



Department of Motor Vehicles

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June 10, 2016

Hon. Thomas P. DiNapoli
State Comptroller
Office of State Comptroller
110 State Street, Albany, NY 12236

RECEIVED
EXECUTIVE CORRESPONDENCE

JUN 13 2016

OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

Re: OSC Audit Report 2015-S-66

Dear Comptroller DiNapoli:

This letter is in reference to the New York State Comptroller's final audit report number 2015-S-66, Department of Motor Vehicles - Internal Control System Components.

We have reviewed the findings and recommendations in the audit report. Please note the following concerning the audit recommendations:

1. Develop a process and cycle for each unit manager to assess risk and review controls for major functions.

Response: The Department's Internal Control Officer (ICO) met with senior level managers to evaluate unit functions and developed an updated list of the major functions within the Department that will require a yearly internal control review. This process resulted in the identification of thirty-four (34) major functions. During the period March 1, 2016 through April 1, 2016, the ICO met with each unit manager as each was completing their internal control review assessment forms to ensure they understood internal controls and they were evaluating their major functions in accordance with our internal control review program. By April 15, 2016, each unit manager responsible for each of the major functions had completed their internal control assessments. On April 22, 2016, the Department submitted its 2015-16 Internal Control Summary & Certification form to the Division of the Budget certifying the Department is "Fully Compliant" with the requirements of the Internal Control Act.

2. As a part of the internal control review program, incorporate a process for unit managers to evaluate the control environment, information and communications systems, and monitoring systems with their units.

Response: The form used by each unit manager to conduct their internal control assessments of their respective major functions was significantly redesigned. The new form includes sections requiring each manager to evaluate the control environment, information and communication systems and monitoring systems. The new form also includes directions and a sample completed form to assist managers with completing their reviews. All of this information (forms, directions and samples) is readily available on the Department's "Internal Controls" intranet site.

3. Provide additional training and outreach to unit managers to increase their understanding of internal controls and the internal control review program.

Response: As noted above, the ICO met with each unit manager as they were completing their internal control review assessments. These one-on-ones ensured that the unit managers understood internal controls and were evaluating their major functions in accordance with our internal control review program.

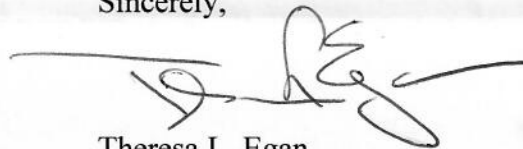
The Department's Internal Controls intranet site is now the central repository of all the information unit managers need to complete the evaluations of their major functions. The Internal Control intranet site has been further enhanced to include a page dedicated to "Internal Control Management Training/Awareness Program". The training program requires unit managers to be familiar with the Department's Internal Control Policy, Understanding Internal Controls, the Internal Control Guidelines (updated to the 2013 Committee of Sponsoring Organizations (COSO) Internal Control – Integrated Framework and DOB's "Manager's Testing Guide". Unit managers are required to execute an annual acknowledgement that ensures they have reviewed, and are familiar with, these materials.

As an additional method of outreach to all staff, and to increase awareness of our Internal Control Review Program, the Department designated the month of March as "Internal Control Month" within the Department. We kicked-off "Internal Control Month" with a banner prominently posted to our intranet page that linked to a Department newsletter (see attached) describing our internal control program, provided links to our internal controls training materials, and promoted awareness of the upcoming release of the major function internal review assessments to unit managers.

We will continue to conduct annual internal control review program assessments of the identified major functions, and to evaluate other functions within the Department that might warrant inclusion with the program. We will also continue to promote awareness of our internal control review program among unit managers responsible for completing the major function assessments, as well as all staff so consideration of internal controls remains part of the everyday operation of the Department.

If you have any questions concerning our response to this audit, please contact me at (518) 474-0846.

Sincerely,



Theresa L. Egan
Executive Deputy Commissioner
NYS Department of Motor Vehicles

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DEPARTMENT OF MOTOR VEHICLES

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