

# ***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 12 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 2,091 positions for 1999-2000.

## ***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 \$150.1 million for the Department's State Operations budget, including \$92.3 million, or 61 percent, in General Fund support. This portion of the Department's budget includes funding for payments on certificates of participation issued for the new payroll system, \$4.5 million for ongoing operational costs of the payroll system, and \$3.8 million to improve claims management and enhance customer service in the Unclaimed Property program.

Another 35 percent of the Department's State Operations budget will be supported in 1999-2000 with the recommended \$52.2 million in funding from the Retirement Systems.

The remaining 4 percent of this budget will be funded with:

- \$4.2 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.

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 \$18.7 million to fund the State's share of these benefits, an increase of \$1.2 million over 1998-99.

## ***PROGRAM HIGHLIGHTS***

- The Executive Direction, Legal Services, and Administrative and Electronic 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.

## **AUDIT AND CONTROL**

---

- The Pre-Audit program is the Department's largest program funded from State tax dollars. Staff assigned to this program conduct a pre-audit of all State expenditures, including vouchers and payrolls. In this capacity, the Department acts as the State's bookkeeper, recording all collected revenues in their appropriate accounts and posting all payments.
- The Management Audit program audits all State agencies and public authority programs to evaluate their effectiveness and efficiency. The Higher Education Services Corporation, and the departments of Labor and Civil Service, fund on-site auditors who monitor selected activities of these agencies. All other activities of this program are funded with State tax dollars.
- 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, 582,000 active members and approximately 284,500 pensioners.
- 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.
- The Unclaimed Property program administers the Unclaimed Property Law. This involves the Department ensuring the timely transfer of all abandoned property to the State from banks, insurance and utility companies, notifying the legal owners of abandoned property and paying all valid claims where legal ownership has been established.
- The Justice Court program processes 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 subsequently distributed to the State and localities to which the funds are owed.
- 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 are comprised of receipts from a fee levied on each barrel of petroleum shipped into the State.

# AUDIT AND CONTROL

## ALL FUNDS APPROPRIATIONS

Category	Available 1998-99	Appropriations Recommended 1999-00	Change	Reappropriations Recommended 1999-00
State Operations . . . . .	\$135,742,100	\$150,067,200	+ \$14,325,100	. . . .
Aid To Localities . . . . .	17,482,000	18,705,000	+ 1,223,000	. . . .
Capital Projects . . . . .	. . . .	. . . .	. . . .	. . . .
<b>Total . . . . .</b>	<b>\$153,224,100</b>	<b>\$168,772,200</b>	<b>+ \$15,548,100</b>	<b>. . . .</b>

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

Program	1999-00 Recommended Average Fill Level				Change
	Available 1998-99	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 1999-00	
Executive Direction					
General Fund . . . . .	38	36	. . . .	36	-2
Internal Service Funds . . . . .	15	15	. . . .	15	. . . .
Administrative and Electronic Data Processing Services					
General Fund . . . . .	273	266	. . . .	266	-7
Legal Services					
General Fund . . . . .	37	35	. . . .	35	-2
Investments and Cash Management					
General Fund . . . . .	11	11	. . . .	11	. . . .
Fiduciary Funds . . . . .	45	45	. . . .	45	. . . .
Pre-Audit					
General Fund . . . . .	350	345	. . . .	345	-5
Management Audit					
General Fund . . . . .	257	253	. . . .	253	-4
Municipal Affairs					
General Fund . . . . .	214	206	. . . .	206	-8
Justice Court					
General Fund . . . . .	20	20	. . . .	20	. . . .
Unclaimed Property Administration					
General Fund . . . . .	117	129	26	155	+ 38
Environmental Protection and Spill Compensation					
Special Revenue Funds — Other . . . . .	6	6	. . . .	6	. . . .
Office of the Special Deputy Comptroller for New York City					
General Fund . . . . .	32	31	. . . .	31	-1
Special Revenue Funds — Other . . . . .	33	33	. . . .	33	. . . .
State Retirement					
Fiduciary Funds . . . . .	598	598	. . . .	598	. . . .
<b>Subtotal, Direct Funded Programs . . . . .</b>	<b>2,046</b>	<b>2,029</b>	<b>26</b>	<b>2,055</b>	<b>+ 9</b>
Suballocations:					
General Fund . . . . .	20			20	. . . .
Internal Service Funds . . . . .	16			16	. . . .
<b>Total . . . . .</b>	<b>2,082</b>			<b>2,091</b>	<b>+ 9</b>

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund . . . . .	\$79,043,400	\$92,339,000	+ \$13,295,600
Special Revenue Funds — Other . . . . .	3,851,800	4,215,000	+ 363,200
Internal Service Funds . . . . .	1,248,800	1,266,000	+ 17,200
Fiduciary Funds . . . . .	51,598,100	52,247,200	+ 649,100
<b>Total . . . . .</b>	<b>\$135,742,100</b>	<b>\$150,067,200</b>	<b>+ \$14,325,100</b>

# AUDIT AND CONTROL

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Executive Direction			
General Fund . . . . .	\$2,850,700	\$2,778,600	-\$72,100
Internal Service Funds . . . . .	1,248,800	1,266,000	+ 17,200
Administrative and Electronic Data Processing Services			
General Fund . . . . .	25,352,900	30,961,700	+ 5,608,800
Legal Services			
General Fund . . . . .	2,457,800	2,451,000	-6,800
Investments and Cash Management			
General Fund . . . . .	1,120,200	1,141,300	+ 21,100
Fiduciary Funds . . . . .	4,969,800	4,954,200	-15,600
Pre-Audit			
General Fund . . . . .	13,792,500	18,380,000	+ 4,587,500
Management Audit			
General Fund . . . . .	13,799,200	13,726,100	-73,100
Municipal Affairs			
General Fund . . . . .	12,091,500	11,526,500	-565,000
Justice Court			
General Fund . . . . .	645,800	689,400	+ 43,600
Unclaimed Property Administration			
General Fund . . . . .	4,919,200	8,763,200	+ 3,844,000
Environmental Protection and Spill Compensation Special Revenue Funds — Other . . . . .	588,000	603,000	+ 15,000
Office of the Special Deputy Comptroller for New York City			
General Fund . . . . .	2,013,600	1,921,200	-92,400
Special Revenue Funds — Other . . . . .	3,263,800	3,612,000	+ 348,200
State Retirement			
Fiduciary Funds . . . . .	46,628,300	47,293,000	+ 664,700
Total . . . . .	<u>\$135,742,100</u>	<u>\$150,067,200</u>	<u>+ \$14,325,100</u>

# AUDIT AND CONTROL

## STATE OPERATIONS — GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Executive Direction . . . . .	\$2,085,000	-\$72,100	\$2,068,700	-\$72,500	\$16,300	+ \$400
Administrative and Electronic Data						
Processing Services . . . . .	11,605,400	+ 2,141,800	11,553,600	+ 2,140,500	11,600	+ 300
Legal Services . . . . .	2,433,800	-6,800	2,421,400	-7,100	.....	.....
Investments and Cash Management . . . . .	629,900	+ 21,100	629,900	+ 21,100	.....	.....
Pre-Audit . . . . .	13,444,500	+ 6,300	13,130,900	-1,300	99,800	+ 2,400
Management Audit . . . . .	13,023,500	-503,100	13,001,400	-503,600	.....	.....
Municipal Affairs . . . . .	10,907,500	-565,000	10,888,500	-565,500	.....	.....
Justice Court . . . . .	689,400	+ 43,600	682,000	+ 43,400	7,400	+ 200
Unclaimed Property Administration . . . . .	4,978,700	+ 642,700	4,943,700	+ 607,700	.....	.....
Office of the Special Deputy Comptroller for New York City . . . . .	1,843,500	-92,400	1,812,800	-93,200	14,500	+ 400
<b>Total . . . . .</b>	<b>\$61,641,200</b>	<b>+ \$1,616,100</b>	<b>\$61,132,900</b>	<b>+ \$1,569,500</b>	<b>\$149,600</b>	<b>+ \$3,700</b>

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Executive Direction . . . . .	.....	.....
Administrative and Electronic Data		
Processing Services . . . . .	\$40,200	+ \$1,000
Legal Services . . . . .	12,400	+ 300
Investments and Cash Management . . . . .	.....	.....
Pre-Audit . . . . .	213,800	+ 5,200
Management Audit . . . . .	22,100	+ 500
Municipal Affairs . . . . .	19,000	+ 500
Justice Court . . . . .	.....	.....
Unclaimed Property Administration . . . . .	35,000	+ 35,000
Office of the Special Deputy Comptroller for New York City . . . . .	16,200	+ 400
<b>Total . . . . .</b>	<b>\$358,700</b>	<b>+ \$42,900</b>

# AUDIT AND CONTROL

**STATE OPERATIONS — GENERAL FUND  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
1999-00 RECOMMENDED**

Program	Amount	Total		Supplies and Materials	
		Amount	Change	Amount	Change
Executive Direction . . . . .	\$693,600			\$15,600	
Administrative and Electronic					
Data Processing Services . . . . .	19,356,300	+ \$3,467,000		663,100	
Legal Services . . . . .	17,200			5,000	
Investments and Cash					
Management . . . . .	511,400			5,700	
Pre-Audit . . . . .	4,935,500	+ 4,581,200		4,000	
Management Audit . . . . .	702,600	+ 430,000		10,200	
Municipal Affairs . . . . .	619,000			33,500	
Unclaimed Property					
Administration . . . . .	3,784,500	+ 3,201,300		16,600	
Office of the Special Deputy Comptroller for New York City . . . . .	77,700			8,800	
<b>Total . . . . .</b>	<b>\$30,697,800</b>	<b>+ \$11,679,500</b>		<b>\$762,500</b>	

Program	Amount	Travel		Contractual Services	
		Amount	Change	Amount	Change
Executive Direction . . . . .	\$21,900			\$599,300	
Administrative and Electronic					
Data Processing Services . . . . .	20,600			16,440,300	+ \$3,414,000
Legal Services . . . . .	2,200			5,000	
Investments and Cash					
Management . . . . .	6,400			498,500	
Pre-Audit . . . . .	2,200			80,400	+ 73,000
Management Audit . . . . .	207,600			49,400	
Municipal Affairs . . . . .	404,800			176,500	
Unclaimed Property					
Administration . . . . .	23,300			2,119,200	+ 1,585,300
Office of the Special Deputy Comptroller for New York City . . . . .	31,600			37,300	
<b>Total . . . . .</b>	<b>\$720,600</b>			<b>\$20,005,900</b>	<b>+ \$5,072,300</b>

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction . . . . .	\$2,800		\$54,000	
Administrative and Electronic				
Data Processing Services . . . . .	58,700		2,173,600	+ \$53,000
Legal Services . . . . .	5,000			
Investments and Cash				
Management . . . . .	800			
Pre-Audit . . . . .	12,700		4,836,200	+ 4,508,200
Management Audit . . . . .	5,400		430,000	+ 430,000
Municipal Affairs . . . . .	4,200			
Unclaimed Property				
Administration . . . . .	9,400		1,616,000	+ 1,616,000
Office of the Special Deputy Comptroller for New York City . . . . .				
<b>Total . . . . .</b>	<b>\$99,000</b>		<b>\$9,109,800</b>	<b>+ \$6,607,200</b>

# AUDIT AND CONTROL

## STATE OPERATIONS — OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Executive Direction . . . . .	\$1,266,000	+ \$17,200	\$901,000	+ \$10,000
Investments and Cash Management Environmental Protection and Spill Compensation . . . . .	4,954,200	-15,600	2,826,800	-10,700
Office of the Special Deputy Comptroller for New York City . . . . .	603,000	+ 15,000	294,000	+ 4,000
State Retirement . . . . .	3,612,000	+ 348,200	2,590,000	+ 251,400
	47,293,000	+ 664,700	23,898,100	+ 270,900
Total . . . . .	\$57,728,200	+ \$1,029,500	\$30,509,900	+ \$525,600

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Executive Direction . . . . .	\$365,000	+ \$7,200	. . . .	. . . .
Investments and Cash Management Environmental Protection and Spill Compensation . . . . .	2,127,400	-4,900	. . . .	. . . .
Office of the Special Deputy Comptroller for New York City . . . . .	309,000	+ 11,000	. . . .	. . . .
State Retirement . . . . .	1,022,000	+ 96,800	. . . .	. . . .
	21,967,400	+ 66,300	\$1,427,500	+ \$327,500
Total . . . . .	\$25,790,800	+ \$176,400	\$1,427,500	+ \$327,500

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

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund . . . . .	\$17,482,000	\$18,705,000	+ \$1,223,000
Total . . . . .	\$17,482,000	\$18,705,000	+ \$1,223,000

## AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Pre-Audit General Fund . . . . .	\$17,482,000	\$18,705,000	+ \$1,223,000
Total . . . . .	\$17,482,000	\$18,705,000	+ \$1,223,000