



New York State Office of the State Comptroller
Thomas P. DiNapoli

Division of State Government Accountability

Quality of Internal Control Certification

Office for the Prevention of Domestic Violence



Executive Summary

Purpose

Determine whether the Office for the Prevention of Domestic Violence (OPDV) submitted a timely quality internal control certification to the Division of Budget (DOB) for the 2011-12 fiscal year.

Background

In 1987, the Legislature passed the New York State Governmental Accountability, Audit and Internal Control Act requiring State agencies and public authorities to each institute a comprehensive system of internal controls over their operations. By April 30 of each year, DOB requires the head of each covered agency to certify compliance with the State's Internal Control Act by submitting a Certification and Internal Control Summary detailing the internal control activities undertaken during the previous year. For the 2011-12 fiscal year, OPDV reported a mix of compliance, partial compliance and noncompliance with the various requirements of the Internal Control Act.

Key Findings

- OPDV's internal control certification was submitted on time and generally exhibited the necessary quality. Answers to most questions were complete and responsive, and were supported by records and documentation maintained by the agency. However, we did find that OPDV's certification did not provide sufficient detail in describing the monitoring system installed to verify that corrective actions are taken.

Key Recommendation

- Provide appropriately detailed responses to questions as requested in the annual Internal Control Certification.

Other Related Audits/Reports of Interest

[Office For The Aging: Quality of Internal Control Certification \(2008-S-114\)](#)

[Division of Veterans Affairs: Quality of Internal Control Certification \(2008-S-115\)](#)

[Department Of Transportation: Quality of Internal Control Certification \(2008-S-116\)](#)

State of New York
Office of the State Comptroller

Division of State Government Accountability

September 26, 2012

Ms. Amy Barasch, Esq.
Executive Director
Office for the Prevention of Domestic Violence
Alfred E. Smith Building, 11th Floor
80 South Swan Street
Albany, New York 12210

Dear Ms. Barasch,

The Office of the State Comptroller is committed to helping State agencies, public authorities and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Quality of Internal Control Certification*. This audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Office of the State Comptroller
Division of State Government Accountability

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Background

Internal controls are the integration of the activities, plans, attitudes, policies, and efforts of the people of an organization working together to provide reasonable assurance that the organization will achieve its objectives and mission. While the overall purpose of internal control is to help an organization achieve its mission, internal control also helps an organization to promote orderly, economical, efficient and effective operations, and produce quality products and services consistent with the organization's mission; safeguard resources against loss due to waste, abuse, mismanagement, errors and fraud; promote adherence to laws, regulations, contracts and management directives; develop and maintain reliable financial and management data, and accurately present that data in timely reports.

In 1987, the Legislature passed the New York State Governmental Accountability, Audit and Internal Control Act requiring State agencies and public authorities to each institute a comprehensive system of internal controls over their operations. DOB's Budget Policy and Reporting Manual Bulletin B-350 requires the head of each covered agency to certify compliance with the State's Internal Control Act by April 30 of each year by submitting a Certification and Internal Control Summary detailing the internal control activities undertaken during the previous year.

The current requirements in BPRM B-350 have been updated with a list of agencies required to establish and maintain an internal audit function and also require agencies to identify specific actions taken to implement each of the recommendations in the State's Internal Control Task Force report entitled "The New York State Internal Control Act Implementation Guide: Strengthening Compliance with the Act and Standards." These recommendations include specific guidance for agencies, the Internal Control Task Force, DOB and the Comptroller's Office. The recommendations were developed to provide agencies with an improved level of assurance that an appropriate set of controls are in place within the agency and are functioning properly. Recommendations directed toward agencies relate to internal control coordination, implementation, education and training, as well as internal audit organization, staffing, processes, and continuing education.

The Office for the Prevention of Domestic Violence (OPDV) is an executive level state agency, created in 1992. It replaced the former Governor's Commission on Domestic Violence established in 1983. OPDV's mission is to improve the State's response to and prevention of domestic violence with the goal of enhancing the safety of all New Yorkers in their intimate and family relationships. OPDV has three primary areas of focus: it advises the governor and legislature on policies and practices for the State; it trains professionals from all areas about the intersection of domestic violence in their daily practice; and it serves as a resource regarding the issue of domestic violence by disseminating regular public awareness campaigns, publishing materials for use by non-profits and victims, distributing local assistance funds, and highlighting best practices in the field.

As a small agency without a full-time Internal Control Officer (ICO), OPDV schedules internal vulnerability assessments to be done every two to three years. The most recent assessments were completed in 2010 for the following units: Human Services and Prevention; Legislative; and Public Education and Outreach. Each of these units submitted a checklist with the answers to the

review questions tabulated and rated using a weighting system.

DOB's internal control summary and certification form contains six sections wherein agencies report their assessment of agency compliance with the Act's requirements. OPDV assessed itself as fully compliant in one area: communicating generally applicable management policies and standards. OPDV reported partial compliance in two other areas indicating that it needs to improve its documentation of administrative and operational tasks and procedures, and that it needs to establish a formal compliance testing program. It was not compliant in two areas because it had not designated an ICO and it had not provided its staff with education and training on internal controls. The final area was not applicable, since OPDV is not one of the agencies required to establish an internal audit function.

Audit Findings and Recommendation

We determined OPDV's internal control certification was submitted timely (April 1, 2012) and generally exhibited the necessary quality. Answers to most questions were complete and responsive, and were supported by records and documentation maintained by the agency. However, in one area, OPDV did not provide sufficient detail in response to the internal control certification questions.

Agency Certification

While OPDV responded to all of the questions in the certification, officials did not provide the requested level of detail explaining how it monitors corrective actions taken to address control deficiencies. For example, rather than describing the actual monitoring system installed by the agency to verify that corrective actions were taken, OPDV just stated that corrective actions are implemented when necessary. Further, while OPDV stated that its directors and supervisors are responsible for monitoring compliance and for determining whether corrective actions should be taken, it did not indicate how these staff members make these decisions or what steps they take to perform these functions.

Supporting Documentation

In each area, OPDV officials provided us with sufficient, appropriate documentation supporting the statements made in its certification.

Recommendation

1. Provide appropriately detailed responses to questions as requested in the annual Internal Control Certification.

Audit Scope and Methodology

We audited the quality and timeliness of OPDV's 2011-2012 internal control certification to determine whether the agency filed it in accordance with DOB requirements. To accomplish our audit objective, we reviewed the internal control certification and all documentation of internal controls that OPDV used to support it. In addition, we interviewed OPDV officials to learn more about the agency's internal control system. Our audit focused on the quality of the agency's annual internal control certification. It did not assess, nor was it intended to assess, the quality of OPDV's internal control system. Our audit scope included the period January 1, 2011 through July 12, 2012.

We conducted our performance audit in accordance with generally accepted government auditing

standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

Authority

This audit was done according to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

Reporting Requirements

A draft copy of this report was provided to OPDV officials for their review and comment. We considered their comments in preparing this report, and have included them at the end of this report.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Executive Director of Office for the Prevention of Domestic Violence shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendation contained herein, and where recommendation was not implemented, the reasons why.

Contributors to This Report

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Vision

A team of accountability experts respected for providing information that decision makers value.

Mission

To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

Agency Comments



State of New York
Office for the Prevention of Domestic Violence

Andrew M. Cuomo
Governor

Amy Barasch, Esq.
Executive Director

August 23, 2012

John Buyce
Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, NY 12236

Dear Mr. Buyce:

Thank you for the opportunity to respond to the findings and recommendations in the draft report 2012-S-41, *Office for the Prevention of Domestic Violence: Quality of Internal Control Certification*, dated August 2012.

In response to the finding that OPDV's certification did not provide sufficient detail in describing the monitoring system installed to verify that corrective actions are taken, the agency will make every effort to provide detailed responses to questions in future certification reporting. The agency's Internal Control Officer and Internal Control Coordinator have discussed this finding and ways to provide more detailed information regarding these activities.

OPDV remains committed to maintaining a comprehensive system of internal controls and will make every effort to ensure that a quality internal control certification is prepared and submitted to the Division of the Budget.

Any questions or comments regarding this response may be directed to Gwen Wright, OPDV's Internal Control Officer, at gwen.wright@opdv.ny.gov or 518-457-5916.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Barasch".

Amy Barasch, Esq.
Executive Director

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