

DEPARTMENT OF AUDIT AND CONTROL

MISSION

The Department of Audit and Control was created in 1926 and is headed by the State Comptroller, who is elected by the people. The Department is responsible for paying the State's bills and payrolls; verifying all financial transactions of the State; reviewing the financial and management practices of State agencies; supervising the fiscal affairs of local governments; investing State funds and issuing bonds and notes; and administering the retirement program for State and most local government employees.

ORGANIZATION AND STAFFING

The Department of Audit and Control is organized into 10 programs, with its main office in Albany and regional offices in New York City, Buffalo, Rochester, Syracuse, Binghamton, Glens Falls and Hauppauge. These regional offices function primarily as decentralized audit centers, providing financial review of the accounting of revenues collected and expenses incurred by counties, cities, towns and villages, school and fire districts, and quasi-governmental entities. The Department will have a workforce of 2,219 positions for 2000-01.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The operating expenses of the Department are funded primarily with State tax dollars from the General Fund and with revenues from the Employee Retirement Systems. The Executive Budget recommends \$160.4 million for the Department's State Operations budget, including \$100.2 million, or 63 percent, in General Fund support. This portion of the Department's budget includes additional funding of \$1 million for the operation of the payroll system, \$5.8 million mainly for auditing costs of unclaimed funds activities that were previously supported with revenues of the program, and \$1.5 million for real estate leases and for the start-up expenses of the Department's new headquarters building in Albany.

Another 33 percent of the Department's State Operations budget will be supported in 2000-01 with the recommended \$53.6 million in funding from the Retirement Systems. The remaining 4 percent of this budget will be funded with:

- \$4.0 million in payments made by the City of New York and certain businesses, which support the Department's costs associated with overseeing City finances and with administering an account related to oil spill cleanups; and
- \$1.3 million in charges to the Retirement Systems for the Department's staff and other costs related to administering an internal auditing program.
- \$1.3 million from increased investment earnings, which will finance checking and direct deposit costs of State government.

The General Municipal Law provides special accidental death benefits for the survivors of police and paid firefighters who have died from accidents sustained in the performance of duty. The Executive Budget recommendation includes \$20 million to fund the State's share of these benefits, an increase of \$1.3 million over 1999-2000.

PROGRAM HIGHLIGHTS

- The Executive Direction, Legal Services, and Administrative and Data Processing Services programs are responsible for the public information, internal audit, fiscal research, data processing, financial administration, legal, office services, management analysis and human resource functions of the Department.

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- The Payroll and Revenue Services program conducts pre-audits of the State payroll and manages two statewide revenue programs. Staff assigned to this program administer the Abandoned Property Law, which requires the timely transfer of abandoned property to the State from holders of the property, notification of the legal owners of the property and payment of all valid claims. Program staff also process revenues generated by the local courts and by the sale of licenses for bingo and games of chance. These revenues are deposited in the Justice Court Fund and are subsequently distributed to the State and localities to which the funds are owed.
- The Management Audit and State Financial Services program audits all State agency, State public authority and New York City government programs to evaluate their effectiveness and efficiency. Staff assigned to this program also conduct a pre-audit of all non-payroll State expenditures. In this capacity, the Department acts as the State's bookkeeper, recording all collected revenues in the appropriate accounts, and posting all payments. The Higher Education Services Corporation and the departments of Labor and Civil Service fund on-site auditors who monitor selected activities of those agencies.
- The Municipal Affairs program examines and standardizes fiscal reports and accounts of all governmental and quasi-governmental entities within the State, and monitors and makes recommendations on the fiscal condition of municipalities. Staff also audit school districts and boards of cooperative education, with a portion of these costs being funded by the State Education Department.
- The Office of the State Deputy Comptroller for the City of New York assists the New York State Financial Control Board in carrying out and exercising the responsibilities assigned, and powers granted, to the Board by the Financial Emergency Act for the City of New York.
- The State Retirement program administers the State Retirement Systems, consisting of the Employees' Retirement System, the Police and Fire Retirement System, and the Public Employees' Group Life Insurance Plan. Currently, there are about 2,800 participating government employers, 593,200 active and vested members and approximately 289,000 pensioners and their beneficiaries.
- The Investments and Cash Management program, in addition to overseeing the assets of the Retirement Systems, issues general obligation debt, invests short-term moneys for the State and local governments and selects financial institutions to provide banking services to the State.
- Under Chapter 845 of the Laws of 1977, the Comptroller administers the New York State Environmental Protection and Oil Spill Compensation Fund. Costs associated with cleaning up oil spills are paid from the fund upon certification of the Commissioner of Environmental Conservation. Moneys in this fund consist of receipts from a fee levied on each barrel of petroleum shipped into the State.

ALL FUNDS APPROPRIATIONS

Category	Available 1999-00	Appropriations Recommended 2000-01	Change	Reappropriations Recommended 2000-01
State Operations	\$151,377,200	\$160,449,500	+\$9,072,300	....
Aid To Localities	18,705,000	20,014,000	+1,309,000
Capital Projects
Total	<u>\$170,082,200</u>	<u>\$180,463,500</u>	<u>+\$10,381,300</u>	<u>....</u>

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ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	2000-01 Recommended Average Fill Level				Change
	Available 1999-00	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 2000-01	
Administrative and Data Processing Services Program					
General Fund	266	286	....	286	+20
Environmental Protection and Spill Compensation					
Special Revenue Funds - Other	6	6	....	6	....
Executive Direction					
General Fund	36	36	....	36	....
Internal Service Funds	15	15	....	15	....
Investments and Cash Management					
General Fund	11	11	....	11	....
Pension Trust Funds	45	45	....	45	....
Legal Services					
General Fund	35	35	....	35	....
Management Audit and State Financial Services					
General Fund	523	517	....	517	-6
Municipal Affairs					
General Fund	214	212	....	212	-2
Payroll and Revenue Services					
General Fund	281	339	....	339	+58
Office of the Special Deputy Comptroller for New York City					
Special Revenue Funds - Other	33	33	....	33	....
State Retirement					
Pension Trust Funds	636	638	....	638	+2
Subtotal, Direct Funded Programs	2,101	2,173	....	2,173	+72
Suballocations:					
General Fund	20			20	....
Internal Service Funds	16			16	....
Total	2,137			2,209	+72

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$92,339,000	\$100,243,400	+\$7,904,400
Special Revenue Funds - Other	4,215,000	4,019,800	-195,200
Internal Service Funds	2,576,000	2,568,300	-7,700
Fiduciary Funds	52,247,200	53,618,000	+1,370,800
Total	\$151,377,200	\$160,449,500	+\$9,072,300
Adjustments:			
Transfer(s) From			
Taxation and Finance, Department of			
Internal Service Funds	-1,310,000		
Appropriated 1999-00	\$150,067,200		

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STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Administrative and Data Processing Services Program			
General Fund	\$30,961,700	\$29,607,100	-\$1,354,600
Environmental Protection and Spill Compensation			
Special Revenue Funds - Other	603,000	619,100	+16,100
Executive Direction			
General Fund	2,778,600	2,899,000	+120,400
Internal Service Funds	1,266,000	1,258,300	-7,700
Investments and Cash Management			
General Fund	1,141,300	1,204,500	+63,200
Internal Service Funds	1,310,000	1,310,000	.....
Fiduciary Funds	4,954,200	5,085,500	+131,300
Legal Services			
General Fund	2,451,000	2,399,900	-51,100
Management Audit and State Financial Services			
General Fund	25,287,300	26,637,600	+1,350,300
Municipal Affairs			
General Fund	11,526,500	12,451,000	+924,500
Payroll and Revenue Services			
General Fund	18,192,600	25,044,300	+6,851,700
Office of the Special Deputy Comptroller for New York City			
Special Revenue Funds - Other	3,612,000	3,400,700	-211,300
State Retirement			
Pension Trust Funds	47,293,000	48,532,500	+1,239,500
Total	\$151,377,200	\$160,449,500	+\$9,072,300

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Administrative and Data Processing						
Services Program	\$12,429,800	+\$824,400	\$12,378,000	+\$824,400	\$11,600	.....
Executive Direction	2,205,400	+120,400	2,189,100	+120,400	16,300	.....
Investments and Cash Management	693,100	+63,200	693,100	+63,200	.....	.....
Legal Services	2,382,700	-51,100	2,370,300	-51,100	.....	.....
Management Audit and State Financial						
Services	24,656,000	+174,000	24,504,000	+231,700	92,300	+\$27,900
Municipal Affairs	11,592,000	+684,500	11,573,000	+684,500	.....	.....
Payroll and Revenue Services	12,749,800	+3,252,200	11,823,000	+2,524,500	424,400	+367,100
Total	\$66,708,800	+\$5,067,600	\$65,530,500	+\$4,397,600	\$544,600	+\$395,000

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administrative and Data Processing		
Services Program	\$40,200	.....
Executive Direction	.....	.....
Investments and Cash Management	.....	.....
Legal Services	12,400	.....
Management Audit and State Financial		
Services	59,700	-\$85,600
Municipal Affairs	19,000	.....
Payroll and Revenue Services	502,400	+360,600
Total	\$633,700	+\$275,000

**STATE OPERATIONS — GENERAL FUND
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED
APPROPRIATIONS AND CHANGES
2000-01 RECOMMENDED**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administrative and Data				
Processing Services Program . . .	\$17,177,300	-\$2,179,000	\$663,100	....
Executive Direction	693,600	....	15,600	....
Investments and Cash Management	511,400	....	5,700	....
Legal Services	17,200	....	5,000	....
Management Audit and State				
Financial Services	1,981,600	+1,176,300	21,000	....
Municipal Affairs	859,000	+240,000	33,500	....
Payroll and Revenue Services	12,294,500	+3,599,500	68,600	+\$50,000
Total	\$33,534,600	+\$2,836,800	\$812,500	+\$50,000

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administrative and Data				
Processing Services Program . . .	\$20,600	....	\$16,434,900	-\$5,400
Executive Direction	21,900	....	599,300	....
Investments and Cash Management	6,400	....	498,500	....
Legal Services	2,200	....	5,000	....
Management Audit and State				
Financial Services	240,300	....	1,708,550	+1,606,300
Municipal Affairs	404,800	....	416,500	+240,000
Payroll and Revenue Services	89,400	+\$65,000	12,120,750	+9,936,700
Total	\$785,600	+\$65,000	\$31,783,500	+\$11,777,600

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administrative and Data				
Processing Services Program . . .	\$58,700	....	....	-\$2,173,600
Executive Direction	2,800	....	\$54,000	....
Investments and Cash Management	800	....	....	....
Legal Services	5,000	....	....	....
Management Audit and State				
Financial Services	11,750	....	....	-430,000
Municipal Affairs	4,200
Payroll and Revenue Services	15,750	-6,452,200
Total	\$99,000	\$54,000	-\$9,055,800

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STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2000-01 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Environmental Protection and Spill Compensation	\$619,100	+\$16,100	\$303,900	+\$9,900
Executive Direction	1,258,300	-7,700	889,100	-11,900
Investments and Cash Management Office of the Special Deputy Comptroller for New York City .	6,395,500	+131,300	2,858,100	+31,300
State Retirement	3,400,700	-211,300	2,411,700	-178,300
	48,532,500	+1,239,500	25,081,600	+1,183,500
Total	\$60,206,100	+\$1,167,900	\$31,544,400	+\$1,034,500

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Environmental Protection and Spill Compensation	\$315,200	+\$6,200	....	....
Executive Direction	369,200	+4,200	....	....
Investments and Cash Management Office of the Special Deputy Comptroller for New York City .	3,537,400	+100,000	....	....
State Retirement	989,000	-33,000	....	....
	23,450,900	+1,483,500	....	-\$1,427,500
Total	\$28,661,700	+\$1,560,900	....	-\$1,427,500

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1999-00	Recommended 2000-01	Change
General Fund	\$18,705,000	\$20,014,000	+\$1,309,000
Total	\$18,705,000	\$20,014,000	+\$1,309,000

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1999-00	Recommended 2000-01	Change
Management Audit and State Financial Services General Fund	\$18,705,000	\$20,014,000	+\$1,309,000
Total	\$18,705,000	\$20,014,000	+\$1,309,000