRARY

Report of the Comptroller's Investigation into Possible Misconduct Revealed by the Audit of the Queens Borough Public Library

Report #RI16-056S

Comptroller's Report #8391

Issued Date: July 7, 2015

Monetary Effect: None

Introduction

In connection with a Comptroller's Office audit of the Queens Borough Public Library (QBPL) for Fiscal Years 2008 through 2013, auditors identified gross inadequacies in QBPL's financial controls. In light of the possibility of abuse, and to determine whether the QBPL or its executives violated federal, state, or local laws, the Audit Bureau's Research and Investigation (R&I) unit performed a thorough analysis of the credit card purchases by the QBPL's two most senior executives—the former Chief Executive Officer (CEO) and former Chief Operating Officer (COO), who is now serving as interim-CEO, for Fiscal Years 2012 through 2014. In addition, R&I reviewed the former CEO's record of time spent performing part-time consulting services for another public employer and the former CEO's City filings.

Findings

R&I found that the QBPL's CEO and COO used their QBPL credit cards for over \$310,000 in prohibited purchases, including approximately \$115,000 in purchases that appear to be taxable, undeclared income, in circumstances suggesting a significant likelihood of fraud and/or embezzlement. Furthermore, the CEO's records of time spent performing part-time consulting services conflicted with his QBPL work schedule, suggesting the possibility that these records are not accurate or that he performed his outside consulting work on Library time. Finally, the investigation found that the CEO made false statements in government filings by failing to disclose additional outside businesses and a federal tax lien on his VENDEX forms, a possible violation of law, as well as noncompliance with the CEO's employment contract with the QBPL.

RETIREMENT SYSTEMS

Audit Report on Pedagogical Pensioners of the New York City Teachers' Retirement Working for the City after Retirement; January 1, 2014 to December 31, 2014

Audit # FN15-082A

Comptroller's Audit Library #8413

Issued: March 29, 2016

Monetary Effect: Potential Savings \$111,913

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 TRS, and quantified the amounts of improper pension payments to any individuals who appeared to be violators of the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2014.

TRS provides retirement benefits to pedagogical civil service employees who were employed by the City of New York. The re-employment of retired public employees in public service is governed by the RSSL. Specifically, under RSSL Article 7, §212, a service retiree (a person receiving retirement benefits rather than a disability retirement) who is under the age of 65 can be re-employed in New York public service subject to an annual \$30,000 earning limitation. This means that a TRS member who is not collecting a disability pension, under age 65, may collect his/her pension and work for the City or State so long as he/she does not earn in excess of \$30,000 per year from a public service position. If an under-65 service retiree earns in excess of \$30,000 per year from a City or State public service position, the pension payments should be suspended unless the retiree has obtained a waiver under the RSSL.

Disability retirees are not subject to RSSL §211 and §212, but rather in New York City are subject to the New York City Charter §1117 which prohibits a retiree from earning more than \$1,800 a year in New York public service unless the retiree's disability pension is suspended during the time of such employment. A retiree's disability payments are included in the calculation of whether the \$1,800 cap has been exceeded.

Results

The audit found 11 TRS pensioners who violated sections of RSSL §211-§212. These pensioners were under the age of 65 and received a total of \$379,032 in post-retirement earnings for Calendar Year 2014. This resulted in \$111,913 of pension overpayments to these pensioners. In addition, the audit found that instead of suspending the retirement benefits of the pensioners TRS identified as receiving excess income, TRS instructed the employer to recoup excessive wages above the \$30,000 threshold from those pensioners. However, the audit found the recoupment of wages from three service retirees to be insufficient because TRS used incorrect wage data to determine the recoupment amount. In each of these three cases, TRS erroneously based its calculations on the amounts paid in 2014 rather than the amounts earned in 2014. It included prior year earnings that were paid in Calendar Year 2014 and excluded current year earnings that were paid in 2015, when determining the recoupment amount. As a result, the recoupment amounts were not accurately calculated.

Finally, the birth dates for 154 out of approximately 81,000 TRS pensioners whose birth dates are maintained in the City's Pension Payroll Management System (PPMS) were different from the birth dates found in TRS' records. The auditors informed TRS officials of the birth date discrepancies. TRS stated that the discrepancies the auditors found occurred as a result of their

transfer of old pension data from two different systems. Upon TRS' review of the birth dates discrepancies, TRS officials determined that the majority of the birth date discrepancies were the result of incorrect data in TRS' database.

To address the non-compliance issue, the audit recommended that TRS officials:

- Investigate those individuals identified in this report; if they are in violation of State or City regulations, commence recoupment action against them.
- Send special reminders to its service retirees under the age of 65 and its disability retirees to detail their responsibilities regarding compliance with public service reemployment requirements.
- Use earned wages when: (i) determining whether a retiree is violating RSSL or NYC Charter, and (ii) calculating the recoupment amount.
- Take appropriate action, including but not limited to contacting the pensioners and requesting them to submit appropriate documentation, to determine the correct birth dates of the 154 pensioners identified in this report and correct the birth dates in PPMS and/or TRS' records.

In their response, TRS officials generally agreed with the recommendations in the report and provided information detailing the steps that they had and will be taking to recoup the overpayments. They also detailed the methods that they are using to inform their members regarding the re-employment restrictions, and to correct birth-date inconsistencies. For the third recommendation, TRS officials stated that they used the correct earning data to calculate the recoupment of excess wages.

Audit Follow-up

TRS reported that all of the audit recommendations have either been implemented or are in the process of being implemented. TRS stated that it has recouped overpayments from 10 of the individuals identified and will begin recoupment from the remaining individual. TRS also stated that it is currently examining its records to retrieve evidence of the correct birth dates.

RETIREMENT SYSTEMS

Audit Report on Pensioners of the New York City Police Department Working for the City after Retirement; January 1, 2014 to December 31, 2014

Audit # FN15-083A

Comptroller's Audit Library #8408

Issued: February 22, 2016

Monetary Effect: Potential Savings: \$210,051

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 the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2014.

POLICE provides retirement benefits to full-time uniform police officers who were employed by the New York City Police Department. The re-employment of retired public employees in public service is governed by the RSSL. Specifically, under RSSL Article 7, §212, a service retiree (a person receiving retirement benefits rather than a disability retirement) who is under the age of 65 can be re-employed in New York public service subject to an annual \$30,000 earning limitation. This means that a member of the POLICE retirement system who is not collecting a disability pension, under age 65, may collect his/her pension and work for the City or State so long as he/she does not earn in excess of \$30,000 per year from such a public service position. If an under 65 service retiree's post-retirement earnings in a New York City or State public service position exceed the annual earnings limitation, the retiree's pension benefits should be suspended unless the retiree has obtained a waiver under RSSL §211.

Disability retirees are not subject to RSSL §211 and §212, but rather in New York City are subject to the New York City Charter §1117 which prohibits a retiree from earning more than \$1,800 a year in New York public service unless the retiree's disability pension is suspended during the time of such employment. A retiree's disability payments are included in the calculation of whether the \$1,800 cap has been exceeded.

Results

The audit found four POLICE pensioners who violated either sections of RSSL §211–§212 or New York City Charter §1117. Specifically, the audit found one service retiree covered by RSSL §211–§212 under the age of 65 who was re-employed in New York public service and whose salary exceeded the \$30,000 income limitation in Calendar Year 2014 without a waiver. This pensioner was hired by the City Council in 2014 and received \$49,302 in salary. Besides receiving income from the City, this pensioner also worked for the New York State Assembly and received \$5,046 in salary during Calendar Year 2014. Based on our calculation, this pensioner received \$11,514 in improper pension payments.

In addition, the audit found three POLICE disability pensioners who violated New York City Charter §1117 because they received disability payments from the POLICE and earnings through New York public service of more than \$1,800, and did not suspend pension payments during the time of such re-employment. As a result, these pensioners received a total of \$198,537 in pension overpayments.

These four pensioners received a total of \$154,890 in public service post-retirement earnings for Calendar Year 2014. As a result, they were improperly paid a total of \$210,051 in potential pension overpayments.

To address the non-compliance issue, the audit recommended that POLICE officials:

- Investigate those individuals identified in the audit and, if confirmed to have received pension payments in violation of State or City law, recoup the overpayments.
- Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state the applicable income limitations and the retirees' responsibilities regarding public service re-employment.

In their response, POLICE officials agreed with the audit's recommendations and provided an audit implementation plan.

Audit Follow-up

POLICE reported that both audit recommendations are being implemented. POLICE reported that it had promptly begun investigating those individuals cited in the audit and expects to commence recoupment in January 2017 or upon resumption of the pension payments for the pensioners found to be in violation.

RETIREMENT SYSTEMS

Audit Report on the Non-Pedagogical Pensioners of the New York City Department of Education Working for the City after Retirement; January 1, 2014 to December 31, 2014

Audit # FN15-084A

Comptroller's Audit Library #8401

Issued: January 11, 2016

Monetary Effect: Actual Savings: \$55,748

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 the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2014.

BERS provides retirement benefits to non-pedagogical civil service employees who were employed by the City of New York and School District for the City of New York. The reemployment of retired public employees in public service is governed by the RSSL. Specifically, under RSSL Article 7, §212, a service retiree (a person receiving retirement benefits rather than a disability retirement) who is under the age of 65 can be reemployed in New York public service subject to an annual \$30,000 earning limitation. This means that a member of the BERS system who retires before the age of 65 who is not collecting a disability pension may collect his/her pension and work for the City or State, provided he/she does not earn more than \$30,000 per year from such a public sector position.

If a retiree's post-retirement earnings in a New York City or State public sector position exceeds the annual earnings limitation, the retiree's pension benefits should be suspended unless the retiree has obtained a waiver under RSSL §211. If a retired employee does not comply with all applicable restrictions and collects a pension while earning in excess of \$30,000 in a covered public sector job, the retiree is said to be "double-dipping."

Results

The audit found one BERS pensioner who was under age 65 and received City wages of \$80,215 without having a required waiver to cover any portion of the 2014 earnings. According to RSSL §211 and §212, a service retiree who is under the age of 65 and reemployed in New York public service, whose salary exceeds the income limit of \$30,000 (in Calendar Year 2014) will have his or her pension benefits suspended, unless the service retiree requests that the prospective employer apply for a waiver. As a result, BERS overpaid \$30,018 in pension payments to this pensioner.

When auditors informed BERS of the potential pension overpayments, it initiated its own investigation to determine any other additional overpayments that should be recouped. Based on BERS' calculation, this pensioner is required to pay \$55,748 back to BERS for overpaid pensions from Calendar Years 2013 to 2015.

To address the non-compliance issue, the audit recommended that BERS officials should send special reminders to service retirees under the age of 65 and to all disability retirees that detail their responsibilities regarding public service reemployment.

In their response, BERS officials agreed with the audit's recommendation and provided an audit implementation plan.

Audit Follow-up

BERS reported that the pensioner has repaid \$55,748 and BERS is implementing the audit recommendation.

RETIREMENT SYSTEMS

Audit Report on Pensioners of the New York City Employees' Retirement System Working for the City after Retirement; January 1, 2014 to December 31, 2014

Audit # FN15-085A

Comptroller's Audit Library #8415

Issued: April 11, 2016

Monetary Effect: Potential Savings: \$4,364

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 the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2014.

NYCERS provides retirement benefits to full-time employees who work for the various New York City agencies. The reemployment of retired public employees in public service is governed by the RSSL. Specifically, under RSSL Article 7 §212, a service retiree (a person receiving retirement benefits rather than a disability retirement) who is under the age of 65 can be reemployed in New York public service subject to an annual \$30,000 earning limitation. This means that a NYCERS member who is not collecting a disability pension, under age 65, may collect his/her pension and work for the City or State so long as he/she does not earn in excess of \$30,000 per year from a public service position. If an under 65 service retiree earn in excess of \$30,000 per year from a City or State public service position, the pension payments should be suspended unless the retiree has obtained a waiver under the RSSL.

Disability retirees are not subject to RSSL §211 and §212, but rather in New York City are subject to the New York City Charter §1117 which prohibits a retiree from earning more than \$1,800 a year in New York public service unless the retiree's disability pension is suspended during the time of such employment. A retiree's disability payments are included in the calculation of whether the \$1,800 cap has been exceeded.

Results

The audit found one NYCERS disability pensioner who appeared to have violated NYC Charter §1117. This pensioner received \$2,588 in post-retirement earnings for Calendar Year 2014. This resulted in \$4,364 potential pension overpayments to this pensioner. The total amount of improper 2014 disability pension payments were calculated based on an analysis of when the reemployed pensioner reached the legal earnings limit of \$1,800, and did not suspend pension payments during the applicable period of reemployment.

In addition, the audit found that of the approximately 134,500 NYCERS pensioners whose birth dates are maintained in the City's Pension Payroll Management System (PPMS), 53,910 were different from the birth dates contained in NYCERS' records. When NYCERS officials were informed of these birth date discrepancies, they stated that the majority of the discrepancies appeared to be the result of "dummy data" in PPMS. They said that the correct birth dates appeared to be in NYCERS records and that where different dates appeared in PPMS, those dates were most likely incorrect. This is of particular concern because inaccurate birth dates could affect any analysis that relied on PPMS to determine whether a pensioner may be in violation of RSSL §211 and §212.

To address the non-compliance issue, the audit recommended that NYCERS:

- Investigate the individual identified in this report as potential double dipper. If this person is found to be in violation of State or City regulations, recoupment action should be commenced.
- Send special reminders to service retirees under the age of 65 and disability retirees to detail their responsibilities regarding compliance with public service reemployment requirements.
- Take appropriate action to insure that birth dates maintained in all databases are correct, including, if necessary, contacting the pensioners, to determine the correct birth dates of the 53,910 pensioners identified in this report whose birthdays in NYCERS' records are different from the information maintained in PPMS.

In their response, NYCERS officials generally disagreed with the findings and recommendations in the report. In doing so, they cited criteria for disability pensioners' earning limitations different than the criteria relied on by the audit. NYCERS officials contend the criteria they cited is applicable to the one pensioner whose payments were questioned. In addition, NYCERS officials maintained that the birth date inconsistencies identified in the audit would not affect the accuracy of NYCERS payments because they claimed that they rely on only correct data they maintain. However, with regard to the second recommendation that NYCERS send a special notice of pertinent rules to its members, NYCERS stated that it does send such a special notice out and provided the auditors with information detailing the steps that it had taken and will be taking to inform their members regarding the reemployment restrictions.

Audit Follow-up

NYCERS reported that it is implementing the recommendation to send special reminders to retirees, but continues to disagree with the remaining two recommendations.

RETIREMENT SYSTEMS

Audit Report on Pensioners of the New York City Fire Department Working for the City after Retirement; January 1, 2014 to December 31, 2014

Audit # FN15-086A

Comptroller's Audit Library #8398

Issued: December 30, 2015

Monetary Effect: Potential Savings: \$68,431

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 the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2014.

New York City Fire Department Pension Fund (FIRE) provides retirement benefits to full-time uniform firefighters who were employed by the New York City Fire Department. The reemployment of retired public employees in public service is governed by the RSSL. Specifically, under RSSL Article 7, §212, a service retiree (a person receiving retirement benefits rather than a disability retirement) who is under the age of 65 can be reemployed in New York public service subject to an annual \$30,000 earning limitation. This means that a member of the FIRE system who retires before the age of 65 who is not collecting a disability pension may collect his/her pension and work for the City or State, provided he/she does not earn more than \$30,000 per year from such a public sector position.

If a retiree's post-retirement earnings in a New York City or State public sector position exceeds the annual earnings limitation, the retiree's pension benefits should be suspended unless the retiree has obtained a waiver under RSSL §211. If a retired employee does not comply with all applicable restrictions and collects a pension while earning in excess of \$30,000 in a covered public sector job, the retiree is said to be "double-dipping."

Disability retirees are not subject to RSSL §211 and §212. However, disability retirees in New York City are subject to the New York City Charter §1117, which prohibits a retiree from earning more than \$1,800 a year (including pension payments) in New York public service unless the retiree's disability pension is suspended during the time of such employment.

Results

The audit found that three FIRE pensioners who appear to have violated sections of RSSL §211-§212 or New York City Charter §1117. Specifically, one pensioner worked as a teacher for the Department of Education (DOE), without a RSSL §211 waiver, and earned a salary of \$43,376 while collecting 12 pension checks. In addition, two FIRE disability pensioners violated New York City Charter §1117 because they were under the age of 65, received disability pension payments and earnings through New York public service exceeding the \$1,800 income limitation, and their pension payments were not suspended during the time of such re-employment. These three pensioners received a total of \$126,538 in post-retirement earnings for Calendar Year 2014, which resulted in \$68,431 pension overpayments.

To address the non-compliance issue, the audit recommended that FIRE officials should:

- Investigate those individuals identified in this report and commence recoupment action against them.
- Send special reminders to service retirees under the age of 65 and to all disability retirees that detail their responsibilities regarding public service reemployment.

In their response, FIRE officials agreed with the audit's recommendations and provided an audit implementation plan.

Audit Follow-up

FIRE reported that both audit recommendations are being implemented.

RETIREMENT SYSTEMS

Audit Report on New York City Pensioners Working for New York State after Retirement; January 1, 2014 to December 31, 2014

Audit # FN15-087A

Comptroller's Audit Library #8418

Issued: May 6, 2016

Monetary Effect: Potential Savings: \$156,004

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 the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2014.

The City has five retirement systems that provide retirement benefits for the employees of various City agencies. The five systems are the New York City Board of Education Retirement System (BERS), the New York City Employees' Retirement System (NYCERS), the New York City Fire Department Pension Fund (FIRE), the New York City Police Department Pension Fund (POLICE), and the New York City Teachers' Retirement System (TRS).

The re-employment of retired public employees in public service is governed by the RSSL. Specifically, under RSSL Article 7, §212, a service retiree (a person receiving retirement benefits rather than disability retirement benefits) who is under the age of 65 can be re-employed in New York public service subject to an annual \$30,000 earning limitation. This means that a member of any of the five City retirement systems who retires before the age of 65 who is not collecting a disability pension may collect his/her pension and work for the City or State so long as he/she does not earn in excess of \$30,000 per year from a New York State public service position. If a retiree's post-retirement earnings in a New York State public service position exceed the annual earnings limitation, the pension payments should be suspended unless the retiree has obtained a waiver under RSSL §211.

Disability retirees are not subject to RSSL §211 and §212, but rather in New York City are subject to the New York City Charter §1117 which prohibits a retiree from earning more than \$1,800 a year in New York public service unless the retiree's disability pension is suspended during the time of such employment. A retiree's disability payments are included in the calculation of whether the \$1,800 cap has been exceeded.

Results

The audit found six POLICE pensioners and four NYCERS pensioners who appear to have violated either sections of RSSL §211–§212 or New York City Charter §1117. Collectively, for Calendar Year 2014, these pensioners received a total of \$216,738 in post-retirement earnings and, potentially, a total of \$156,004 in pension overpayments improperly paid to them.

Three POLICE service retirees under the age of 65 and covered by RSSL §211 and §212 were found to be employed at a State agency where each earned more than \$30,000 during Calendar Year 2014. As a result, POLICE paid \$35,043 in potential pension overpayments to these three retirees. In addition, the audit found three POLICE and four NYCERS disability pensioners who appear to have violated New York City Charter §1117 because they received disability payments and earnings through New York public service of more than \$1,800, and did not suspend pension

payments during the applicable period of re-employment. These disability pensioners received a total of \$120,961 in potential overpayments.

To address the non-compliance issue, the audit recommended that POLICE and NYCERS officials:

- Investigate those individuals identified in this report and, if confirmed to have received pension payments in violation of State or City law, recoup the overpayments.
- Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state the applicable income limitations and the retirees' responsibilities regarding public service re-employment.

In their response, POLICE officials agreed with the audit's recommendations and provided an audit implementation plan.

NYCERS officials generally disagreed with the findings and the first recommendation in the report. In doing so, they cited criteria for disability pensioners' earning limitations different than the criteria relied on by the audit. NYCERS officials contend the criteria they cited is applicable to the pensioners whose payments were questioned. With regard to the second recommendation, NYCERS stated that it does send such a special notice out and provided the auditors with information detailing the steps that it had taken and will be taking to inform their members regarding the reemployment restrictions.

Audit Follow-up

POLICE reported that both audit recommendations are being implemented. POLICE reported that it had promptly begun investigating those individuals cited in the audit and two of the retirees had already satisfied their violation requirements. POLICE expects to commence recoupment in January 2017 for the remaining pensioners found to be in violation.

NYCERS reported that it is implementing the recommendation to send special reminders to retirees, but continues to disagree with the remaining recommendation.

RETIREMENT SYSTEMS

Audit Report on New York City Pensioners Working as Consultants for the City after Retirement;
January 1, 2014 – December 31, 2014

Audit # FN15-088A

Comptroller's Audit Library #8423

Issued: June 1, 2016

Monetary Effect: Potential Savings: \$7,109

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 the New York State Retirement and Social Security Law (RSSL) §211 and §212 or New York City Charter §1117 during calendar year 2014.

The City has five retirement systems that provide retirement benefits for the employees of various City agencies. The five systems are the New York City Board of Education Retirement System (BERS), the New York City Employees' Retirement System (NYCERS), the New York City Fire Department Pension Fund (FIRE), the New York City Police Department Pension Fund (POLICE), and the New York City Teachers' Retirement System (TRS).

The re-employment of retired public employees in public service is governed by the RSSL. Specifically, under RSSL Article 7, §212, a service retiree (a person receiving retirement benefits rather than disability retirement benefits) who is under the age of 65 can be re-employed in New York public service subject to an annual \$30,000 earning limitation. This means that a member of any of the five City retirement systems who retires before the age of 65 who is not collecting a disability pension may collect his/her pension and work for the City or State so long as he/she does not earn in excess of \$30,000 per year from a New York State public service position. If a retiree's post-retirement earnings in a New York State public service position exceed the annual earnings limitation, the pension payments should be suspended unless the retiree has obtained a waiver under RSSL §211.

Disability retirees are not subject to RSSL §211 and §212, but rather in New York City are subject to the New York City Charter §1117 which prohibits a retiree from earning more than \$1,800 a year in New York public service unless the retiree's disability pension is suspended during the time of such employment. A retiree's disability payments are included in the calculation of whether the \$1,800 cap has been exceeded.

Results

The audit found one NYCERS disability pensioner who appears to have violated New York City Charter §1117 while working as a consultant for New York City. This pensioner, who retired in February 2008 as a disability retiree and worked as a consultant for the New York City Human Resources Administration, collected \$10,800 in earnings while collecting \$21,298 in 12 pension checks. This pensioner appears to have violated New York City Charter §1117 because he received disability payments and earnings through New York public service of more than \$1,800, and did not suspend pension payments during the time of such re-employment. As a result, this pensioner may have improperly received four pension payments of \$7,109 during Calendar Year 2014.

To address the non-compliance issue, the audit recommended that NYCERS officials:

- Investigate those individuals identified in this report and, if confirmed to have received pension payments in violation of State or City law, recoup the overpayments.
- Send special reminders to service retirees under the age of 65 and to all disability retirees that clearly state the applicable income limitations and the retirees' responsibilities regarding public service re-employment.

In their response, NYCERS officials generally disagreed with the finding and the first recommendation in the report. In doing so, they cited criteria for disability pensioners' earning limitations different than the criteria relied on by the audit. NYCERS officials contend the criteria they cited is applicable to the one pensioner whose payments were questioned. With regard to the second recommendation, NYCERS stated that it does send such a special notice out and provided the auditors with information detailing the steps that it had taken and will be taking to inform their members regarding the reemployment restrictions.

Audit Follow-up

NYCERS reported that it is implementing the recommendation to send special reminders to retirees, but continues to disagree with the remaining recommendation.

DEPARTMENT OF SANITATION

Audit Report on the New York City Department of Sanitation's Controls Over Its Inventory of Vehicle Equipment and Supplies

Audit # MD16-059A

Comptroller's Audit Library #8447

Issued: June 29, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City Department of Sanitation (DSNY) had adequate controls in place to accurately monitor its inventory of vehicle equipment and supplies.

DSNY is responsible for management of New York City's (the City's) solid waste, including the collection of refuse and recyclables, and the cleanliness of City streets. To accomplish this, DSNY has a fleet of 5,388 vehicles. DSNY's Bureau of Motor Equipment (BME) provides a full range of fleet-related functions including procurement, maintenance, repair and disposal.

On April 23, 2012, the Mayor signed Executive Order 161 consolidating the maintenance of motor vehicle fleets for City agencies. DSNY was designated to be the "Center of Excellence" for medium and heavy-duty vehicles. As a result, BME is also responsible for the maintenance of medium and heavy-duty vehicles for four other agencies: the Department of Health and Mental Hygiene, the Department of Education, the Department of Parks and Recreation, and the Department of Environmental Protection.

In each of DSNY's district garages, BME personnel complete repairs and perform routine maintenance of the vehicles assigned to that location. More extensive repairs are performed in DSNY's Central Repair Shop (CRS) and its four borough shops: the Queens Borough Shop (QBS), the Cioffe Borough Shop (Cioffe) in Brooklyn, the 26th Street Shop (26th Street) in Manhattan and the Richmond Borough Shop (RBS) in Staten Island.

In order to maintain the agencies' fleets, DSNY has a parts inventory and distribution system. BME's Material Management division is responsible for purchasing, inventorying and managing repair parts and distributes more than \$23 million in repair parts each year. Material Management has four storerooms to house supplies: X02 - Common LT Truck Parts; X04 - Automotive Warehouse; X-11 DSNY Heavy Duty Components & Parts; and X23 - Snow Removal Parts.

According to a DSNY Fiscal Year 2015 Inventory Valuation report, as of June 30, 2015, the parts inventory for the four Material Management storerooms and the four borough shops was valued at over \$18.7 million.

Results

The audit found that DSNY needs to strengthen its controls over the monitoring of its inventory of vehicle equipment and supplies. DSNY had insufficient evidence that discrepancies between amounts on hand and amounts recorded were investigated when identified. The audit also found that DSNY does not ensure that staff's inventory management computer system user rights (i.e., ability to perform tasks) do not exceed their levels of responsibility, nor does DSNY ensure that there is adequate segregation of duties. DSNY also does not perform periodic counts of its entire inventory to ensure the accuracy of its perpetual inventory records. Although auditors' counts of sampled items found minimal differences between the amounts on hand and the amounts recorded for six of the eight locations sampled, there is no reasonable assurance that the

inventory balances recorded in DSNY's inventory management computer system reflect all authorized additions and depletions.

The audit also disclosed that DSNY: 1) has not developed written procedures that detail the steps for processing issuances, transfers, and adjustments; 2) has not enforced a protocol for relinquishing obsolete inventory; and 3) has certain items incorrectly valued at \$0 per unit.

The audit made 14 recommendations, including:

- DSNY should ensure that count discrepancies are adequately investigated before inventory adjustments are made and that evidence of the investigation is maintained.
- DSNY should ensure that adjustments are appropriately documented and approved using *Cycle Count/Supervisory Adjustment Checklist* forms.
- DSNY should ensure that the inventory management computer system security profiles are updated for all employees, that they are in line with the employees' job responsibilities, and that duties are adequately segregated.
- DSNY should ensure that inventory counts for all parts are conducted at least annually and that any discrepancies are investigated by individuals independent of the inventory operations.
- DSNY should establish and distribute written procedures for all inventory processes, including authorizing and recording issuances and transfers and conducting physical inventory counts.
- DSNY should conduct a review of all parts that have had no movement for over 13 months to determine whether the parts are obsolete and relinquish the obsolete parts in accordance with its protocol and DCAS requirements.
- DSNY should review all items recorded with a zero value in its inventory management computer system, determine whether the valuation is correct and modify the price of items that were incorrectly valued at zero.

In their response, DSNY officials agreed with all 14 recommendations.

Audit Follow-up

DSNY reported that all of the audit recommendations have been implemented.

DEPARTMENT OF SANITATION

Letter Report on the New York City Department of Sanitation's Monitoring of Its Employees Who Drive City-Owned or Personally-Owned Vehicles on City

Audit # SZ16-076AL

Comptroller's Audit Library #8442

Issued: June 24, 2016

Monetary Effect: None

Introduction

The audit determined whether the New York City Department of Sanitation (DSNY) is effectively monitoring its employees who drive who drive City-owned or personally-owned vehicles on City business.

New York City requires that only those employees who exercise reasonable care in operating City-owned or personally-owned vehicles be allowed to use them to conduct City business. This requirement is outlined in the City of New York's "City Vehicle Driver Handbook" (Handbook). Agency heads, through their agency's Agency Transportation Coordinator (ATC), must ensure that all employees assigned a City-owned vehicle either for full-time use or temporary use have been authorized to drive on city business. It is also the ATC's responsibility to ensure that each driver has a valid license. An employee's driver's license must be issued by New York State unless the employee is exempt from City residency requirements. In that case, the authorized driver must have a valid license from the state where he/she resides and must have the appropriate classification for the vehicle which he/she is driving on City business. The Handbook further specifies that City agencies must establish programs that promote safety along with proper training in the use of motor vehicles.

City agencies participating in the New York State (NYS) Department of Motor Vehicles (DMV) License Event Notification System (LENS) program are required to monitor the driving behavior of their employees. The LENS program is designed to notify an ATC of any event that affects the driver's license, such as an expired license, the accumulation of points, an accident, and charges against the driver for driving while impaired or driving under the influence. This enables the ATC to ensure that only employees with valid licenses are driving on City business.

In January 2014, the City launched the Vision Zero Action Plan (Plan), a comprehensive initiative to reduce driver, bicyclist, and pedestrian injuries and fatalities in New York City. The Plan detailed steps to improve street safety, including lowering the speed limit from 30 miles per hour to 25 miles per hour and increasing the penalties for driving with a suspended license and leaving the scene of an accident. The Plan also proposed increasing the number of red light cameras and installing additional traffic devices to control speeding. With respect to City employees, the Plan included implementing a citywide defensive driving program and adding safety-related equipment and devices to City vehicles.

Results

The audit found that DSNY effectively monitors the driving behavior of its authorized drivers. DSNY subscribes to the DMV's LENS program, receives its updates and revokes the privileges of drivers who have suspended or revoked licenses in a timely manner as prescribed by regulations. Further, for its employees who do not live in NYS, DSNY has taken additional steps to ensure compliance with NYS DMV regulations so that those employees adhere to NYS motor vehicle regulations. In addition, DSNY ensures that all its licensed Sanitation drivers have the

accurate endorsements or classification to drive the appropriate vehicle. Moreover, DSNY provided its employees with a required safety awareness program.

DSNY should continue to monitor the driving behavior of its authorized drivers and take the appropriate steps as required. DSNY should also continue to promote driver awareness and public safety programs.

In its written response, DSNY agreed with the report's finding and stated, "We are pleased with the results of the audit and appreciate your approval of the agency's efforts in effectively monitoring its drivers."

SCHOOL CONSTRUCTION AUTHORITY

Audit of the New York City School Construction Authority's Management and Oversight Over Its Contract Payment Process

Audit #FM15-116A

Comptroller's Audit Library #8435

Issued: June 21, 2016

Monetary Effect: None

Introduction

This audit was conducted to determine whether the New York City School Construction Authority (SCA) maintains adequate oversight over its contract payment process for new capacity projects, and ensures that payments to contractors are accurate and in compliance with contractual terms and related guidelines. SCA was established by the New York State Legislature in December 1988. Pursuant to its enabling legislation, SCA is responsible for the design, construction, reconstruction, improvement, rehabilitation and repair of the New York City public schools. SCA is also responsible for procuring and entering into contracts with major construction companies, managing and overseeing contractor performance, making contract payments and ensuring payments are properly reconciled and accurately reported.

SCA's operations are funded by appropriations made by the City, and guided by five-year capital plans developed by the New York City Department of Education (DOE). For its Five-Year Capital Plans covering Fiscal Years 2005 through 2009 and 2010 through 2014, SCA's budget was \$13.1 billion and \$11.3 billion, respectively. Upon completion of each of its capital projects, the assets are transferred to DOE. SCA's capital projects include new school constructions, building additions, major modernization and rehabilitation, reconstruction, renovations and system replacements, including electrical, plumbing, elevators, roofs, and security device installations. According to SCA's financial statements, SCA transferred assets valued at approximately \$2 billion to DOE for Fiscal Year 2015.

Results

The audit found that SCA maintained adequate oversight over its contract payment process and ensured that payments to contractors were in compliance with contractual terms and related payment guidelines. In addition, SCA ensured retainage amounts were withheld from contractors until the contract completion criteria had been met.

However, SCA does not have a system in place to ensure the proper closing of its new capacity projects. Specifically, the audit found that SCA did not ensure that proper payment review procedures were followed and independent reconciliation was performed before making final contract payments. Further, the audit found that SCA did not develop a reporting process to monitor the balance of unused budgeted funds related to each project that remained open after the project had been deemed "final financial complete." The absence of such a reporting mechanism creates a risk that improper charges could be applied to open projects after they have been determined to be final financial complete. In addition, the practice of rolling forward the unused budgeted funds allocated to a completed capital project to other capital projects without any monitoring system may have an impact on SCA's ability to properly account for unused budgeted funds in a transparent manner.

The audit made the following three recommendations:

- SCA should develop procedures to close its capacity projects once all final payments have been made.
- SCA should perform reconciliation and independent review of each contract before making final payment once the contract is considered final financial complete.
- SCA should develop a reporting process to track and monitor the balance of unused budgeted funds for each project that remains open.

In their response, SCA officials agreed with all three audit recommendations, stating that “SCA will remove the budget for unused construction funds for all capacity projects once deemed complete. This change will prevent any additional construction transactions from being processed on these financially complete contracts.”

Audit Follow-up

SCA reported that all of the audit recommendations have been implemented.

DEPARTMENT OF SMALL BUSINESS SERVICES

Audit Report on the Financial and Operating Practices of the 34th Street Partnership, Inc.

Audit #FN16-058A

Comptroller's Library #8454

Issued: June 30, 2016

Monetary Effect: None

Introduction

The audit determined whether the 34th Street Partnership, Inc. (the Partnership) used its resources to promote and support the 34th Street BID, and complied with the terms of its contract with the New York City Department of Small Business Services (DSBS). The Partnership is a not-for-profit corporation that provides supplemental services to the 34th Street BID in Manhattan pursuant to a contract (the DSBS Contract) with DSBS. The DSBS Contract stipulates that the revenue of the 34th Street BID must be used for capital improvements, maintenance, public safety, community services and other specified services to improve business conditions and activities within the 34th Street BID.

In connection with the DSBS Contract, the Partnership also entered into two license agreements: one with the Department of Parks and Recreation (Parks) to manage the two parks within the 34th Street BID, and one with the Department of Transportation to operate, manage, and maintain the pedestrian plazas. The Partnership's operations are overseen by a Board of Directors (the Board) who are elected by the members of the district.

In Fiscal Years 2013 and 2014, the Partnership received assessments and other revenue of \$11,205,122 and \$11,510,278, respectively. The Partnership reported expenses of \$11,180,529 and \$11,400,945 for those two years.

Results

The audit found that the Partnership was generally in compliance with its DSBS Contract and the terms of its other City agency license agreements. However, the audit found internal controls deficiencies which may affect the Partnership's oversight over its operations and the accuracy of its financial reporting. Specifically, the audit found internal control weaknesses related to the Partnership's timekeeping practices, as well as its cost allocation of joint salary expenses in connection with the shared managerial and administrative staff with the Bryant Park Corporation.

The Partnership also failed to consistently execute purchase orders prior to the billing of goods and services. In addition, the Partnership failed to maintain written contracts with independent contractors, did not secure competitive bids received for contracts before the bid submission deadline, and did not adhere to the subcontracting procedures stipulated in its DSBS Contract. The Partnership also did not retain essential documents in its personnel files, did not enforce its own policies and procedures, nor did it require conflict-of-interest disclosures. Finally, the Partnership did not ensure that its subcontractors carried the proper insurance.

This report makes recommendations to the Board of the 34th Street BID, including:

- Strengthen the Partnership's internal controls, including but not limited to:
 - Implement a timekeeping system with features to account for each employee's time-in/time-out, total hours worked, and a secure interface for data entry, reviewer and approver processes;
 - Implement an appropriate methodology for allocating payroll expenses for employees that are shared by the Partnership and other entities;
 - Execute written contracts for all independent contractors and vendors conducting business with the BIDs;
 - Revise its procurement policies and procedures to adhere to the subcontracting requirements stated in the DSBS Contract. Specifically, the Partnership should obtain at least three competitive bids for its contracts and select the lowest responsible bidder unless it can justify an alternate selection and obtain the required approval from the Board and DSBS; and
 - Implement monitoring procedures to ensure all Partnership employees adhere to the policies and procedures, such as educational assistance reimbursements procedures, and solicitation procedures, governing the BID's operations.
- Ensure insurance coverage of all outside entities conducting business with the BID is in compliance with the insurance requirements of the City agreements.
- Ensure the Partnership officials execute purchase orders prior to the billing of goods and services to ensure that adequate approval is obtained, sufficient funds are available for potential expenses, and an appropriate receiving report is utilized.
- Ensure the Partnership obtain the necessary conflict of interest disclosure forms from its key employees.
- Ensure sufficient documentation is maintained in personnel files to appropriately reflect the BID's hiring, salary increases and termination practices.
- Establish written policies and procedures to ensure the security and confidentiality of bid information prior to the submission deadline.

The audit also recommends that DSBS officials:

- Ensure the Partnership implements the recommendations of this report.
- Conduct periodic review of the Partnership's operations to ensure compliance with the City agreements.

Of the report's six recommendations addressed to the Partnership, it agreed to implement four recommendations, and partially agreed to implement two related to the execution of written contracts and maintaining evaluations in personnel files. DSBS generally agreed with the remaining recommendations directed to it.

Audit Follow-up

The Partnership reported that five recommendations have been implemented or are in the process of being implemented, and one recommendation was partially implemented.

DSBS reported both audit recommendations have been implemented.

DEPARTMENT OF SMALL BUSINESS SERVICES

Follow-up Audit Report on the Administration of the Emerging Business Enterprise Program by the Department of Small Business Services

Audit # MD16-071F

Comptroller's Audit Library #8414

Issued: April 7, 2016

Monetary Effect: None

Introduction

This audit determined whether the Department of Small Business Services (DSBS) implemented the recommendations made in a prior audit report, *Audit Report on the Administration of the Emerging Business Enterprise Program by the Department of Small Business Services* (Audit # MD13-077A), issued in June 2013.

DSBS' mission is to help t businesses in New York City form, conduct business, and grow. As part of its mission, DSBS runs the Emerging Business Enterprise (EBE) program, which was enacted by the City Council through Local Law (LL) 12 of 2006 and amended in 2013 by LL1. The EBE program is designed to promote opportunities for businesses owned by persons who are both socially and economically disadvantaged. The EBE program is one of three business certification programs promoted by the External Affairs unit in DSBB's Division of Economic and Financial Opportunity (DEFO). The other two programs are the Minority and Women-owned Business Enterprise (M/WBE) program and the Locally Based Enterprise (LBE) program. The External Affairs unit conducts outreach and recruitment activities for all three programs. Currently, there are only three certified EBE businesses and no EBE contracts were awarded in Fiscal Year 2015.

The prior audit found that of six key provisions contained in LL12, DSBS substantially complied with only one: the preparation and updating of an EBE directory. For three other provisions—the establishment and operation of a program for the identification, recruitment, certification, and participation of EBEs; annual reporting of the City's EBE efforts to the Mayor and City Council; and collection of necessary information to determine the availability and utilization of EBEs to revise the citywide participation goals accordingly—DSBS substantially did not comply. For the remaining two provisions—the periodic review of City agencies' compliance with EBE participation requirements and performance of EBE-related audits—DSBS was unable to comply due to minimal vendor participation in the program.

Results

The audit found that DSBS has made improvements in its administration of the EBE program. Of the five recommendations made in the previous audit, DSBS has fully implemented two and partially implemented three. However, based on the follow-up review, the audit found that some improvements are still needed. DSBS needs to maintain better documentation with regard to its outreach efforts. In addition, there was inadequate evidence that DSBS formally obtained feedback and identified strategies to increase the number of certified EBEs. In light of the very small number of certified EBEs, these two deficiencies are of particular concern.

The audit made three recommendations, including:

- DSBS should ensure that agendas for all hosted events are prepared and maintained in the events folder.
- DSBS should formally solicit feedback from EBE applicants and document the results of that feedback.
- DSBS should compile the results of the feedback from EBE applicants to identify the root causes for the seemingly low interest in EBE certification. This would enable EBE to identify strategies to increase EBE certification and discuss possible recommendations for modifications to the law with the Mayor's Office. This information should be included in the required reports submitted to the Mayor's Office and City Council.

In its response, DSBS generally agreed with the audit's findings and three recommendations.

Audit Follow-up

DSBS reported that two recommendations have been implemented and the remaining recommendation has been partially implemented. DSBS has compiled the results of the feedback from EBE applicants but is considering the need for a study.

DEPARTMENT OF TRANSPORTATION**Audit Report on the Department of Transportation's Controls over the Use of Purchasing Cards**

Audit # MD15-095A

Comptroller's Audit Library #8407

Issued: February 22, 2016

Monetary Effect: None

Introduction

The objective of this audit was to determine whether the Department of Transportation (DOT) had adequate controls over its use of purchasing cards (P-cards). New York City government P-cards are agency-issued credit cards that facilitate quick processing of micro-purchases (up to and including \$20,000) and enable invoice payments at a reduced administrative cost. P-cards allow agencies to obtain goods and services in a timely and efficient manner, eliminate many small dollar value invoices from the accounts payable process, and ensure that vendors are paid promptly.

Agencies and cardholders must comply with the requirements outlined in the Purchasing Card Policies and Guidelines (Citywide Guidelines) issued by the Department of Citywide Administrative Services (DCAS), and Comptroller's Memorandum #01-1, *Guidelines for the Use of Procurement/Purchasing Cards*, issued by the New York City Comptroller.

DOT is the City agency responsible for the condition and operation of approximately 6,000 miles of streets, highways and public plazas, 789 bridges and the nine boats in the Staten Island Ferry program. As of May 2015, DOT had 105 P-card holders. In addition to the Citywide P-card rules, DOT has its own P-card policies and procedures. For the period covering January 2014 (when the City transitioned to U.S. Bank as its new P-card vendor) through May 2015, DOT's P-Card purchases totaled \$6.16 million.

Results

The audit found that DOT has inadequate controls over the use of P-cards. Although supporting documentation was present for most of the sampled P-card transactions, the audit found that DOT's P-card request forms and approved user agreements (which define the conditions for card usage) were not consistently maintained, requests for changes to transaction and monthly limits were not consistently documented, and required approvals were not consistently obtained and/or maintained. In addition, the audit found deficiencies such as improperly completed P-card checklists, transaction logs that were not approved, limited evidence of split purchase reviews, and late submission of P-card packages. Furthermore, there was a lack of segregation of duties between the purchaser and receiver of P-card purchases and there were inadequate controls over the inventory of equipment purchased with the P-cards.

To address these issues, the audit made 15 recommendations, including:

- DOT should ensure that properly approved P-card Request Forms and user agreements are maintained.
- DOT should ensure that all transaction limit changes, including those greater than \$10,000, are properly documented and approved on the required forms and that the forms are maintained.
- DOT should ensure that the transaction logs are properly approved by the cardholders' approver/manager.

- DOT should ensure that cardholders' approvers strengthen their monitoring of the P-card transactions and ensure that the checklists are properly completed and required steps performed before certifying the transaction packages.
- DOT should ensure that a review of transactions is conducted to identify possible split purchases and that an adequate inquiry into these purchases is performed and documented.
- DOT should ensure the timely submission of payment packages by cardholders.
- DOT should ensure that the functions of ordering and receiving goods and services are adequately segregated.
- DOT should ensure that all inventory items are tagged, recorded, and accounted for and that periodic reconciliations are done for all inventoried items purchased with P-cards.

In its response, DOT disagreed with the findings and recommendations stating that no corrective action is required for eight of the 15 recommendations and that no further corrective action is required for four. DOT stated that it will consider implementing or has implemented the remaining three recommendations.

Overall, DOT disagreed with the audit's findings and presented a number of arguments in support of its contention that the audit's assessment was inaccurate. However, the arguments that DOT presented reflect a lack of understanding of internal controls, the standards by which we conduct our audits, and the audit's objective. In summary, DOT's arguments were found to be without merit and our office found no basis to alter the audit findings.

Audit Follow-up

DOT reported that it has either implemented or is in the process of implementing the three recommendations that it agreed with. DOT also stated that no corrective action is required for the remaining 12 recommendations because DOT is already in compliance with them.

DEPARTMENT OF TRANSPORTATION**Audit Report on the Department of Transportation's Tracking of Pothole Repairs**

Audit # ME15-114A

Comptroller's Audit Library #8451

Issued: June 29, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City Department of Transportation (DOT) adequately tracks its pothole repair efforts. The audit scope was Fiscal Year 2015 (July 1, 2014, through June 30, 2015).

DOT is responsible for the operation and condition of approximately 6,000 miles of streets, highways and public plazas; 789 bridge structures; and the nine boats in the Staten Island Ferry program. Its mission is to provide for the safe, efficient and environmentally responsible movement of people and goods in the City and to maintain and enhance the transportation infrastructure, including the rehabilitation and maintenance of the City's streets, highways and bridges. DOT's Roadway Repair and Maintenance (RRM) Division is responsible for the maintenance of City streets and highways (arterials). DOT's Division of Bridges maintains roads on or near bridges.

Road defects are generally identified through complaints received from the public through 311 calls or the DOT website. Defects are also identified by DOT work crews, generally when they are doing other repair work. The Mayor's Management Report (MMR) stated that DOT repaired 460,493 potholes Citywide during Fiscal Year 2015. These potholes included 370,204 located on local streets and 90,289 located on the arterial highway system.

DOT's stated goal is to repair each reported pothole within 30 days. However, the New York City Administrative Code §7-201(c)(2) states that the City is shielded from civil actions brought against it for pothole-related damages as long as potholes are repaired within 15 days of any complaints about them having been filed. The MMR reported that it took an average of 5.6 days in both Fiscal Years 2014 and 2015 to repair a reported pothole located on a local street.

Results

The audit concluded that DOT's tracking of pothole repairs needs improvement. In particular, the Arterial Maintenance Unit and the Division of Bridges do not track the timeliness of their highway and bridge pothole repairs. Potholes on arterial highways and bridges accounted for about 20 percent of all pothole repairs performed by DOT in Fiscal Year 2015. In addition, while the Street Maintenance Unit does track the timeliness of its street pothole repairs, almost 10 percent of the street potholes reported in Fiscal Year 2015 were repaired more than 15 days after the date of the report, thereby increasing the risk of an accident during that period for which the City could be held liable for any resulting damages. The audit found that 9.5 percent of reported potholes were repaired in 16 to 30 days, and 0.2 percent took more than 30 days to repair, ranging from 31 to 186 days.

Further, the audit found that the Fiscal Year 2015 Field Information Tracking System (FITS) list of repaired potholes provided by DOT contained numerous duplicates, and even some triplicates, which inflated the number of potholes actually repaired during that year. The audit also found additional inaccuracies in the pothole repair data that DOT uses for the MMR. Finally, DOT did not have adequate written policies and procedures to guide its pothole repair efforts.

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

- Require that its Arterial Maintenance Unit and Division of Bridges record the date and source of each pothole referral they receive in order to monitor the timeliness of their pothole repair efforts.
- Revise its timeliness goal for pothole repairs from 30 to 15 days and enhance its efforts to complete all pothole repairs within 15 days to limit the City's legal liability and to improve the safety of the City's roadways.
- Ensure that it does not double or triple count the potholes it has repaired in relation to individual street defect numbers in its FITS tracking of the agency's pothole repair efforts.
- Ensure that the daily borough summary reports of repaired potholes, upon which the monthly reports for the MMR are based, are consistent with the numbers of repaired potholes reflected on the crew sheets.
- Prepare specific written policies and procedures that explain how reports of potholes should be handled, how work orders should be generated, and how information about repaired potholes should be collected and recorded by the Street Maintenance Unit, Arterial Maintenance Unit and Division of Bridges.

In its response, DOT agreed with three of the report's recommendations and disagreed with five.

Audit Follow-up

DOT reported that six recommendations either have been implemented or are in the process of being implemented and continue to disagree with the remaining two recommendations that it revise the timeliness goal for pothole repairs and that it enhance its efforts to complete all pothole repairs within 15 days.

DEPARTMENT OF TRANSPORTATION

Audit Report on the New York City Department of Transportation's Compliance with Local Law 20 and the Placement of Automated External Defibrillators

Audit # SZ16-092A

Comptroller's Audit Library #8422

Issued: May 19, 2016

Monetary Effect: None

Introduction

The audit determined whether the New York City Department of Transportation (DOT) is in compliance with Local Law 20 which governs the automated external defibrillator (AED) use and placement throughout the City. The objective of the audit was to determine if DOT has met its mandated responsibilities regarding training and certifying of City personnel on the use of AEDs, the placement of AEDs on DOT-owned and operated ferry terminals and ferries, and whether DOT's Site-Specific Response and Maintenance Plan includes the required elements.

In 2005, the New York City Council enacted Local Law 20 requiring the placement of AEDs in public locations. These devices are specifically to be placed in: nursing homes; senior centers; the publicly accessible portions of buildings maintained by the New York City Department of Citywide Administrative Services (DCAS), Division of Facilities Management and Construction; selected City-operated parks; and certain ferry terminals and ferries owned and operated by the City.

The New York City Department of Health and Mental Hygiene (DoHMH) issued rules to implement Local Law 20 in November 2005. Local Law 20 and the DoHMH rules require that AEDs be acquired and operated in accordance with New York State Public Health Law §3000-b, which states that personnel must be trained in their use, and that the devices must be registered with the Regional Emergency Medical Services Council of New York City, Inc. (REMSCO) before use by non-health care professionals. REMSCO is a not-for-profit, tax-exempt corporation whose function is to improve emergency medical services for New York City.

Among its many responsibilities, DOT owns and operates the Staten Island Ferry and works with other City agencies and private ferry operators to promote the use of New York City waterways for transportation. Ferries owned and operated by the City of New York with a passenger capacity of 1,000 or more persons and the ferry terminals that serve them are required to have AEDs readily available in specific locations in quantities deemed adequate by law.

In addition, all DOT ferries require a Certificate of Inspection issued by the United States Coast Guard (USCG). A valid Certificate of Inspection indicates that USCG Marine Inspectors have found the vessel to be in compliance with USCG regulations, applicable Code of Federal Regulations, and DOT Safety Management System requirements. USCG Marine Inspectors conduct inspections on a quarterly basis for each vessel. Inspections include machinery, hull and equipment inspections, as well as crew practical demonstrations for equipment operation and emergency response. This includes use of emergency and lifesaving equipment such as AEDs.

Results

The audit found that DOT generally complied with Local Law 20 and New York State Public Health Law §3000-b regarding the training and certifying of City personnel on the use of AEDs, and the placement of AEDs on DOT-owned and operated ferry terminals and ferries. DOT has appropriate AED signage, operational AEDs and adequate supplies as required by Local Law 20 and NYS Public Health Law §3000-b. Employees are appropriately trained in AED/CPR. DOT maintains inspection reports and device registrations and the collaborative agreement with

REMSCO-NYC are current. Auditors also reviewed other documentation that demonstrated that DOT was in compliance with the USCG requirements concerning emergencies

In their written response, DOT officials generally agreed with the audit and the results of the report stating, "DOT recognizes the importance of maintaining compliance with all applicable laws, policies and procedures, rules and regulations, especially those pertaining to public safety."

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

Audit Report on the Compliance of the New York City Department of Youth and Community Development with Executive Order 120 Regarding Limited English Proficiency

Audit # SZ16-073A

Comptroller's Audit Library #8427

Issued: June 10, 2016

Monetary Effect: None

Introduction

This audit determined whether the New York City Department of Youth and Community Development (DYCD) complied with Executive Order 120 (EO 120) regarding Limited English Proficiency (LEP) requirements, as part of the services it provides to the public. These services primarily consist of referrals of New York City residents to services through Youth Connect, a resource and referral service for youth, families and community-based organizations that includes an online database of information and resources, and a confidential toll-free hotline. Youth Connect is located at 123 William Street in Manhattan, one of two DYCD locations. In addition to Youth Connect, DYCD contracts with a network of community-based organizations and programs to provide services that promote positive youth development and strong, healthy communities.

With more than four million foreign-born residents from more than 200 different countries, New York is home to one of the most diverse populations in the world. New Yorkers come from every corner of the globe and speak over 200 different languages. Over 75 percent of all New Yorkers speak a language other than English at home, and almost 46 percent, or 1.8 million people, are limited in English proficiency. For these New Yorkers, interacting with City government can often be a challenge.

In July 2008, Mayor Bloomberg signed EO 120, which requires all City agencies to provide opportunities for limited English speakers to communicate with City agencies and receive public services. EO 120 specifically requires City agencies providing direct public services to ensure meaningful access to those services to LEP persons. To accomplish this, EO 120 requires these agencies to develop and implement agency-specific language assistance plans for LEP persons.

Results

The audit found that DYCD generally complied with EO 120 in providing meaningful language access to the agency's services for LEP customers. DYCD's current Language Access Plan describes steps DYCD is undertaking to provide information on the agency's resources and services to the LEP population. Specifically with regard to the services DYCD provides in connection with the Youth Connect program, the audit found that DYCD generally provides these services to its customers in the top New York City LEP languages. Further, the audit found that through a City-wide contract with Language Line Services, Inc., DYCD has the ability to provide documentation translation and phone interpretation services in 180 languages.

The audit recommended that DYCD should continue to adhere to EO 120 to ensure that it adequately meets the language needs of the communities it serves. As required by EO 120, DYCD should utilize available and relevant studies and update and post all subsequent Language Access Plans on its website.

In their written response, DYCD officials generally agreed with the audit and stated "DYCD agrees with the sole Recommendation that it should continue to adhere to EO 120 to ensure that it adequately meets the language needs of the communities it serves. As required by EO 120,

DYCD will utilize available and relevant studies and update and post all subsequent Language Access Plans on its website.”

Audit Follow-up

DYCD reported that it will continue to adhere to EO 120.

SECTION II

NON-GOVERNMENT AUDITS AND SPECIAL REPORTS

CLAIMS

During Fiscal Year 2016, reports were issued on claims filed against the City. The analyses accepted amount for those claims totaled: \$108,800. This resulted in a potential cost avoidance of \$495,733 as shown below:

Total Claim Amount	\$604,533
Less: Analyses Accepted Amount	\$108,800
Potential Cost Avoidance	\$495,733

*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 claims 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 claims process.

A list of the four claims follows:

REPORT NUMBER	CLAIMANT	DATE ISSUED	CLAIM AMOUNT	ANALYSES ACCEPTED AMOUNT	DISPOSITION SETTLEMENT AMOUNT
SR16-096S	97-17 Realty LLC	4/14/16	*	*	*
SR16-106S	257 Deli Inc.	6//24/16	*	*	*
SR16-088S	Lindt & Sprugli (USA) & HDI-Gerling America Insurance	2/17/16	*	*	*
SR15-123S	Fleetwood Student Sales	7/16/15	*	*	*
	FISCAL YEAR 2016 TOTALS		\$604,533	\$108,800	\$495,733

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. As shown below, Fiscal Year 2016 audits resulted in collecting actual revenues totaling \$1,254.

Audit Number	Audit Library No.	Agency/Title	Date Issued	Actual Revenue To Date	Remaining Potential Revenue
FM15-126F	8405	DPR – Follow-up Audit Report on the Compliance of Statue Cruises, LLC with Its License Agreement	2/8/16	0	0
FN15-079A	8432	DPR – Audit Report of the Permit Fees Due From Urban Space Holdings, Inc., and Compliance with Certain Provisions of Its City Permit	6/21/2016	\$1,254	0
	TOTAL			\$ 1,254	

DEPARTMENT OF PARKS AND RECREATION**Follow-up Audit Report on the Compliance of Statue Cruises, LLC with Its License Agreement**

Audit # FM15-126F

Comptroller's Audit Library #8405

Issued: February 8, 2016

Monetary Effect: None

Introduction

The audit determined whether Statue Cruises, LLC (Statue Cruises) and the Department of Parks and Recreation (Parks) implemented the recommendations made by the New York City Comptroller in a prior audit report, Audit Report on the Compliance of Statue Cruises, LLC with Its License Agreement, Audit No. FM12-122A, issued on July 2, 2013.

On December 12, 2007, New York City (the City), through Parks, entered into a 10-year license agreement with Statue Cruises for the operation and maintenance of three landing facilities in Battery Park, Manhattan, at slips 3, 4, and 5, and adjacent walkways. Statue Cruises uses these three slips to operate passenger ferries between Battery Park and Liberty and Ellis Islands, national landmarks operated by the National Park Service. Approximately four million people visit these locations each year. The National Park Service has a contract with Statue Cruises to transport passengers between Battery and Liberty State Parks and to allow those passengers to disembark onto Liberty and Ellis Islands. Also, in accordance with its license agreement with Parks, Statue Cruises offers day and night charter boat services around the New York harbor from slips 1 or 2 in Battery Park.

Results

In this follow-up audit, the auditors assessed the implementation status of the eight recommendations made in the prior audit report. Of those recommendations, the audit determined that one recommendation was implemented, four were partially implemented, two were not implemented, and one was no longer applicable. Of the internal control weaknesses disclosed in the prior audit, this audit found that Statue Cruises has still not completely resolved its internal control issues related to missing ferry ticket numbers, does not use pre-numbered charter events invoices, and persists in not fully separating its New York City operations from its New Jersey operations in its financial books and records. In addition, Parks did not conduct periodic reviews of Statue Cruises' internal control procedures as recommended. Consequently, the auditors cannot be reasonably assured of the completeness of Statue Cruises' reported gross revenue and its payment of license fees. With regard to the tax exemption claimed by Statue Cruises for the City and State general corporation taxes, this audit determined that while Parks referred the matter to the Department of Finance (DOF) as recommended in 2013, there has been no resolution by DOF and no recent follow-up action by Parks.

To address the issues that still exist, the audit recommended that Statue Cruises:

- Resolve the issue of missing ticket numbers identified in this report.
- Hire a fiscal consultant to review the internal controls to ensure the completeness of reported gross revenue.

To address the issues that still exist, the audit recommended that Parks:

- Ensure that Statue Cruises implements the recommendations made in this report.

- Include within its Audit Plan a periodic review of whether Statue Cruises maintains an adequate system of internal controls, reports all revenue, and pays the appropriate license fees.
- Submit a formal follow-up request to the Commissioner of DOF requesting an expedited resolution on the outstanding tax issue. If it is determined that Statue Cruises must pay the necessary tax, Parks, in conjunction with DOF, should ensure immediate payment of any taxes, interest, and penalties that may be assessed.

Statue Cruises officials generally agree with the report's conclusions and recommendations, although they contend that Statue Cruises' existing financial controls make it unnecessary to issue pre-numbered invoices. They further state that they have already taken actions to begin implementing the two recommendations made in this audit report. Parks officials generally agree with the report's conclusions and recommendations.

Audit Follow-up

Statue Cruises reported that both recommendations addressed to Statue Cruises have been implemented.

Parks reported that all of the recommendations addressed to Parks have been implemented.

DEPARTMENT OF PARKS AND RECREATION

Audit Report of the Permit Fees Due from Urban Space Holdings, Inc. and Compliance with Certain Provisions of Its City Permit

Audit #FN15-079A

Comptroller's Audit Library # 8432

Issued: June 21, 2016

Actual Monetary Effect: Actual Revenue: \$1,254

Introduction

This audit determined whether Urban Space Holding (Urban), which operates an annual holiday market in Union Square Park in Manhattan (the Market), pursuant to a permit issued by the New York City Department of Parks and Recreations (Parks). The objective of this audit was to determine whether Urban accurately reported its gross receipts, properly calculated the permit fees due the City, paid the permit fees timely, and complied with other financial and operational terms of its permit with Parks.

In October 2010, the City of New York through Parks issued a five-year permit to Urban that allowed Urban to install, operate, and manage an outdoor holiday Market at Union Square Park in Manhattan. In 2015, Parks issued a new five-year permit to Urban with the same terms as the earlier permit, except that the fee schedule was increased in the 2015 permit. According to the 2015 permit, Parks can exercise one of three options for the number of booths (seasonal fees) at the Market: 178 booths (\$1.4 million); 179 to 192 booths (\$1.5 million); or 193-226 booths (\$1.5 million). In accordance with both its 2010 and 2015 permits, Urban is required to compensate the City in the amount of the higher of either the minimum required seasonal fee or 50 percent of the seasonal gross receipts. For Seasons 2014 and 2015, Urban paid 50 percent of its gross receipts to the City in the amount of \$1,462,254 and \$1,501,957, respectively, in fees from its operations at the Market. In addition, Urban is required to comply with other provisions of its permit, which governs the financial and operations practices.

Results

The audit found that Urban was generally in compliance with the requirements of its permit, including the requirement that it maintain adequate insurance and that it make required security deposits. However, the audit also found that Urban did not comply with certain permit provisions. Specifically, Urban failed to submit its certified statement of gross receipts to Parks within the required timeframes. The audit also found some internal control deficiencies in Urban's financial and operational practices. Most notably, Urban did not consistently deposit its gross receipts into the Market's dedicated account and did not modify the vendors' contracts to reflect the actual payment amounts due. In addition, the audit found irregularities with Urban's accounting for vendor rentals, including that it did not report all fees collected and that its submission of required information to Parks were incomplete. Finally, the audit found that Parks' oversight of the Market needs to be improved to ensure that Urban fulfills all of its obligations under its permit.

The report makes eight recommendations to Urban and five recommendations to Parks. The recommendations to Urban include that it should:

- Submit all required financial reports to Parks on time.
- Transfer funds collected from the operation of the Market to the dedicated and separate bank account for increased accountability and transparency. Also, all funds that do not belong in the dedicated Market account should be transferred to other appropriate accounts.

- Ensure all contracts are updated to reflect accurate rental and placement fees charged and paid by participating vendors to enhance transparency and accountability.
- Immediately remit to Parks any fees and interest due, including \$462 for underreported placement fees received and determine the value of the 40 trees and calculate the corresponding fee.
- Ensure all gross receipts are reported accurately and consistently between its accounts receivable ledger and its certified statement of gross receipts.
- Ensure that the proposed vendor list is submitted to Parks for approval 30 days prior to the commencement of the Market, and that it contains all the required information including vendor booth sizes and fees payable to Urban.

The audit also recommended that Parks should:

- Ensure that Urban implements the recommendations in this report.
- Include a checklist in its inspection reports that addresses all vendor and booth-size changes subsequent to its approved vendor list. The check list should include a notation of whether the vendors are displaying the required price lists and DOHMH permits.
- Compare its inspection reports to the approved vendor lists to ensure all last minute vendor changes are updated on its approved lists.
- Reconcile Urban's certified statement of gross receipts to an updated approved vendor list which should be included in its Market lease ledger.
- Consider to exercise Options 2 or 3 for the upcoming Seasons in order to maximize revenue in the City's best interest.

In its response, Urban agreed with seven of the eight recommendations and stated, "Urban Space endeavors to have a PERFECT record and will do its best to achieve this and to act on the recommendations made by the Auditor." [Emphasis original.] Urban did not address recommendation #8.

Parks agreed with recommendations #1, #2 and #3. Parks did not agree with recommendation #4 stating that their ledger is not set up to include all the vendors. With regard to recommendation #5, Parks stated that revenue cannot be the sole deciding factor when it decides which option is selected. Parks officials stated that they "are mindful that a potential expansion of the market would have impacts on the community and any decisions about selecting one of these options will require additional consideration and consultation with elected officials, the Community Board, and the appropriate stakeholders."

Audit Follow-up

Urban reported that all of the audit recommendations are being implemented. Urban paid Parks the \$1,254 it owed for underreported placement fees and the corresponding fee for the value of the 40 trees.

Parks reported that four recommendations addressed to Parks are being implemented and the remaining recommendation that Parks disagrees with will not be implemented.

WELFARE FUNDS

Analysis of the Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2012

Audit #SR15-089S

Comptroller's Audit Library #8399

Issued: January 5, 2016

Monetary Effect: None

Introduction

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 90 welfare, retiree, and annuity funds whose fiscal years ended in calendar year 2012. These funds received approximately \$1.1 billion in total City contributions for the fiscal year.

Results

This report comprises data received in response to Comptroller's Directive #12. 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 11 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.

In addition, this report identified 11 funds that had potential financial issues that should be addressed by fund management.

Report Follow-Up

Not Applicable

SECTION III

RECOMMENDATION CHARTS

Recommendation Status By Audit

Agency	Audit Number	Total # of Recommendations	# of Recommendations Implemented/In Process	# of Recommendations Not Implemented*
Actuary, Office of the (Compliance with Local Law 36	SZ16-112AL	1	1	
Administration For Children's Services (Close to Home Program)	MD15-056A	14	14	
Administration For Children's Services (Investigation of Child Abuse and Neglect Allegations)	MG15-061A	7	6	1
Administration For Children's Services (YMS Management Association)	FP16-057A	12	10	2
Administrative Trials & Hearings, Office of (NYCServ-Taxi Application)	SI15-122A	10	6	4
Administrative Trials & Hearings, Office of (Compliance with Local Law 36)	SZ16-113AL	1	1	
Administrative Trials & Hearings, Office of (Hearing of Notices of Violations)	ME16-064A	10	1	9
Aging, Dept. for the (Senior Tracking, Analysis, and Reporting System)	SI15-121A	17	17	
Aging, Dept. for the (Compliance with Executive Order 120 Regarding LEP)	SZ16-072A	1	1	
Aging, Dept. for the (Compliance with Local Law 36)	SZ16-095AL	1	1	
Aging, Dept. for the (Compliance with Local Law 20)	SZ16-093A	8	8	
Buildings, Dept. of (Processing of Construction Permits)	MG15-112A	3	2	1
Buildings, Dept. of (Processing of Construction Permits)	ME16-061A	22	18	4
Business Integrity Commission (Billing and Collection of Licensing and Registration Fees)	FK16-090A	9	7	2
Charter School - South Bronx (Oversight of the Financial Operations)	FM15-091A	9	9	
Charter School - Merrick Academy (Oversight of Financial Operations)	MH15-093A	17	17	
Charter School - Bedford Stuyvesant New Beginnings (Oversight of Financial Operations)	MJ15-094A	19	14	5
Citywide Administrative Services, Dept. (Energy Conservation Efforts)	7E14-120A	10	7	3

Recommendation Status By Audit

Agency	Audit Number	Total # of Recommendations	# of Recommendations Implemented/In Process	# of Recommendations Not Implemented*
Community Boards-Manhattan (Office Equipment Inventory)	SR15-117A	10	10	
Consumer Affairs (Compliance Inspections)	MJ15-105A	7	7	
Correction, Board of (Compliance with Local Law 36)	SZ16-085AL	1	1	
Design & Construction, Dept. of (Minority and Women-Owned Business Enterprise Program)	MH15-124A	9	9	
Education, Dept. of (Small Payment Process of Schools Within Children First Network 404)	MD15-096A	13	13	
Education, Dept. of (Small Payment Process of Schools Within Children First Network 603)	MH15-100A	16	15	1
Elections, Board of (Inventory Practices of Office Equipment and Voting Machines)	SR15-127A	8	8	
Finance, Dept of (Payments in Lieu of Taxes Program)	FM15-125A	7	5	2
Finance, Dept of (Tax Classification of Real Property in the Borough of Brooklyn)	SR15-115A	4	4	
Finance, Dept of (Cooperative Condominium Tax Abatement Program)	SR16-055A	12	11	1
Finance, Dept of (Tax Classification of Real Property in the Borough of Queens)	SR16-091A	3	3	
Finance, Dept of (Reliability and Accuracy of General Corporation Tax Data)	7I15-107A	6	3	3
Finance, Dept of (Follow-up Review: Removal of Cooperative Tax Abatement for Ineligible Properties)	SR16-120SL	2	2	
Fire Department (Use of Purchasing Cards)	MJ15-099A	10	4	6
Health & Mental Hygiene, Dept. of (Permitting Child Care Centers)	MJ15-054A	8	6	2
Homeless Services, Dept. of (Controls Over Shelter Placement and the Provisions of Services to Families with Children)	MG14-088A	13	13	
Housing Authority (Maintenance and Repair Practices)	FK14-102A	27	21	6
Housing Authority (Emergency Preparedness)	SR14-113A	19	18	1

Recommendation Status By Audit

Agency	Audit Number	Total # of Recommendations	# of Recommendations Implemented/In Process	# of Recommendations Not Implemented*
Housing Preservation & Development (Development of City-Owned Vacant Lots)	FM14-112A	4	4	
Housing Preservation & Development (Minority-and-Women Owned Business Enterprise Program)	MD15-111A	12	11	1
Housing Preservation & Development (Building Owners' Compliance with Affordable Housing Provisions and Requirements)	MG15-118A	5	2	3
Human Resources Administration (Vendors Who Provide Clients of the HIV/AIDs Service Administration)	MD14-107A	17	16	1
Parks & Recreation, Dept. of (Bryant Park - Financial and Operating Practices)	FN15-129A	12	10	2
Parks & Recreation, Dept. of (Follow-up on the Compliance of Statue Cruises)	FM15-126F	5	5	
Parks & Recreation, Dept. of (Permit Fees Due From Urban Space Holdings)	FN15-079A	13	12	1
Parks & Recreation, Dept. of (Compliance with Local law 20 - Placement of Automated External Defibrillators)	SZ16-094A	2	2	
Probation, Dept. (Compliance with Local Law 20)	SZ16-067AL	3	3	
Queens Public Library (Financial and Operating Practices)	FN14-099A	9	9	
Retirement: BERS (Non-Pedagogical Pensioners Working for the City After Retirement)	FN15-084A	1	1	
Retirement: Consultants (Pensioners Working As Consultants for the City After Retirement)	FN15-088A	2	1	1
Retirement: NYCERS (Pensioners Working for the City After Retirement)	FN15-085A	3	1	2
Retirement: NYFD (Pensioners Working for the City After Retirement)	FN15-086A	2	2	
Retirement: NYPD (Pensioners Working for the City After Retirement)	FN15-083A	2	2	
Retirement: NYS (Pensioners Working for New York State After Their Retirement)	FN15-087A	2	1	1
Retirement: TRS (Pedagogical Pensioners Working for the City After Retirement)	FN15-082A	4	4	
Sanitation, Dept. of (Inventory of Vehicle Equipment and Supplies)	MD16-059A	14	14	

Recommendation Status By Audit

Agency	Audit Number	Total # of Recommendations	# of Recommendations Implemented/In Process	# of Recommendations Not Implemented*
School Construction Authority (Oversight Over Its Contract Payment Process)	FM15-116A	3	3	
Small Business Services, Dept of (Follow-up on the Administration of the Emerging Business Enterprise Program)	MD16-071F	3	2	1
Small Business Services, Dept of (34th Street Partnership Financial and Operating Practices)	FN16-058A	8	7	1
Transit Authority (Oversight of the Access-a-Ride Program)	FK15-098A	21	20	1
Transportation, Dept of (Use of Purchasing Cards)	MD15-095A	15	3	12
Transportation, Dept of (Tracking of Pothole Repairs)	ME15-114A	8	6	2
Youth & Community Development, Dept. of (Compliance with Executive Order 120 Regarding LEP)	SZ16-073A	1	1	
TOTAL	61	517	435	82

*If not fully or in the process of being implemented, the recommendations are considered not implemented.

Recommendation Status By Agency

Agency	Total # of Recommendations	# of Recommendations Implemented/In Process	# of Recommendations Not Implemented*	% of Recommendations Implemented*
Actuary, Office of the	1	1		100%
Administration For Children's Services	33	30	3	91%
Administrative Trials & Hearings, Office of	21	8	13	38%
Aging, Dept. for the	27	27		100%
Bryant Park Corporation	7	5	2	71%
Buildings, Dept. of	25	20	5	80%
Business Integrity Commission	9	7	2	78%
Charter School - South Bronx	9	9		100%
Charter School - Merrick	17	17		100%
Charter School - South Bronx	19	14	5	74%
Citywide Administrative Services, Dept.	10	7	3	70%
Community Boards-Manhattan	10	10		100%
Consumer Affairs	7	7		100%
Correction, Board of	1	1		100%
Design & Construction, Dept. of	9	9		100%
Education, Dept. of	29	28	1	97%
Elections, Board of	8	8		100%
Finance, Dept of	34	28	6	82%
Fire Department	10	4	6	40%
Health & Mental Hygiene, Dept. of	8	6	2	75%
Homeless Services, Dept. of	13	13		100%
Housing Authority	46	39	7	85%

Recommendation Status By Agency

Agency	Total # of Recommendations	# of Recommendations Implemented/In Process	# of Recommendations Not Implemented*	% of Recommendations Implemented*
Housing Preservation & Development	21	17	4	81%
Human Resources Administration	17	16	1	94%
Parks & Recreation, Dept. of	13	12	1	92%
Probation, Dept.	3	3		100%
Queens Public Library	9	9		100%
Retirement: BERS	1	1		100%
Retirement: Consultants	2	1	1	50%
Retirement: NYCERS	3	1	2	33%
Retirement: NYFD	2	2		100%
Retirement: NYPD	2	2		100%
Retirement: NYS	2	1	1	50%
Retirement: TRS	4	4		100%
Sanitation, Dept. of	14	14		100%
School Construction Authority	3	3		100%
Small Business Services, Dept of	13	11	2	85%
Statue Cruises	2	2		100%
Transit Authority	21	20	1	95%
Transportation, Dept of	23	9	14	39%
Urban Space Holdings	8	8		100%
Youth & Community Development, Dept. of	1	1		100%
TOTAL	517	435	82	84%

*If not fully or in the process of being implemented, the recommendations are considered not implemented.

SECTION IV

INDEX OF GOVERNMENT AGENCY AUDITS AND SPECIAL REPORTS (FISCAL YEARS 2006-2016)

INDEX OF GOVERNMENT AGENCY AUDITS AND SPECIAL REPORTS (FISCAL YEARS 2006-2016)

Actuary, Office of

Financial Practices Follow-up	FY 06,	3
Financial Practices	FY 10,	3
Letter Report on Compliance with Local Law 36.....	FY 16,	3

Administrative Tax Appeals, Office of (See Tax Commission)

Other Than Personal Service Expenditures	FY 11,	3
--	--------	---

Administrative Trials and Hearings, Office of

Development and Implementation of the NYC Serv-Taxi.....	FY 16,	7
Hearings on Notices of Violations Issued	FY 16,	5
Letter Report on Compliance with Local Law 36.....	FY 16,	9

Aging, Department for the

Awarding of Non-competitive and Limited-competition Contracts	FY 13,	3
Administration of Imprest Funds	FY 07,	3
Compliance with Executive Order 120 Regarding Limited English Proficiency	FY 16,	13
Compliance with Local Law 20 and the Placement of Automated External Defibrillators	FY 16,	15
Controls Over Personally Identifiable Information	FY 10,	5
Development and Implementation of the Senior Tracking, Analysis, and Reporting System	FY 16,	11
Letter Report on Compliance with Local Law 36.....	FY 16,	17
Letter Report on the Monitoring of Its Employees Who Use an E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business.....	FY 14,	3
Monitoring of the Physical Conditions of Senior Centers	FY 08,	3
Monitoring of Senior Centers	FY 14,	4
Oversight of its Contracts for the Delivery of Frozen Meals	FY 06,	4
Oversight of the Home-Delivered Meal Program	FY 11,	5

Borough Presidents

Bronx	Financial and Operating Practices	FY 07,	5
Bronx	Financial and Operating Practices	FY 11,	7
Bronx	Cash Controls over Receipts from Minor Sales	FY 15,	3
Brooklyn	Financial and Operating Practices	FY 08,	5
Brooklyn	Cash Controls Over Transactions From the Topographical Bureau	FY 12,	3
Brooklyn	Cash Controls over Receipts from Minor Sales	FY 15,	4
Manhattan	Financial and Operating Practices	FY 07,	6
Manhattan	Cash Controls Over Minor Sales	FY 12,	4
Manhattan	Cash Controls over Receipts from Minor Sales	FY 15,	5
Queens	Financial and Operating Practices	FY 08,	7

Borough Presidents (cont'd)

Queens	Cash Controls Over Minor Sales	FY 12,	5
Queens	Cash Controls over Receipts from Minor Sales	FY 15,	7
Staten Island	Financial and Operating Practices	FY 07,	8
Staten Island	Financial and Operating Practices	FY 11,	9
Staten Island	Cash Controls over Receipts from Minor Sales	FY 15,	8

Buildings, Department of

Compliance with the High Risk Construction Oversight Study	FY 15,	9
Controls over the Processing of Construction Permits	FY 16,	21
Data Center Follow-up	FY 06,	6
Elevator Inspections and Follow-up Activities	FY 11,	12
Follow-up of Violations Issued	FY 08,	9
Follow-up on Elevator Inspections and Follow-up Activities	FY 13,	7
Follow-up on the Queens Quality of Life Unit	FY 13,	5
Issuance of Licenses to Site Safety Professionals	FY 16,	19
Issuance and Processing of Notices of Violation	FY 14,	6
Professionally Certified Building Applications	FY 11,	11
Queens Quality of Life Unit	FY 10,	7
Revenue Collected for License and Permit Fees	FY 06,	7

Business Integrity Commission

Billing and Collection of Licensing and Registration Fees	FY 16,	23
Follow-up on the Monitoring of the Private Carting and Public Wholesale Market Industries	FY 13,	9
Monitoring of the Private Carting and Public Wholesale Market Industries	FY 08,	11

Campaign Finance Board

Other Than Personal Services Expenditure	FY 12,	6
Procurement Practices	FY 07,	10

Charter Schools

Oversight of the Financial Operations of South Bronx Charter School for International Cultures and the Arts	FY 16,	25
Oversight of the Financial Operations of the Bedford Stuyvesant New Beginnings Charter Schools	FY 16,	29
Oversight of the Financial Operations of the Merrick Academy Queens Public Charter Schools	FY 16,	27

Chief Medical Examiner, Office of

Compliance with Executive Order 120 Regarding Limited English Proficiency	FY 15,	13
Letter Report on Compliance with Local Law 36	FY 15,	11

Children's Services, Administration for

Coalition for Hispanic Family Services Foster Care Contracts	FY 08,	14
Compliance of the Child Development Support Corporation with its Preventive Service Agreements.....	FY 08,	16
Compliance of the Concord Family Services with Foster and Child Care Payment Regulations.....	FY 06,	11
Compliance of Graham Windham with Foster and Child Care Payment Regulations.....	FY 09,	13
Compliance of Seamen's Society for Children and Families with Foster and Child Care Payment Regulations.....	FY 07,	11
Controls Over Its Investigation of Child Abuse and Neglect Allegations	FY 16,	36
Controls over Payments to Transportation Vendors	FY 06,	14
Controls over Personally Identifiable Information	FY 10,	9
Development and Implementation of the Legal Tracking System	FY 06,	10
Follow-up on the Development and Implementation of the Legal Tracking System.....	FY 11,	14
Harlem Dowling-West Side Center for Children & Family Services Compliance with Its Preventive Service Agreement	FY 10,	10
Investigation of Child Abuse and Maltreatment Allegations	FY 11,	16
Inwood House Foster Care Contract	FY 09,	3
Letter Report on the Monitoring of Its Employees Who Use an E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business.....	FY 14,	8
Letter Report on the Monitoring of the Community Partnership Program.....	FY 14,	9
Little Flower Children and Family Services Foster Care Contract.....	FY 07,	12
Payments for Children with Disabilities in Residential Facilities	FY 06,	13
Oversight and Monitoring of the Screening of Personnel by Contracted Child Care Centers	FY 09,	4
Oversight of the Close to Home Program Non-Secure Payment	FY 16,	34
Susan E. Wagner Day Center.....	FY 11,	15
YMS Management Association Compliance with Its contract	FY 16,	31

City Clerk

Cash Controls at the Manhattan Office	FY 08,	18
Inventory Practices Over Major Office Equipment	FY 13,	11

City Council

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

City Planning, Department of

Adherence to Executive Order 120 Concerning Limited English Proficiency	FY 11,	18
Financial and Operating Practices	FY 06,	16
Financial and Operating Practices	FY 11,	20
Letter Report on Compliance with Local Law 36.....	FY 15,	15

City University of New York

Hostos Community College Student Activity Fees	FY 06,	17
Operating Practices of the Adult Literacy/GED Program	FY 14,	10
Operating Practices of the College Discovery Program	FY 08,	22

Citywide Administrative Services, Department of

Administration of the Sales of Surplus City-Owned Real Estate	FY 08,	24
Collection of Rent Arrears	FY 08,	25
Development and Implementation of the Capital Asset Management System	FY 07,	14
Employee Blood Program Fiduciary Account	FY 06,	18
Energy Conservation Efforts	FY 16,	38
Management of City Office Space	FY 15,	17
Use of Purchasing Cards	FY 12,	8

Civil Service Commission

Financial and Operating Practices	FY 08,	27
---	--------	----

Civilian Complaint Review Board

Adherence to Executive Order 120 Concerning Limited English Proficiency	FY 11,	22
Case Management Practices	FY 06,	20
Controls over Its Inventory of Computer and Computer-Related Equipment	FY'13,	12
Follow-up on the Case Management Practices	FY 09,	7
Letter Report on Compliance with Local Law 36	FY 15,	19

Collective Bargaining, Office of

Letter Report on the Compliance with Local Law 36	FY 15,	21
Procurement Practices	FY 08,	28

Community Boards

Bronx #1 to 12	Financial and Operating Practices	FY 07,	16
Bronx #1 to 12	Financial and Operating Practices	FY 11,	25
Brooklyn #1 to 18	Inventory Practices Over Major Office Equipment	FY 13,	13
Manhattan #1 to 12	Financial and Operation Practices	FY 06,	21
Manhattan #1 to 12	Office Equipment Inventory Practices	FY 09,	9
Manhattan #1 to 12	Compliance of Meeting and Public Hearing Requirements	FY 12,	10
Manhattan #1 to 12	Office Equipment Inventory	FY 16,	40
Queens #1 to 14	Financial and Operating Practices	FY 07,	18
Queens #1 to 14	Inventory Practices Over Major Office Equipment	FY 13,	15
Staten Island #1, 2, 3	Financial and Operating Practices	FY 07,	20
Staten Island #1, 2, 3	Financial and Operating Practices	FY 10,	13
Staten Island #1, 2, 3	Office Equipment Inventory Practices	FY 15,	23

Comptroller, Office of the

Cost Allocation Plan Fiscal Year 2005	FY 06,	23
Cost Allocation Plan Fiscal Year 2006	FY 07,	21
Cost Allocation Plan Fiscal Year 2007	FY 08,	31
Cost Allocation Plan Fiscal Year 2008	FY 09,	10
Cost Allocation Plan Fiscal Year 2009	FY 10,	15
Cost Allocation Plan Fiscal Year 2010	FY 11,	27
Cost Allocation Plan Fiscal Year 2011	FY 12,	11
Cost Allocation Plan Fiscal Year 2012	FY 13,	17
Cost Allocation Plan Fiscal Year 2013	FY 14,	12
Cost Allocation Plan Fiscal Year 2014	FY 15,	25
Cost Allocation Plan Fiscal Year 2015	FY 16,	42

Conflicts of Interest Board

Procurement and Inventory Practices	FY 09,	11
---	--------	----

Consumer Affairs, Department of

Compliance Inspections	FY 16,	43
Controls over Resolving Consumer Complaints	FY 12,	12
Imprest Fund	FY 10,	16
Internal Controls Over the Processing of Violation and Collection of Fines	FY 07,	22
Letter Report on Compliance with Local Law 36	FY 14,	13

Correction, Board of

Letter Report on Compliance with Local Law 36	FY 16,	45
Letter Report on the Monitoring of Its Employees Who Drive City-Owned or Personally-Owned Vehicles on City Business	FY 13,	18
Purchasing, Timekeeping, and Payroll Practices	FY 08,	32

Correction, Department of

Engineering Audit Office's Compliance with Comptroller's Directive #7	FY 15,	26
Letter Report on the Monitoring of Its Employees Who Use an E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business	FY 14,	15
Samaritan Village Contract to Operate the Rikers Island Discharge Enhancement Program	FY 07,	24

Criminal Justice Coordinator, Office of

Controls over Billings and Payments for Work by Panel Members in the Assigned Counsel Plan	FY 09,	13
Expenditures for Other Than Personal Services	FY 06,	24

Cultural Affairs, Department of

Compliance of Carnegie Hall Corporation's Special Program Fund with Its City Lease Agreement	FY 13,	21
Letter Report on Compliance with Local Law 36.....	FY 14,	17
Process for Awarding Program Grants to Cultural Organizations	FY 10,	18

Design Commission

Controls over the Design Review Process.....	FY 12,	14
--	--------	----

Design and Construction, Department of

Administration of the Minority-and Women-Owned Business Enterprise Program	FY 16,	47
Compliance with the Minority-and Women-Owned Business Enterprise Program.....	FY 11,	31
Controls Over Contractor-Provided Vehicles	FY 07,	26
Follow-up on the Controls over Contractor-Provided Vehicles.....	FY 11,	30
Job Ordering Contracting.....	FY 12,	16
Letter Report on Compliance with Local Law 36.....	FY 15,	29

Design and Construction, Department of (cont'd)

Oversight of Turner/STV Joint Venture's Construction Management Contract For the New Police Academy.....	FY 15,	31
Recoupment of Change Order Costs.....	FY 11,	28

District Attorney

Bronx County	Controls over Its Inventory of Computer and Computer-Related Equipment	FY 13,	23
Bronx County	Other Than Personal Service Expenditures.....	FY 07,	28
Kings County	Financial and Operating Practices	FY 06,	25
Kings County	Other Than Personal Service Expenditures.....	FY 09,	15
Kings County	Controls Over Computer and Electronic Equipment	FY 12,	18
New York County	Expenditures for Other Than Personal Services.....	FY 06,	27
New York County	Procurement Practices	FY 08,	34
New York County	Deferred Prosecution and Non-Prosecution Agreements	FY 10,	20
Queens County	Financial and Operating Practices	FY 06,	29
Queens County	Financial and Operating Practices	FY 08,	36
Queens County	Inventory Controls over Computer and Computer-related Equipment	FY 12,	20
Richmond County	Financial and Operating Practices	FY 09,	17
Richmond County	Inventory Controls over Computer and Computer-related Equipment	FY 12,	21

Economic Development Corporation

Administration of Public Purpose Funds	FY 12,	24
Coney Island Development Corporation's Financial and Operating Practices	FY 12,	23
Contracts Related To Environmental and Other Engineering Services.....	FY 14,	19
Letter Report on the Compliance with Local Law 36.....	FY 15,	33
Oversight of Turner Construction Company's Contract for Facility and Construction Management Service.....	FY 11,	34

Education, Department of

Administration of New York State Standardized Tests.....	FY 10,	27
Administration of the Early Grade Class Size Reduction Program.....	FY 10,	25
Adjudication of Alleged Teacher Misconduct and Incompetence Cases.....	FY 15,	39
Awarding of Milk Distribution Contracts	FY 14,	25
Calculation of High School Graduation Rates.....	FY 10,	29
Champion Learning Center Compliance with the Supplemental Education Services Vendor Agreement.....	FY 12,	31
Compliance with Fire and Safety Mandates in Elementary Schools	FY 06,	38
Compliance of Vanguard H.S. with DOE's Procurement Guidelines for Small Dollar Purchases.....	FY 10,	24
Compliance with Physical Education Regulations in Elementary Schools	FY 12,	29
Compliance with Reading First Program Spending Guidelines.....	FY 10,	22
Controls for Ensuring that Its High School Graduates Have Met Graduation Requirements.....	FY 15,	41
Controls Over High School Progress Reports.....	FY 11,	38
Controls Over Non-Competitive & Limited-Competitive Contracts.....	FY 15,	43
Controls over the Monitoring of Individual Consultants for Mandated Services.....	FY 13,	29
Controls over the Small Item Payment Process of Its Schools within Children First Network 404.....	FY 16,	49
Controls over the Small Item Payment Process of Its Schools within Children First Network 603.....	FY 16,	51
Controls Over the Use of Procurement Cards At Schools Supported by Children's First Network 106.....	FY 13,	25
Controls Over Universal Pre-Kindergarten Payments to Non-Public Schools in Regions 6 and 7	FY 07,	33
Custodial Supply Management Contract with Strategic Distribution, Inc.	FY 14,	27
Effectiveness in Following Up and Resolving School Bus-Related Complaints	FY 08,	45
Efforts to Address Student to Student Harassment, Intimidation, and/or Bullying in Compliance with Chancellor's Regulation A-832	FY 13,	33
Efforts To Alleviate Overcrowding in School Buildings.....	FY 15,	35
Follow-up of Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 9 and 10.....	FY 07,	30
Food Distribution and Vendor Contracts.....	FY 12,	34
Follow-up of Other Than Personal Services Expenditures of Schools – Regional Operations Center for Region 3 and District 75	FY 07,	32
High School Admission Process.....	FY 06,	36
High School Application Process for Screened Programs	FY 13,	31
Job Order Contracting	FY 06,	34

Education, Department of (cont'd)

Letter Report on the Controls over Payments for Carter Cases by the Bureau of Non-Public Schools Payments.....	FY 14,	23
Letter Report on the Payments to Navigant Consulting, Inc.....	FY 14,	24
Letter Report on the Provision of Assistive Technology Devices	FY 13,	27
Monitoring and Tracking of Special Education Services For Elementary School Students	FY 07,	34
NYC21C Project	FY 13,	24
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Region 8 and Alternative High Schools and Programs.....	FY 08,	37
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 4 and 5.....	FY 08,	38
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 6 and 7.....	FY 08,	39
Other Than Personal Services Expenditures of Schools – Regional Operations Center for Regions 1 and 2.....	FY 08,	41
Oversight of Computer Hardware Purchased through the Apple Inc. and Lenovo Inc. Contracts.....	FY 15,	37
Payments in Lieu of Taxes.....	FY 06,	31
Performance of the Achievement Reporting and Innovation System	FY 12,	26
Performance of the Children First Network 406	FY 13,	28
Planning and Allocation of Funds to Community Based Organizations for Universal Pre-Kindergarten Programs	FY 12,	36
Processes for Reviewing and Approving Lump-Sum Payments for Unused Leave Time of Pedagogical Managers	FY 07,	30
Procurement of Direct Student Services	FY 12,	27
Pupil Transportation Retainage Fiduciary Account	FY 06,	33
Reporting of Violent, Disruptive, and Other Incidents at New York City Public High Schools.....	FY 08,	44
School Food Safety Program.....	FY 11,	36
Special Education Student Information System	FY 14,	21
Travel Expenses of the Central Office	FY 08,	42
Utilization of Absent Teacher Pool	FY 12,	32

Elections, Board of

Development and Implementation of the S-Elect Project.....	FY 07,	36
Inventory Practices for Office Equipment and Voting Machines.....	FY 16,	53
Procurement Practices	FY 12,	38

Emergency Management, Office of

Controls Over Its Inventory of Emergency Supplies.....	FY 12,	39
Letter Report on the Compliance with Local Law 36.....	FY 15,	45
Payroll, Timekeeping, and Other Than Personal Services Expenditures	FY 06,	39

Environmental Control Board

Reliability and Accuracy of the Notices of Violation Data in the Computer Systems	FY 09,	21
---	--------	----

Environmental Protection, Department of

Billing and Collecting of Water and Sewer Charges from Hotels	FY 11,	40
Billing and Collecting of Water and Sewer Charges from Private Hospitals	FY 08,	48
Controls over the Billing of Water and Sewer Charges of Residential Properties	FY 09,	22
Controls over the Issuance and Depletion of Credits from Its Reimbursable Metering Program	FY 07,	38
Fire Hydrant Repair Efforts	FY 11,	41
Job Order Contracting	FY 08,	49
Letter Report on the Compliance with Local Law 36	FY 15,	49
Monitoring of Prime Contracts with Subcontracting Goals Covered by Local Law 129	FY 12,	40
Oversight of Costs to Construct the Croton Water Treatment Plant	FY 10,	33
Procurement Practices and Payment Process for Professional Services	FY 15,	47
Progress in Constructing the Croton Water Treatment Plant	FY 10,	32
Reliability and Accuracy of the Automated Meter Reading Data	FY 14,	29
Recoupment of Change Order Costs for the Bowery Bay Water Pollution Control Plant Upgrade	FY 13,	35

Equal Employment Practices Commission

Compliance with Its Charter Mandate to Audit City Agencies	FY 09,	24
Follow-up on Compliance with Its Charter Mandate to Audit City Agencies	FY 12,	42

Finance, Department of

Administration of the Cooperative Condominium Tax Abatement Program	FY 16,	61
Administration of the Disabled Homeowners' Exemption Program	FY 15,	53
Administration of the Payments in Lieu of Taxes Program	FY 16,	57
Administration of the School Tax Relief Program	FY 15,	55
Administration of Senior Citizen Rent Increase Exemption Program	FY 12,	50
Calculation and Application of the J-51 Tax Benefits for Properties in Brooklyn	FY 11,	45
Calculation and Application of the J-51 Tax Benefits for Properties in Manhattan	FY 09,	25
Development and Implementation of the Automated City Register Information System	FY 06,	40
Development and Implementation of the Computer Assisted Mass Appraisal System	FY 12,	43
Efforts to Collect Outstanding Parking Fines from Participants in Its Regular Fleet Program	FY 13,	41
Efforts to Collect Outstanding Parking Fines from Participants In Its Stipulated Fine and Commercial Abatement Programs	FY 13,	38
Final Letter Report on the Follow-Up Review of the Removal of Cooperative Condominium Tax Abatements for the Ineligible Properties Identified in Our Recent Audit (SR16-055A)	FY 16,	65
Financial Controls over Cash Receipts at Business Centers	FY 07,	40
Follow-up on the Administration of the Senior Citizen Rent Increase Exemption Program	FY 13,	44

Finance, Department of (cont'd)

Hotel Room Occupancy Tax Collection Practices.....	FY 12,	48
Implementation of 421(a) Incentive Program Tax Benefits for Properties in Manhattan.....	FY 10,	36
Joint Audit with State Comptroller: Inclusion of Cell Antenna Revenue in Assessment of Real Property Taxes	FY 12,	45
Letter Audit Report on the Follow-up Audit of the Implementation of the 18-B Web System.....	FY 15,	51
Letter Report on Compliance with Local Law 36.....	FY 14,	31
Letter Report on the Calculation and Application of Property Tax Abatement Benefits For the Commercial Revitalization Program.....	FY 13,	42
Letter Report on Real Property Income and Expense Statement Filing Process	FY 13,	40
Letter Report on Recordkeeping and Reporting of Outstanding Parking Summonses Issued to Diplomats and Consuls.....	FY 12,	44
Payments in Lieu of Taxes Program.....	FY 11,	44
Reliability and Accuracy of Commercial Motor Vehicle Tax Data.....	FY 10,	35
Reliability and Accuracy of Commercial Rent Data.....	FY 13,	37
Reliability and Accuracy of General Corporation Tax Data	FY 16,	55
Reliability and Accuracy of Utility Tax Data.....	FY 11,	43
Tax Classification of Real Property in the Borough of Brooklyn	FY 16,	59
Tax Classification of Real Property in the Borough of Manhattan	FY 06,	41
Tax Classification of Real Property in the Borough of Queens	FY 16,	63
Tax Classification of Real Property in the Borough of Staten Island	FY 06,	42
Tax Classification of Vacant Lots	FY 14,	33
Valuation of Class 2 Properties.....	FY 12,	47

Financial Information Systems Agency

Financial and Operating Practices	FY 06,	44
Financial and Operating Practices	FY 10,	38
Letter Report on Compliance with Local Law 36.....	FY 14,	35

Fire Department

Administration of its Bank Accounts.....	FY 07,	42
Automatic Vehicle Location System.....	FY 12,	52
Controls of the Inspection of Fire Alarm Systems	FY 07,	43
Controls over the Laboratory Unit's Inspections of Establishments that Contain Hazardous Materials.....	FY 11,	47
Controls over the Professional Certification Process of the Fire Alarm Inspection Unit	FY 10,	40
Development and Implementation of the Enterprise Asset Management System.....	FY 06,	46
Expenditures Submitted by PURVIS Systems Incorporated.....	FY 13,	46
Follow-up on Procedures for Replacement of Front-line Vehicles	FY 09,	27
Performance Indicators as Reported in the Mayor's Management Report.....	FY 12,	53
Use of Procurement Cards	FY 08,	54
Use of Purchasing Cards.....	FY 16,	67

Health & Hospitals Corporation

Compliance with Financial Provisions of Ambulance and Pre-hospital EMS Memo of Understanding.....	FY 10,	42
Evaluation of the Efforts to Manage Emergency Department Wait Times by Kings County, Lincoln, and Elmhurst Hospitals.....	FY 15,	57
Harlem Hospital Affiliation Agreement with the Columbia University Medical Center.....	FY 11,	49
Inventory Controls of Harlem Hospital Center over Noncontrolled Drugs	FY 06,	48
Inventory Controls of North Central Bronx Hospital over Noncontrolled Drugs	FY 11,	52
Inventory Controls over Noncontrolled Drugs at Coney Island Hospital.....	FY 09,	29
Lincoln Medical Center and Mental Health Center's Affiliation Agreement with the Physician Affiliate Group of New York	FY 15,	58
Possible Misappropriation of Noncontrolled Drugs at Coney Island Hospital	FY 08,	56
Provision of Mammogram Services	FY 11,	50

Health and Mental Hygiene, Department of

Animal Care and Control of New York City, Inc.'s Financial and Operating Practices	FY 15,	62
Cash Accountability and Controls at the Office of Vital Records	FY 07,	45
Enhanced Pest Control Program	FY 06,	51
Final Letter Report on Fiscal Monitoring Practices over the Prison Health Services Contract	FY 13,	48
Follow-up Audit on the Shelter Conditions and Adoption Efforts of Animal Care and Control of New York City	FY 12,	55
Follow-up Efforts on the Provision of Mental Health Services to Discharged Inmates	FY 15	66
Follow-up on Health Code Violations at Restaurants	FY 15,	70
Implementation of the Electronic Death Registration System	FY 10,	45
Inventory Controls over Nicotine Replacement Therapy Aids	FY 09,	31
Letter Report on the Reliability and Accuracy of the Community Health Survey	FY 15,	60
Management and Control of Overtime Costs.....	FY 12,	57
Monitoring of Early Intervention Contractors	FY 13,	49
Monitoring of the Background Checks of School-Age Child Care Program Employees	FY 10,	48
Monitoring of the Local Assisted Outpatient Treatment Program	FY 15,	68
Oversight of the Correction of Health Code Violations at Restaurants	FY 10,	46
Oversight and Monitoring of Mental Hygiene State Funds	FY 12,	58
Permitting of Child Care Centers	FY 16,	69
Response and Follow-up to Pest Control Complaints.....	FY 15,	64
Shelter Conditions and Adoption Efforts of Animal Care and Control of New York City.....	FY 06,	50

Homeless Services, Department of

Administration of Its Billing System and Miscellaneous Expense Accounts	FY 07,	47
Compliance with City Procurement Rules and Controls over Payments to Non-Contracted Providers	FY 10,	50
Confidential: Findings of Possible Employee Misconduct Uncovered in Audit SZ15-066AL	FY 16,	73
Contract of Basic Housing, Inc., to Provide Shelter and Social Services	FY 10,	52

Homeless Services, Department of (cont'd)

Contract of Homes for the Homeless, Inc. to Operate the Saratoga Family Inn.....	FY 06,	54
Contract of the Salvation Army for the Operation of Carlton House.....	FY 06,	53
Controls over Billing and Payments Made to Aguila, Inc.....	FY 12,	60
Controls over the Determination of Eligibility of Temporary Housing Benefits to Homeless Families	FY 10,	54
Controls over the Shelter Placement and the Provision of Services to Families with Children	FY 16,	71
Down and Out: How New York City Places Its Homeless Shelters.....	FY 13,	52
Follow-up on Controls Over Billing and Payments Made to Aguila, Inc.....	FY 14,	37
Follow-up on the Controls over Computer Equipment	FY 08,	57
Letter Audit Report on Monitoring of Their Employees Who Drive City-Owned Or Personally-Owned Vehicles on City Business.....	FY 15,	77
Letter Audit Report on the Development and Implementation of the Client Assistance Re-housing Enterprise System	FY 15,	72
Letter Report on Controls over Its Count of Unsheltered Homeless Youths	FY 15,	73
Management and Control of Overtime Costs.....	FY 12,	62
Monitoring of Its Employees Who Use E-Z Passes and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business.....	FY 15,	79
Monitoring of the Homebase Program	FY 13,	51
Monitoring of the Work Advantage Program	FY 11,	54
Oversight of Contractors Hired to Assist Individuals and Families Displaced by Hurricane Sandy	FY 15,	75

Housing Authority

Controls over Its Inventory of Equipment and Supplies.....	FY 15,	85
Criminal Background and Sex Offense Checks of Its Housing Residents	FY 11,	56
Development and Implementation of the Improving Customer Experience Initiative.....	FY 13,	54
Efforts to Inspect, Maintain, and Repair Passenger Elevators	FY 11,	57
Efforts to Address Tenant Requests for Repairs.....	FY 08,	60
Efforts to Maximize Federal Funding, Enhance Revenue, and Achieve Costs Savings.....	FY 15,	80
Emergency Preparedness	FY 16,	76
Follow-up on the Resident Employment Program.....	FY 08,	59
Follow-up on the User Access Controls of the Tenant Selection System and Tenant Selection and Assignment Plan System.....	FY 10,	56
Letter Report on the Use of Corporate Credit Cards.....	FY 12,	65
Maintenance and Repair Practices	FY 16,	74
Management of Vacant Apartments	FY 15,	87
Oversight of the Construction Management/Build Program	FY 12,	64
Procedures for the Verification of Section 8 Housing Choice Voucher Program Participant-Reported Information	FY 15,	82
Section 3 and Resident Employment Programs	FY 15,	89
Timeliness of the Renovation of Vacant Apartments	FY 07,	49
User Access Controls of the Tenant Selection System and Tenant Selection and Assignment Plan System	FY 06,	57

Housing Development Corporation

Administration of the Mitchell-Lama Repair Loan Program.....	FY 13,	56
--	--------	----

Housing Preservation & Development, Department of

Administration of Its Family Self Sufficiency Escrow Account	FY 13,	58
Administration of Its Relocation Shelter	FY 12,	67
Administration of Its 8A Section 17 Account	FY 12,	68
Administration of the J-51 Tax Incentive Program	FY 07,	51
Administration of the Minority-and Women-Owned Business Enterprise Program	FY 16,	80
Alternative Enforcement Program.....	FY 13	59
Cornerstone Program	FY 10,	59
Development of City-Owned Vacant Lots	FY 16,	78
Disbursement of Its Family Self-Sufficiency Program Funds	FY 14,	39
Follow-up on the Section 8 Housing Choice Voucher Program	FY 10,	58
Handling of Housing Maintenance Complaints	FY 15,	93
Monitoring of Building Owners' Compliance with Affordable Housing Provisions and Requirements	FY 16,	82
Monitoring of Subcontracts Covered by Local Law 129	FY 11,	60
Monitoring of the Award, Transfer, and Succession of the Mitchell-Lama Apartments	FY 08,	62
Oversight of the Housing Lottery.....	FY 13,	60
Performance Indicators as Reported in the Mayor's Management Report.....	FY 12,	69
Procedures for the Verification of Section 8 Housing Choice Voucher Program Participant-Reported Information.....	FY 15,	91
Reliability and Integrity of the Emergency Repair Program Data	FY 09,	33
Section 8 Housing Choice Voucher Program.....	FY 06,	59

Human Resources Administration

Awarding of Non-Competitive and Limited-competitive Contracts	FY 12,	72
Compliance with Purchasing Directives	FY 09,	35
Controls of the Bureau of Eligibility Verification over the Investigation of Cash-Assistance Applicants	FY 09,	36
Controls over Payments to Vendors Who Provide Emergency Housing to Development and Implementation of the Medical Assistance Tracking Information System	FY 08,	64
Efforts to Recover Funds from Certain Recipients of Public Assistance	FY 06,	61
Employment Services and Placements Efforts for Public Assistance Recipients	FY 07,	53
Expedited Processing of Food Stamp Applications.....	FY 11,	65
Final Letter Report on Monitoring of Its Employees Who Use an E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business	FY 15,	97
Fiscal Oversight of Personal Care Service Providers	FY 09,	37
Follow-up of Clients' Permanent Housing Applications by the HIV/AIDS Services Administration	FY 07,	55
Follow-up on the Compliance with Purchasing Directives.....	FY 11,	62
Follow-up on the Development and Implementation of the Paperless Office System	FY 10,	61

Human Resources Administration (cont'd)

Letter Report on Monitoring of Its Employees Who Drive City-Owned or Personally-Owned Vehicles on City Business	FY 14,	41
Monitoring and Disposition of Complaints Made Against Home Care Attendants.....	FY 15,	95
Monitoring and Oversight of Vendors who Provide Housing to Clients of the HIV/AIDS Services Administration	FY 16,	84
Oversight of the WeCARE Program Contractors	FY 08,	66
Real Estate Tax Charges on Space Leased at 180 Water Street	FY 04,	80
WeCARE Contract with Arbor Education and Training	FY 11,	63

Human Rights, Commission on

Adherence to Executive Order 120 Concerning Limited English Proficiency	FY 11,	67
Financial and Operating Practices	FY 08,	68
Processing of Complaints	FY 15,	98

Independent Budget Office

Financial and Operating Practices	FY 10,	63
Response to Information Requests.....	FY 13,	62

Industrial Development Agency

Project Financing, Evaluation, and Monitoring Process	FY 12,	74
---	--------	----

Information Technology & Telecommunications, Department of

Administration of Wireless Devices and Services	FY 13	63
Development and Implementation of ACCESS NYC	FY 07,	57
Geographic Information System	FY 06,	63
Hewlett-Packard System Integration Contract Expenditures.....	FY 12,	77
Letter Report on Compliance with Local Law 36.....	FY 14,	42
Letter Report on Expenditures Submitted by Accenture LLP for Its Access NYC Program Contract.....	FY 14,	44
Project Management for the Emergency Communications Transformation Program	FY 12,	76
Security Accreditation Process	FY 11,	69

Investigation, Department of

Controls over Personnel, Payroll, and Timekeeping Practices.....	FY 10,	65
--	--------	----

Labor Relations, Office of

Compliance with the Medicare Part B Reimbursement Program	FY 12,	80
---	--------	----

Juvenile Justice, Department of

Oversight of Father Flanagan's Group Home Contract.....	FY 08,	70
Oversight of the St. John's Group Home Contract.....	FY 10,	67

Landmarks Preservation Commission

Controls over Its Other Than Personal Service Expenditures	FY 06,	65
Internal Controls over Permits.....	FY 10,	69

Law Department

Controls over Overtime Payments	FY 11,	71
Letter Report on Compliance with Local Law 36.....	FY 14,	46
Procurement Practices	FY 06,	67

Mayor's Office of Film, Theatre and Broadcasting

Operating and Financial Practices	FY 15,	100
---	--------	-----

Mayor's Office of Housing Recovery Operations

Administration of the New York City Build It Back Single Family Program.....	FY 15,	102
--	--------	-----

Metropolitan Transportation Authority/ New York City Transit

Efforts to Inspect, Repair and Maintain Elevators and Escalators.....	FY 11,	109
Follow-up Audit on Vendor Contracts to Provide Access-A-Ride Services	FY 12,	106
Follow-up on Efforts to Inspect, Repair, and Maintain Elevators, and Escalators	FY 14,	59
Letter Audit Report on Phase II of the Wireless Voice and Data Services in New York City's Subway System as Provided by Transit Wireless	FY 16,	88
Letter Audit Report on the Wireless Voice and Data Services in New York City's Subway System as Provided by Transit Wireless	FY 15,	110
Maintenance and Repair of Subway Stations	FY 10,	91
Maintenance of Long Island Rail Road Stations within the City.....	FY 06,	69
Maintenance of Metro-North Railroad Stations within the City.....	FY 06,	70
Oversight of the Access-A-Ride Program	FY 16,	86
Performance of New York City Express Buses Operated by the Metropolitan Transportation Authority.....	FY 15,	107
Processing of MetroCard Claims	FY 15,	109
Subway Service Diversions for Maintenance and Capital Projects	FY 12,	108
Track Cleaning and Painting of Subway Stations	FY 15,	105
Vendor Contracts to Provide Access-A-Ride Services.....	FY 10,	90

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,	72
A Compilation of Audits of the City's Oversight of Construction Management Consultants.....	FY 13,	66
A Compilation of Audits of the Minority and Women-Owned Business Enterprises Program	FY 11,	73

Multi-Agency (cont'd)

A Compilation of Audits of Three City Agencies Efforts to Recoup Design Error and Omission Change Order Costs	FY 13,	65
A Compilation of Audits on Overtime Payments Made to Non-Pedagogical Civilian Employees.....	FY 12,	84
A Compilation of System Development Audits and an Assessment of Citywide Systems - Development Strategy	FY 10,	72
A Review of the Management and Fiscal Controls over the City's ECTP Upgrade to its Emergency 911 System.....	FY 15,	111
A Study on the Compliance of New York City Agencies with Executive Order 120 and Recommendations for Enhancing Citywide Language Access	FY 11,	72
Board of Education and the School Construction		
Collection and Reporting of School Capacity and Utilization Data by the Department of Education and the School Construction Authority.....	FY 12,	83
Compilation Letter Report on the Multi Agencies' Monitoring of Their Employees Who Drive City-Owned or Personally-Owned Vehicles on City Business	FY 14,	48
Department of Environmental Protection's Billing of Water and Sewer Usage For Properties Sold by the Economic Development Corporation	FY 13,	74
Financial and Operating Practices of the Bryant Park Corporation and Bryant Park Management Corporation.....	FY 16,	89
Financial and Operating Practices of the New York City Water and Sewer System and the Determination of Water Rates	FY 14,	51
Financial Practices and Procedures of the Pomonok Neighbor Center	FY 07,	58
Follow-up of Window Guard Violations by the Department of Health and Mental Hygiene and the Department of Housing Preservation and Development	FY 11,	75
Follow-up on Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs.....	FY 10,	71
Letter Report on Administrative Oversight Entities' Monitoring of Employees Who Drive City-Owned or Personally-Owned Vehicles on City Business	FY 13,	67
Letter Report on Human Services Agencies' Monitoring of Their Employees Who Drive City-owned or Personally-owned Vehicles on City Business	FY 14,	50
Letter Report on the Legal Affairs Agencies' Monitoring of Their Employees Who Drive City-owned or Personally-owned Vehicles on City Business	FY 12,	82
Letter Report on Legal Affairs Agencies' Monitoring of Their Employees Who Use An E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business.....	FY 13,	69
Letter Report on the Public Administrators' Monitoring of Their Employees Who Drive City-Owned or Personally-Owned Vehicles on City Business.....	FY 13,	72
Letter Report on the Public Safety Agencies' Monitoring of Their Employees Who Drive City-owned or Personally-owned Vehicles on City Business.....	FY 12,	81
Letter Report on the Public Safety Agencies' ("Non-Uniformed Services") Agencies' Monitoring of Their Employees Who Use an E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business.....	FY 13,	70
Letter Report on the Public Safety Agencies' ("Uniformed Services") Monitoring of Their Employees Who Use an E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business.....	FY 13,	73
Licensing and Oversight of the Carriage-Horse Industry by the Departments of Health and Mental Hygiene and Consumer Affairs.....	FY 07,	61
Managerial Lump Sum Payments.....	FY 06,	73

Multi-Agency (cont'd)

Managerial Lump Sum Payments.....	FY 07,	63
Managerial Lump Sum Payments.....	FY 08,	74
Managerial Lump Sum Payments.....	FY 09,	42
Managerial Lump Sum Payments.....	FY 10,	77
Managerial Lump Sum Payments.....	FY 11,	77
Managerial Lump Sum Payments.....	FY 12,	86
Managerial Lump Sum Payments.....	FY 13,	76
Managerial Lump Sum Payments.....	FY 14,	53
Managerial Lump Sum Payments.....	FY 15,	114
Managerial Lump Sum Payments.....	FY 16,	94
Metropolitan Transportation Authority and the Office of Management and Budget's Administration of Various Land-Acquisition Fiduciary Accounts	FY 07,	59
Monitoring of Franchise, Concession, License, and Lease Agreements by City Agencies.....	FY 07,	60
Pomonok Neighborhood Center, Possible Fraudulent Salaries (July 1, 2003, to June 30, 2004).....	FY 06,	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,	40
Provision of Vision Screening Services to Elementary School Students in the New York City Charter Schools.....	FY 10,	74
Report on the Potential Duplication, Overlap, and Fragmentation of New York City's Employment-Related Programs.....	FY 16,	92
Welfare Fund Payment Vouchers (High Risk)	FY 06,	74
Welfare Fund Payment Vouchers (High Risk)	FY 07,	64
Welfare Fund Payment Vouchers (High Risk)	FY 08,	75
Welfare Fund Payment Vouchers (High Risk)	FY 09,	43
Welfare Fund Payment Vouchers (High Risk)	FY 10,	78
Welfare Fund Payment Vouchers (High Risk)	FY 11,	78
Welfare Fund Payment Vouchers (High Risk)	FY 12,	87
Welfare Fund Payment Vouchers (High Risk)	FY 13,	77
Welfare Fund Payment Vouchers (High Risk)	FY 13,	77
Welfare Fund Payment Vouchers (High Risk)	FY 14,	54
Welfare Fund Payment Vouchers (High Risk)	FY 15,	115

Parks and Recreation, Department of

Administration of the 59 th Street Recreation Center Open-Space Improvements and Fiduciary Account.....	FY 07,	65
Compliance with Local Law 20 and the Placement of Automated External Defibrillators.....	FY 16,	95
Compliance of the Central Park Conservancy with Its Recreation Management Agreement	FY 09,	44
Controls over Its Disaster-Related Costs That Could Be Reimbursed by the Federal Emergency Management Agency.....	FY 15,	118
Controls over the Awarding of Concessions	FY 12,	94
Effectiveness of the Parks Inspection Program (Bronx Playgrounds)	FY 12,	88
Effectiveness of the Parks Inspection Program (Brooklyn Playgrounds).....	FY 12,	89
Effectiveness of the Parks Inspection Program (Manhattan Playgrounds).....	FY 12,	91
Effectiveness of the Parks Inspection Program (Queens Playgrounds).....	FY 12,	90

Parks and Recreation, Department of (cont'd)

Effectiveness of the Parks Inspection Program (Staten Island Playgrounds).....	FY 12,	92
Efficiency in Addressing Complaints Related to Tree Removal	FY 07,	66
Financial and Operating Practices of the West 79 th Street		
Boat Basin	FY 08,	76
Health and Safety Conditions of Public Swimming Pools	FY 14,	55
Implementation of Croton Water Filtration Plant Park Projects	FY 13,	80
Maintenance and Repairs of the City's Playgrounds (Bronx Borough Office)	FY 13,	88
Maintenance and Repairs of the City's Playgrounds (Brooklyn Borough Office).....	FY 13,	85
Maintenance and Repairs of the City's Playgrounds (Manhattan Borough Office).....	FY 13,	82
Financial and Operating Practices of the World's Fair Marina	FY 11,	79
Maintenance and Repairs of the City's Playgrounds (Queens Borough Office)	FY 13,	83
Maintenance and Repairs of the City's Playgrounds (Staten Island Borough Office).....	FY 13,	87
Monitoring of Subcontracts Covered by Local Law 129	FY 11,	84
Oversight of Capital Improvements by Concessionaires.....	FY 11,	81
Oversight of Capital Improvement by Ferry Point Partners, LLC	FY 08,	78
Oversight of Capital Projects.....	FY 13,	78
Placement of Automated External Defibrillators.....	FY 11,	83
Procurement Cards	FY 06,	75
Street Tree Pruning Program.....	FY 15,	116
Use of Procurement Cards	FY 09,	46

Payroll Administration

Monitoring of the Oversight of the CityTime Project by		
Spherion Atlantic Enterprises LLC	FY 11,	87
Procurement Practices	FY 07,	68

Police Department

Cash and Firearm Custody Controls of the Brooklyn Property Clerk Division.....	FY 11,	89
Cash and Firearm Custody Controls of the Manhattan		
Property Clerk Division	FY 08,	80
Data Center	FY 07,	70
Information System Controls of the Domain Awareness System Administered		
By the New York City Police Department.....	FY 15,	122
Letter Audit Report on the Implementation of the Computer Aided Dispatch		
System by the New York City Police Department	FY 15,	120

Probation, Department of

Compliance with Executive Order 120 Regarding Limited English Proficiency	FY 15,	124
Family Court Juvenile Delinquency Investigations (Letter Report)	FY 06,	77
Letter Report on Compliance with Local Law 36.....	FY 16,	97
Restructuring of Information Systems	FY 11,	91
Vera Institute of Justice Contract to Operate the Esperanza Program.....	FY 08,	82

Public Administrator

Bronx County Financial and Operating Practices.....	FY 09,	48
Bronx County Financial and Operating Practices.....	FY 15,	126
Kings County Estate Management Practices.....	FY 09,	50
Kings County Financial and Operating Practices	FY 13,	90
Kings County Follow-up on Financial and Operating Practices.....	FY 15,	128
New York County Financial and Operating Practices	FY 07,	72
New York County Financial and Operating Practices	FY 12,	96
Richmond County Financial and Operating Practices.....	FY 10,	79
Queens County Financial and Operating Practices	FY 06,	78
Queens County Financial and Operating Practices	FY 12,	98

Public Advocate, Office of

Controls over Personnel, Payroll, and Timekeeping Practices.....	FY 11,	93
Purchasing and Inventory Practices.....	FY 07,	74

Public Library

Brooklyn	Follow-up on the Financial Controls	FY 08,	84
Brooklyn	Letter Report on Controls Over Internet Access.....	FY 13,	93
Brooklyn	Financial and Operating Practices.....	FY 15,	130
New York	Financial Controls.....	FY 06,	80
New York	Follow-up on the Financial Controls.....	FY 09,	52
New York	Letter Report on Controls Over Internet Access	FY 13,	95
New York	Controls over Its Financial and Operating Practices	FY 15,	131
Queens	Financial and Operating Practices	FY 16,	99
Queens	Follow-up of the Financial and Operating Practices.....	FY 08,	85
Queens	Letter Report on Controls Over Internet Access	FY 13,	97
Queens	Report of the Comptroller's Investigation into Possible Misconduct Revealed Into Possible Misconduct Revealed by the Audit of the Queens Borough Public Library.....	FY 16,	101

Records and Information Services, Department of

Procurement, Payroll, and Personnel Practices.....	FY 11,	95
Small Procurement and Vouchering Practices.....	FY 06,	82

Retirement Systems

BOARD OF EDUCATION

Controls over the Identification of Deceased Individuals Collecting Pension Payments	FY 12,	101
Non-Pedagogical Pensioners Working for the City after Their Retirement	FY 06,	85
Non-Pedagogical Pensioners Working for the City after Their Retirement.....	FY 07,	79
Non-Pedagogical Pensioners Working for the City after Their Retirement.....	FY 08,	87

Retirement Systems (cont'd)

Non-Pedagogical Pensioners Working for the City after Their Retirement	FY 09,	54
Non-Pedagogical Pensioners Working for the City after Their Retirement	FY 10,	81
Non-Pedagogical Pensioners Working for the City after Retirement	FY 11,	99
Non-Pedagogical Pensioners Working for the City after Retirement	FY 16,	106

NYCERS

Controls over the Identification of Deceased Individuals Collecting Pension Payments	FY 12,	103
Pensioners Working for the City after Their Retirement	FY 06,	86
Pensioners Working for the City after Their Retirement	FY 07,	78
Pensioners Working for the City after Their Retirement	FY 08,	89
Pensioners Working for the City after Their Retirement	FY 09,	55
Pensioners Working for the City after Their Retirement	FY 10,	83
Pensioners Working for the City after Retirement	FY 11,	98
Pensioners Working for the City after Retirement	FY 16,	108

FIRE

Controls over the Identification of Deceased Individuals Collecting Pension Payments.....	FY 11,	96
Pensioners Working for the City after Their Retirement	FY 06,	88
Pensioners Working for the City after Their Retirement	FY 07,	76
Pensioners Working for the City after Their Retirement	FY 08,	88
Pensioners Working for the City after Their Retirement	FY 09,	56
Pensioners Working for the City after Their Retirement	FY 10,	81
Pensioners Working for the City after Retirement	FY 11,	97
Pensioners Working for the City after Retirement	FY 16,	110

POLICE

Controls over the Identification of Deceased Individuals Collecting Pension Payments.....	FY 11,	103
Pensioners Working for the City after Their Retirement	FY 06,	87

Retirement Systems (cont'd)

POLICE

Pensioners Working for the City after Their Retirement	FY 07,	76
Pensioners Working for the City after Their Retirement	FY 08,	88
Pensioners Working for the City after Their Retirement	FY 09,	55
Pensioners Working for the City after Their Retirement	FY 10,	84
Pensioners Working for the City after Retirement	FY 11,	97
Pensioners Working for the City after Retirement	FY 16,	104

TEACHERS

Controls over the Identification of Deceased Individuals Collecting Pension Payments	FY 12,	100
Pedagogical Pensioners Working for the City after Their Retirement	FY 06,	84
Pedagogical Pensioners Working for the City after Their Retirement	FY 07,	77
Pedagogical Pensioners Working for the City after Their Retirement	FY 08,	90
Pedagogical Pensioners Working for the City after Their Retirement	FY 09,	57
Pedagogical Pensioners Working for the City after Their Retirement	FY 10,	82
Pedagogical Pensioners Working for the City after Retirement	FY 11,	100
Pedagogical Pensioners Working for the City after Retirement	FY 16,	102

ALL SYSTEMS

City Pensioners Working as Consultants for the City after Retirement	FY 06,	90
City Pensioners Working as Consultants for the City after Retirement	FY 07,	81
City Pensioners Working as Consultants for the City after Retirement	FY 08,	91
City Pensioners Working as Consultants for the City after Retirement	FY 09,	59
City Pensioners Working as Consultants for the City after Retirement	FY 10,	86
City Pensioners Working as Consultants for the City after Retirement	FY 11,	101
City Pensioners Working as Consultants for the City after Retirement	FY 16,	114
Pensioners Working for New York State after Their Retirement	FY 06,	89
Pensioners Working for New York State after Their Retirement	FY 07,	80
Pensioners Working for New York State after Their Retirement	FY 08,	92
Pensioners Working for New York State after Their Retirement	FY 09,	58
Pensioners Working for New York State after Their Retirement.....	FY 10,	85

Retirement Systems (cont'd)

ALL SYSTEMS

Pensioners Working for New York State after Retirement.....	FY 11,	102
Pensioners Working for New York State after Retirement.....	FY 16,	112

Sanitation, Department of

Automatic Vehicle Location Application	FY 12,	104
Compliance with Comptroller's Directive #7 by the Engineering Audit Office	FY 08,	95
Controls Over Its Inventory of Vehicle Equipment and Supplies	FY 16,	116
Controls over the Processing of Notices of Violation Issued	FY 13,	100
Development and Implementation of the Notice of Violation Administration System	FY 08,	94
Final Letter Audit Report on the Monitoring of Its Employees Who Drive City-Owned or Personally-Owned Vehicles on City Business	FY 16,	118
Oversight of Construction Management Consultants.....	FY 13,	99
Vacant Lot Clean-up Program	FY 08,	97

School Construction Authority

Management and Oversight Over Its Contract Payment Process	FY 16,	120
--	--------	-----

Small Business Services, Department of

Administration of the Emerging Business Enterprise Program.....	FY 13,	102
Administration of the Minority- and Women-Owned Business Enterprise Program	FY 10,	88
Administration of the Minority-Owned Business Enterprise (M/WBE) Certification Program	FY 13,	103
Brooklyn Navy Yard Development Corporation's Leasing and Rent Collection Practices	FY 07,	83
Downtown Brooklyn Partnership, Inc. Financial and Operating Practices and Compliance with Its Consulting Contract	FY 11,	105
Financial and Operating Practices of the 5 th Avenue Business Improvement District	FY 07,	85
Financial and Operating Practices of the 34 th Street Partnership, Inc.	FY 16,	122
Financial and Operating Practices of the Jerome-Gun Hill Business Improvement District.....	FY 09,	61
Financial Practices of the New York City Marketing Development Corporation	FY 06,	92
Follow-up on the Administration of the Emerging Business Enterprise Program	FY 16,	124
Letter Report on Compliance with Local Law 36.....	FY 14,	57
Operating Practices and Procedures of the Grand Central Partnership Business Improvement District.....	FY 06,	93

Special Narcotics, Office of

Financial and Operating Practices	FY 08,	99
Letter Report on the Monitoring of Employee Using City-or Personally –Owned Vehicles Conducting City Business.....	FY 13,	105

Standards and Appeals, Board of

Collection and Reporting of Revenues.....	FY 07,	87
---	--------	----

Tax Commission
(See Administrative Tax Appeals, Office of)

Financial and Operating Practices	FY 07,	89
---	--------	----

Taxi and Limousine Commission

Adherence to Executive Order 120 Concerning Limited English Proficiency	FY 11,	107
Controls over Taxi Medallions.....	FY 09,	63

Transportation, Department of

Adherence to Executive Order 120 Concerning Limited English Proficiency	FY 11,	111
Administration of the Light Pole Banner Permit Program	FY 13,	106
Compliance with Local Law 20 and the Placement of Automated External Defibrillators.....	FY 16	130
Controls over City Disability Parking Permits	FY 10,	94
Controls Over Payments to Consultants	FY 13,	110
Controls over the Use of Purchasing Cards.....	FY 16,	126
Efforts to Address Sidewalk Defect Complaints	FY 09,	65
Follow-up on the Controls over City Disability Parking Permits.....	FY 13,	108
Letter Report on the Controls over the Processing of Notices of Violations by the Highway Inspection Quality Assurance Unit.....	FY 14,	60
Maintenance of Bike Share Equipment by New York City Bike Share, LLC in Compliance with its Contract.....	FY 15,	132
Oversight of Private Ferry Operators	FY 10,	96
Parking Card Distribution and Sales Revenue	FY 06,	96
Performance Indicators as Reported in the Mayor's Management Report.....	FY 12,	112
Remediation of Bridge Defects	FY 12,	110
Street Resurfacing Program Selection Process	FY 06,	95
Tracking of Pothole Repairs.....	FY 16,	128

Youth and Community Development, Department of
(Formerly The Department of Youth Services)

Compliance with Executive Order 120 Regarding Limited English Proficiency	FY 16,	132
Covenant House Crisis Shelter Contract	FY 06,	98
Implementation of the Community Service Block Checks by Out-of-School Time Programs.....	FY 09,	68
Letter Report on the Compliance with Local Law 36	FY 14,	61
Out-of-School Youth Program.....	FY 10,	98
Oversight of the Immigrant Special Initiative Contracts.....	FY 07,	91
Oversight and Monitoring Beacon Centers	FY 07,	92
Transitional Independent Living Program	FY 09,	67

SECTION V

INDEX OF NON-GOVERNMENTAL AGENCY AUDITS (FISCAL YEARS 2006-2016)

INDEX OF NON-GOVERNMENTAL AGENCY AUDITS (FISCAL YEARS 2006-2016)

Claims

Various	FY 06,	103
Various	FY 07,	97
Various	FY 08,	103
Various	FY 09,	73
Various	FY 10,	103
Various	FY 11,	115
Various	FY 12,	117
Various	FY 13,	113
Various	FY 14,	65
Various	FY 15,	137
Various	FY 16,	137

Franchises, Leases and Concessions

Alley Pond Golf Center, Inc.....	FY 07,	104
American Golf/South Shore Golf Course	FY 11,	127
Astoria Studios Limited Partnership II With Its Lease Agreement	FY 07,	99
Brooklyn Army Terminal	FY 08,	108
Brooklyn Baseball Company, L.L.C., (Brooklyn Cyclones)	FY 06,	110
Brooklyn Baseball Company, L.L.C., (Brooklyn Cyclones)	FY 08,	114
Carnegie Hall Corporation's Compliance with Its Lease Agreement.....	FY 13,	117
Cemusa NY LLC's Payment of Franchise Fees in Compliance with Its Coordinated Street Furniture Franchise Agreement	FY 14,	73
Central Park Boat House, LLC.....	FY 07,	105
Central Park Tennis	FY 09,	85
Circle Line-Statue of Liberty Ferry, Inc.....	FY 08,	119
Cleaning and Maintenance of Bus Stop Shelters by Cemusa, NY, LLC	FY 13,	125
Compliance of the Catango Corporation with Its License Agreement	FY 12,	126
Compliance of the Golf Center of Staten Island, Inc. With Its License Agreement for the Silver Lake Golf Course.....	FY 15,	141
Compliance of the Marriott Marquis with Its City Lease Agreement	FY 13,	115
Compliance of the New York Mets with Their Lease Agreement	FY 10,	121
Compliance of South Street Seaport Associates with Its City Lease Agreements	FY 13,	119
Compliance of Statue Cruises, LLC with Its License Agreement	FY 14,	71
Compliance of Teck Gourmet Five, LLC with its Sublicense Agreement To Operate Douglaston Manor	FY 13,	123
Compliance of Transdev North America, Inc. With Its Franchise Agreement.....	FY 15,	143
Compliance of Verizon New York, Inc. with Its Cable Franchise Agreement	FY 14,	69
Concerts Foods	FY 09,	82
Concert Foods	FY 10,	111
Delancey and Essex Street Municipal Parking Garage.....	FY 09,	87
Empire City Subway	FY 10,	109
First Tee Of Metropolitan New York, Inc.	FY 07,	107
Fitmar Management Paerdegat Athletic Club	FY 10,	115
Follow-up on the Compliance of Central Park Tennis Center, Inc.....	FY 12,	120
Follow-up on the Compliance of Fitmar Management, LLC.....	FY 12,	124

Franchises, Leases and Concessions (cont'd)

Follow-up on the Compliance of Food Craft, Inc. (Worlds Fair Marina Restaurant and Banquet).....	FY 12,	119
Follow-up on the Compliance of Lakeside Restaurant Corporation	FY 12,	122
Follow-up on the Compliance of South Beach Restaurant Corporation	FY 12,	121
Follow-up on the Compliance of Statue Cruises, LLC with Its License Agreement.....	FY 16,	139
Follow-up on the License Fees Due from Central Park Boathouse, LLC.	FY 12,	123
Food Craft, Inc./World Fair Marina Restaurant, Inc.....	FY 10,	113
Howard Hughes Corporation's Compliance with Its City Leases for the South Street Seaport Market Place and Theatre	FY 14,	67
Lakeside Restaurant Corporation	FY 10,	119
Letter Report on World Ice Arena, LLC's Compliance with Its Lease Agreement	FY 13,	122
Level 3 Communications, Inc.....	FY 11,	121
Looking Glass Networks, Inc.	FY 11,	122
Master and Maritime Contracts (July 1, 2005-June 30, 2008).....	FY 10,	105
Merissa Restaurant Corporation	FY 08,	117
MDO Development Corporation	FY 11,	119
Monitoring of Lease Agreements with Dircksen & Talleyrand, Inc.	FY 12,	128
N.B.K.L. Corporation	FY 03,	140
New Leaf Café.....	FY 03,	144
New York One's Compliance with Its Contract Covering City Carousels	FY 11,	125
New York Skyports, Inc.....	FY 08,	105
New York Yankees Lease Agreement.....	FY 09,	83
NYC & Company, Inc.....	FY 11,	132
P & O Ports North America, Inc.	FY 09,	77
Permit Fees Due from Urban Space Holdings, Inc. and Compliance with Certain Provisions of Its City Permit	FY 16,	141
Piers 92 and 94 (January 1, 2007-December 31, 2009)	FY 10,	107
Quinn Restaurant Corporation	FY 09,	75
Randall's Island Sports Foundation	FY 11,	129
RCN Telecom Services of New York	FY 08,	111
South Beach Restaurant Corporation	FY 10,	118
Staten Island Minor League Holdings, L.L.C. (Staten Island Yankees).....	FY 06,	105
Staten Island Minor League Holdings, L.L.C (Staten Island Yankees).....	FY 07,	100
Staten Island Minor League Holdings, L.L.C. (Staten Island Yankees).....	FY 11,	117
Sterling Mets, L. (New York Mets) January 1, 2002, to December 31, 2002.....	FY 06,	112
Sweet Concessions	FY 09,	81
Sunny Days in the Park, Inc.....	FY 10,	123
Sunstone Hotel Investors, Inc. (Hilton Times Square Hotel)	FY 15,	139
Telebeam Telecommunications Corporation	FY 06,	107
TW Telecom	FY 09,	79
United Nations Development Corporation.....	FY 08,	107
USTA National Tennis Center Inc.....	FY 06,	109
Wollman Rink Operations, LLC.....	FY 08,	113
York Avenue Tennis, LLC.....	FY 07,	102

Rental Credits Submitted by the New York Yankees

4 th Quarter 2004 (10/1/04 – 12/31/04).....	FY 06,	114
1 st Quarter 2005 (1/1/05 – 3/31/05).....	FY 06,	114
2 nd Quarter 2005 (4/1/05 – 6/30/05).....	FY 06,	114
3 rd Quarter 2005 (7/1/05 – 9/30/05).....	FY 06,	114
4 th Quarter 2005 (10/1/05 – 12/31/05).....	FY 07,	109
1 st Quarter 2006 (1/1/06 – 3/31/06).....	FY 07,	109
2 nd Quarter 2006 (4/1/06 – 6/30/06).....	FY 07,	109
3 rd Quarter 2006 (7/1/06 – 9/30/06).....	FY 07,	109
4 th Quarter 2006 (10/1/06 -12/31/06).....	FY 08,	121
1 st Quarter 2007 (1/1/07 – 3/31/07).....	FY 08,	121
2 nd Quarter 2007 (4/1/07 -6/30/07).....	FY 08,	121
3 rd Quarter 2007 (7/1/07 – 9/30/07).....	FY 08,	121
4 th Quarter 2007 (10/1/07 – 12/31/07.....	FY 09,	88
1 st Quarter 2008 (1/1/08 – 3/31/08).....	FY 09,	88
2 nd Quarter 2008 (4/1/08 – 6/30/08).....	FY 09,	88
3 rd Quarter 2008 (7/1/08 – 9/30/08).....	FY 09,	88
4 th Quarter 2008 (10/1/08 – 12/31/08).....	FY 10,	125

Welfare Funds

Financial and Operating Practices of the Local 333 Insurance Fund for New York City Employees	FY 07,	110
Financial and Operating Practices of the Local 333 Insurance Fund for New York City Retirees.....	FY 07,	111
Financial and Operating Practices of the Municipal Employees Welfare Trust Fund of the International Union of Operating Engineers – Local 30.....	FY 10,	126
Financial and Operating Practices of the Municipal Retiree Employees Welfare Trust Fund of the International Union of Operating Engineers – Local 30.....	FY 10,	127
Financial and Operating Practices of the Social Service Employees Union Local 371 Administrative Fund.....	FY 11,	135
Financial and Operating Practices of the Social Services Employees Union Local 371 Legal Services and Educational Fund	FY 11,	137
Financial and Operating Practices of the Social Service Employees Union Local 371 Welfare Fund.....	FY 11,	134
Financial and Operating Practices of the Superior Officers Council Health & Welfare Fund.....	FY 10,	129
Financial and Operating Practices of the Superior Officers Council Retiree Health & Welfare Fund	FY 10,	130
Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2003	FY 06,	116
Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2004	FY 07,	113

TITLE	AGENCY	ANNUAL REPORT	PAGE
<u>Welfare Funds (cont'd)</u>			
Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2005		FY 08,	122
Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2006		FY 09,	92
Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2007		FY 10,	132
Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2008		FY 11,	138
Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2009		FY 12,	129
Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2010		FY 13,	127
Financial and Operating Practices of Union-Administered Benefit Funds With Fiscal Years Ending in Calendar Year 2011		FY 15,	146
Financial and Operating Practices of Union-Administered Benefit Funds with Fiscal Years Ending in Calendar Year 2012		FY 16,	143
Financial and Operating Practices of the United Probation Officers Association Welfare Fund		FY 09,	89
Financial and Operating Practices of the United Probation Officers Association Retirement Welfare Fund.....		FY 09,	90
Union of Operating Engineers Local Union 15, 15A and 15C		FY 06,	115

SECTION VI

INDEX OF GOVERNMENT SPECIAL LETTER REPORTS (FISCAL YEARS 2011-2016)

INDEX OF GOVERNMENT SPECIAL LETTER REPORTS (FISCAL YEARS 2011-2016)

Consumer Affairs, Department of

Contract with Gartner, Inc. Related to the On-Line Services Enhancement Project	FY 13,	131
---	--------	-----

Economic Development Corporation

Revolving Loan Fund Program	FY 11,	143
-----------------------------------	--------	-----

Education, Department of

High School Applications Processing System (HSAPS)	FY 11,	144
Letter Report on the Awarding of Future Technology Associates, LLC. Contract in 2005.....	FY 12,	133
Letter Report on Efforts to Investigate and Address Reports of Bed Bugs In City Schools.....	FY 13,	132
Vendors that Have Various Unpaid Taxes, Fees, or Outstanding Violations Due the City.....	FY 11,	144

Multi-Agency

Accuracy of Unused Accrued Leave Payouts When New York City Managerial Employees Separate from Service	FY 11,	146
Letter Report on Accuracy of Unused Accrued Leave Payouts When New York City Managerial Employees Separate from Service	FY 13,	133
Letter Report on Accuracy of Unused Accrued Leave Payouts When New York City Managerial Employees Separate from Service	FY 13,	134
Letter Report on Accuracy of Unused Accrued Leave Payouts when New York City Managerial Employees Separate from City Service	FY 15,	113