

# **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 **\$368.1 million All Funds** (\$173.5 million General Fund; \$101.4 million Fiduciary Fund; \$4.2 million Internal Service Fund; \$89 million All Other Funds). This is a decrease of **\$12.5 All Funds** ( a decrease in the General Fund of \$14.7 million; a \$2.3 million increase in the Fiduciary Fund; a \$ 0.1 million increase in the Internal Service Fund; and a \$0.2 million decrease in All Other Funds). The Department of Audit and Control will have a workforce of **2,643 FTEs**.

## **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 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. It collects and reviews local government financial data, provides training programs and support services for local financial officials, and publishes

## AUDIT AND CONTROL

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 3,021 participating government employers, 677,321 active and vested members and approximately 358,109 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)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	264,155,000	258,113,000	(6,042,000)	0
Aid To Localities	116,507,100	110,025,000	(6,482,100)	0
Capital Projects	0	0	0	0
Total	380,662,100	368,138,000	(12,524,100)	0

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

<b>Program</b>	<b>Full-Time Equivalent Positions (FTE)</b>		
	<b>2008-09 Estimated FTEs 03/31/09</b>	<b>2009-10 Estimated FTEs 03/31/10</b>	<b>FTE Change</b>
Administration Program			
General Fund	124	124	0
Chief Information Office			
General Fund	181	181	0
Environmental Protection and Spill			
Compensation			
Special Revenue Funds - Other	6	6	0
Executive Direction			
General Fund	106	106	0
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	815	815	0
Office of the Special Deputy Comptroller for			
New York City			
Special Revenue Funds - Other	28	28	0
State and Local Accountability			
General Fund	581	581	0
State Operations			
General Fund	648	648	0
Total	<u>2,643</u>	<u>2,643</u>	<u>0</u>

# AUDIT AND CONTROL

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

<b>Fund Type</b>	<b>Available 2008-09</b>	<b>Recommended 2009-10</b>	<b>Change</b>
General Fund	149,657,000	141,457,000	(8,200,000)
Special Revenue Funds - Other	11,246,000	11,008,000	(238,000)
Internal Service Funds	4,210,000	4,258,000	48,000
Fiduciary Funds	99,042,000	101,390,000	2,348,000
Total	264,155,000	258,113,000	(6,042,000)
Adjustments:			
Transfer(s) From			
Audit and Control, Department of			
General Fund	(1,677,500)		
Special Revenue Funds - Other	(1,602,500)		
Internal Service Funds	(66,000)		
Pension Trust Funds	(9,000)		
Higher Education Services Corporation,			
New York State			
Special Revenue Funds - Other	(335,000)		
Special Pay Bill			
General Fund	(8,136,000)		
Special Revenue Funds - Other	(268,000)		
Internal Service Funds	(109,000)		
Pension Trust Funds	(5,338,000)		
Transfer(s) To			
Audit and Control, Department of			
General Fund	1,677,500		
Special Revenue Funds - Other	1,602,500		
Internal Service Funds	66,000		
Pension Trust Funds	9,000		
Appropriated 2008-09	249,969,000		

# AUDIT AND CONTROL

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

Program	Available 2008-09	Recommended 2009-10	Change
Administration Program			
General Fund	12,983,000	12,572,000	(411,000)
Chief Information Office			
General Fund	21,517,300	19,453,000	(2,064,300)
Environmental Protection and Spill Compensation			
Special Revenue Funds - Other	1,073,000	1,018,000	(55,000)
Executive Direction			
General Fund	9,758,500	9,379,000	(379,500)
Internal Service Funds	1,820,000	1,868,000	48,000
Pension Investment and Public Finance Program			
General Fund	837,200	756,000	(81,200)
Internal Service Funds	2,240,000	2,240,000	0
Fiduciary Funds	11,007,400	11,288,000	280,600
Legal Services			
General Fund	6,346,000	6,308,000	(38,000)
Retirement Services Program			
Fiduciary Funds	88,034,600	90,102,000	2,067,400
Office of the Special Deputy Comptroller for New York City			
Special Revenue Funds - Other	4,529,000	4,397,000	(132,000)
State and Local Accountability			
General Fund	44,316,300	43,373,000	(943,300)
Special Revenue Funds - Other	545,000	491,000	(54,000)
State Operations			
General Fund	53,898,700	49,616,000	(4,282,700)
Special Revenue Funds - Other	5,099,000	5,102,000	3,000
Internal Service Funds	150,000	150,000	0
Total	264,155,000	258,113,000	(6,042,000)

## STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration Program	7,274,000	(108,000)	7,124,000	(108,000)
Chief Information Office	14,323,000	(157,300)	13,823,000	(157,300)
Executive Direction	8,502,000	253,500	8,412,000	253,500
Pension Investment and Public Finance Program	561,000	3,800	558,000	3,800
Legal Services	5,932,000	86,000	5,862,000	86,000
State and Local Accountability	38,456,000	269,700	37,981,000	269,700
State Operations	38,726,000	(298,700)	37,309,000	(298,700)
Total	113,774,000	49,000	111,069,000	49,000

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
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	1,228,000	0	1,477,000	0

# AUDIT AND CONTROL

**STATE OPERATIONS - GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2009-10 RECOMMENDED  
(dollars)**

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration Program	5,298,000	(303,000)	346,000	0
Chief Information Office	5,130,000	(1,907,000)	550,000	0
Executive Direction	877,000	(633,000)	74,000	0
Pension Investment and Public Finance Program	195,000	(85,000)	12,000	0
Legal Services	376,000	(124,000)	67,000	0
State and Local Accountability	4,917,000	(1,213,000)	206,000	(2,000)
State Operations	10,890,000	(3,984,000)	458,000	0
Total	27,683,000	(8,249,000)	1,713,000	(2,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration Program	201,000	0	4,603,000	(303,000)
Chief Information Office	125,000	0	3,065,000	(1,907,000)
Executive Direction	91,000	0	682,000	(633,000)
Pension Investment and Public Finance Program	21,000	0	129,000	(85,000)
Legal Services	73,000	0	216,000	(124,000)
State and Local Accountability	2,961,000	(10,000)	1,441,000	(1,196,000)
State Operations	400,000	0	6,661,000	(3,984,000)
Total	3,872,000	(10,000)	16,797,000	(8,232,000)

Program	Equipment	
	Amount	Change
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	309,000	(5,000)
State Operations	3,371,000	0
Total	5,301,000	(5,000)

# AUDIT AND CONTROL

## STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2009-10 RECOMMENDED (dollars)

<b>Program</b>	<b>Total Amount</b>	<b>Change</b>	<b>Personal Service Amount</b>	<b>Change</b>
Environmental Protection and Spill				
Compensation	1,018,000	(55,000)	523,000	(31,000)
Executive Direction	1,868,000	48,000	1,201,000	26,000
Pension Investment and Public Finance				
Program	13,528,000	280,600	6,696,000	281,000
Retirement Services Program	90,102,000	2,067,400	44,449,000	2,058,000
Office of the Special Deputy Comptroller for				
New York City	4,397,000	(132,000)	2,759,000	(105,000)
State and Local Accountability	491,000	(54,000)	270,000	(30,000)
State Operations	5,252,000	3,000	68,000	3,000
Total	<u>116,656,000</u>	<u>2,158,000</u>	<u>55,966,000</u>	<u>2,202,000</u>

<b>Program</b>	<b>Nonpersonal Service Amount</b>	<b>Change</b>
Environmental Protection and Spill		
Compensation	495,000	(24,000)
Executive Direction	667,000	22,000
Pension Investment and Public Finance		
Program	6,832,000	(400)
Retirement Services Program	45,653,000	9,400
Office of the Special Deputy Comptroller for		
New York City	1,638,000	(27,000)
State and Local Accountability	221,000	(24,000)
State Operations	5,184,000	0
Total	<u>60,690,000</u>	<u>(44,000)</u>

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

<b>Fund Type</b>	<b>Available 2008-09</b>	<b>Recommended 2009-10</b>	<b>Change</b>
General Fund	38,507,100	32,025,000	(6,482,100)
Special Revenue Funds - Other	78,000,000	78,000,000	0
Total	<u>116,507,100</u>	<u>110,025,000</u>	<u>(6,482,100)</u>

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

<b>Program</b>	<b>Available 2008-09</b>	<b>Recommended 2009-10</b>	<b>Change</b>
Executive Direction			
Special Revenue Funds - Other	78,000,000	78,000,000	0
State Operations			
General Fund	38,507,100	32,025,000	(6,482,100)
Total	<u>116,507,100</u>	<u>110,025,000</u>	<u>(6,482,100)</u>