

# **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 operations of the Department of Audit and Control are organized into ten programs, with its main office in Albany and regional offices in New York City, Buffalo, Rochester, Syracuse, Binghamton, Glens Falls, Newburgh 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.

## **BUDGET HIGHLIGHTS**

The Executive Budget recommends **\$358.8 million All Funds (\$183.0 million General Fund, \$93.7 million Fiduciary Fund, \$4.1 million Internal Service Fund, \$78 million All Other Funds)**. This is an increase of **\$5.2 All Funds (\$7.2 million General Fund, \$5.2 million Fiduciary Fund, \$0.6 million Internal Service Fund and -\$7.8 million All Other Funds)**. This net change primarily reflects \$6.3 million for increased operating costs and additional staff; \$1.8 million increase for special accidental death benefits for the survivors of police and paid firefighters; and, \$5.1 million for the retirement system to convert to electronic records, and attract high quality investment staff. These increases are offset by an \$8.0 million decrease in appropriations for the Indigent Legal Service Fund reflecting legislation accompanying the Executive Budget, which reserves a portion of the resources in this fund for future grants by a new Office of Indigent Defense Services. The Department of Audit and Control will have a workforce of **2,643 FTEs**, which is an increase of **114 FTEs** from 2007-08. The workforce increases reflect the Department's various priorities and are allocated as follows: 40 FTEs State and Local Government Accountability Program; 39 FTEs Operations Program; 23 FTEs Retirement System for business process redesign; and 12 FTEs for other programs.

## **PROGRAM HIGHLIGHTS**

- The Executive Direction, Legal Services, Administration and the Chief Information Office programs are responsible for the public information, internal audit, fiscal research, IT operations, financial administration, legal, office services, management analysis and human resource functions of the Department.
- The Office of Operations provides accounting and financial reporting services, audits State contracts, expenditures and payrolls prior to payment, carries out the mandates of the Abandoned Property Law by safeguarding lost assets belonging to residents, maintains the State's current Central Accounting System, and is leading an initiative to replace the 20 year old system which is the backbone of the state's

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financial structure. The Office is also responsible for the VendRep system, which was established to promote State agency and Office of the State Comptroller due diligence in assessing the responsibility of vendors with whom the State contracts.

- The State and Local Government Accountability program provides oversight through audits of all State and local government agencies, authorities and special purpose entities. Collects and reviews local government financial data, provides training programs and support services for local financial officials, and publishes research and analysis on a variety of local government policy issues. The Office is comprised of the Divisions of State Government Accountability and Local Government and School Accountability..
- 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 Retirement Services 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 3,010 participating government employers, 662,633 active and vested members and approximately 350,066 pensioners and their beneficiaries.
- The Pension Investment and Public Finance 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  
(dollars)**

<b>Category</b>	<b>Available 2007-08</b>	<b>Appropriations Recommended 2008-09</b>	<b>Change</b>	<b>Reappropriations Recommended 2008-09</b>
State Operations	233,577,000	244,969,000	11,392,000	0
Aid To Localities	120,000,000	113,801,000	(6,199,000)	0
Capital Projects	0	0	0	0
Total	<u>353,577,000</u>	<u>358,770,000</u>	<u>5,193,000</u>	<u>0</u>

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## ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)			
Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration Program			
General Fund	117	124	7
Chief Information Office			
General Fund	177	181	4
Environmental Protection and Spill Compensation			
Special Revenue Funds - Other	6	6	0
Executive Direction			
General Fund	105	106	1
Internal Service Funds	13	13	0
Pension Investment and Public Finance Program			
General Fund	5	5	0
Fiduciary Funds	54	54	0
Legal Services			
General Fund	63	63	0
State Services Program			
Special Revenue Funds - Federal	8	8	0
Internal Service Funds	11	11	0
Retirement Services Program			
Fiduciary Funds	792	815	23
Office of the Special Deputy Comptroller for New York City			
Special Revenue Funds - Other	28	28	0
State and Local Accountability			
General Fund	541	581	40
State Operations			
General Fund	609	648	39
Total	2,529	2,643	114

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	135,752,000	141,186,000	5,434,000
Special Revenue Funds - Other	5,838,000	5,978,000	140,000
Internal Service Funds	3,487,000	4,101,000	614,000
Fiduciary Funds	88,500,000	93,704,000	5,204,000
Total	233,577,000	244,969,000	11,392,000

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## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Administration Program			
General Fund	11,085,200	12,189,000	1,103,800
Chief Information Office			
General Fund	18,343,000	18,943,000	600,000
Environmental Protection and Spill			
Compensation			
Special Revenue Funds - Other	1,006,000	1,047,000	41,000
Executive Direction			
General Fund	7,821,000	8,022,000	201,000
Internal Service Funds	1,647,000	1,711,000	64,000
Pension Investment and Public Finance			
Program			
General Fund	611,000	611,000	0
Internal Service Funds	1,840,000	2,240,000	400,000
Fiduciary Funds	8,162,000	10,152,000	1,990,000
Legal Services			
General Fund	5,967,000	5,967,000	0
Retirement Services Program			
Fiduciary Funds	80,338,000	83,552,000	3,214,000
Office of the Special Deputy Comptroller for			
New York City			
Special Revenue Funds - Other	4,287,000	4,287,000	0
State and Local Accountability			
General Fund	40,649,000	42,641,000	1,992,000
Special Revenue Funds - Other	545,000	545,000	0
State Operations			
General Fund	51,275,800	52,813,000	1,537,200
Special Revenue Funds - Other	0	99,000	99,000
Internal Service Funds	0	150,000	150,000
Total	<u>233,577,000</u>	<u>244,969,000</u>	<u>11,392,000</u>

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

<u>Program</u>	<u>Total</u>		<u>Personal Service Regular (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration Program	6,588,000	3,800	6,438,000	3,800
Chief Information Office	11,906,000	0	11,406,000	0
Executive Direction	6,512,000	0	6,422,000	0
Pension Investment and Public Finance				
Program	331,000	0	328,000	0
Legal Services	5,467,000	0	5,397,000	0
State and Local Accountability	36,511,000	1,529,000	36,036,000	1,529,000
State Operations	37,939,000	1,537,000	36,522,000	1,537,000
Total	<u>105,254,000</u>	<u>3,069,800</u>	<u>102,549,000</u>	<u>3,069,800</u>

<u>Program</u>	<u>Temporary Service (Nonannual Salaried)</u>		<u>Holiday/Overtime Pay (Annual Salaried)</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration Program	50,000	0	100,000	0
Chief Information Office	300,000	0	200,000	0
Executive Direction	75,000	0	15,000	0
Pension Investment and Public Finance				
Program	3,000	0	0	0
Legal Services	50,000	0	20,000	0
State and Local Accountability	275,000	0	200,000	0
State Operations	475,000	0	942,000	0
Total	<u>1,228,000</u>	<u>0</u>	<u>1,477,000</u>	<u>0</u>

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**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2008-09 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration Program	5,601,000	1,100,000	346,000	0
Chief Information Office	7,037,000	600,000	550,000	0
Executive Direction	1,510,000	201,000	74,000	0
Pension Investment and Public Finance Program	280,000	0	12,000	0
Legal Services	500,000	0	67,000	0
State and Local Accountability	6,130,000	463,000	208,000	0
State Operations	14,874,000	200	458,000	200
<b>Total</b>	<b>35,932,000</b>	<b>2,364,200</b>	<b>1,715,000</b>	<b>200</b>

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration Program	201,000	0	4,906,000	1,100,000
Chief Information Office	125,000	0	4,972,000	600,000
Executive Direction	91,000	0	1,315,000	201,000
Pension Investment and Public Finance Program	21,000	0	214,000	0
Legal Services	73,000	0	340,000	0
State and Local Accountability	2,971,000	463,000	2,637,000	0
State Operations	400,000	0	10,645,000	0
<b>Total</b>	<b>3,882,000</b>	<b>463,000</b>	<b>25,029,000</b>	<b>1,901,000</b>

<b>Program</b>	<b>Equipment</b>	
	<b>Amount</b>	<b>Change</b>
Administration Program	148,000	0
Chief Information Office	1,390,000	0
Executive Direction	30,000	0
Pension Investment and Public Finance Program	33,000	0
Legal Services	20,000	0
State and Local Accountability	314,000	0
State Operations	3,371,000	0
<b>Total</b>	<b>5,306,000</b>	<b>0</b>

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## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Environmental Protection and Spill				
Compensation	1,047,000	41,000	537,000	25,000
Executive Direction	1,711,000	64,000	1,080,000	42,000
Pension Investment and Public Finance				
Program	12,392,000	2,390,000	5,842,000	1,300,000
Retirement Services Program	83,552,000	3,214,000	39,382,000	1,075,000
Office of the Special Deputy Comptroller for				
New York City	4,287,000	0	2,702,000	0
State and Local Accountability	545,000	0	300,000	0
State Operations	249,000	249,000	65,000	65,000
Total	<u>103,783,000</u>	<u>5,958,000</u>	<u>49,908,000</u>	<u>2,507,000</u>

Program	Nonpersonal Service	
	Amount	Change
Environmental Protection and Spill		
Compensation	510,000	16,000
Executive Direction	631,000	22,000
Pension Investment and Public Finance		
Program	6,550,000	1,090,000
Retirement Services Program	44,170,000	2,139,000
Office of the Special Deputy Comptroller for		
New York City	1,585,000	0
State and Local Accountability	245,000	0
State Operations	184,000	184,000
Total	<u>53,875,000</u>	<u>3,451,000</u>

## AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	40,000,000	41,801,000	1,801,000
Special Revenue Funds - Other	80,000,000	72,000,000	(8,000,000)
Total	<u>120,000,000</u>	<u>113,801,000</u>	<u>(6,199,000)</u>

## AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2007-08	Recommended 2008-09	Change
Executive Direction			
Special Revenue Funds - Other	80,000,000	72,000,000	(8,000,000)
State Operations			
General Fund	40,000,000	41,801,000	1,801,000
Total	<u>120,000,000</u>	<u>113,801,000</u>	<u>(6,199,000)</u>