



Workers' Compensation Board

ANDREW M. CUOMO
Governor

KENNETH J. MUNNELLY
Chair

April 6, 2017

Mr. John Buyce, CPA, CFE
Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, New York 12236

Re: Audit Report 2015-S-46

Dear Mr. Buyce:

This letter serves as the Worker's Compensation Board's response to the Office of State Comptrollers' audit report, 2015-S-46, related to the Internal Control Systems for the period January 1, 2013 through August 11, 2015. The Board's response to the audit recommendations were incorporated into the final audit report issued on October 1, 2015 and have been updated below to reflect subsequent progress.

With regard to the specific recommendations made in the audit report, we offer the following:

1. The first recommendation reads "Provide additional training and outreach to units on internal controls to increase their understanding of internal controls present and functioning within their units." The Internal Control unit began in 2014 providing individualized training to all functional managers and supervisors on the completion of the required Internal Control Review forms. In addition, every WCB (Board) employee is required to complete annual Internal Control Training. Detailed instructions and revised forms were prepared for fiscal years 2015/16 and 2016/17 and made available on the Board's intranet site. The Internal Control unit has continued to provide individualized training to the responsible function managers and supervisors. In November 2016, the Board also provided additional training to each unit to reinforce the importance of assessing and maintaining appropriate internal controls.
2. The second recommendation reads "Separate the duties associated with the internal control and internal audit functions, specifically as they relate to reporting to executive management and the Board." These functions are completely separated. Although the Internal Control Coordinator and the Internal Auditor report directly to the Director of Regulatory Affairs & Risk Management (an executive position) they are completely separate units and are autonomous.

Thank you for the opportunity to respond.

Sincerely,

Kenneth J. Munnelly
Chair

C: Honorable Andrew M. Cuomo, Governor, State of New York
Honorable John Flanagan, Senate Majority Leader
Honorable Jeffrey D. Klein, Independent Democratic Conference Leader
Honorable Andrea Stewart Cousins, Democratic Conference Leader
Honorable Carl E. Heastie, Assembly Speaker

Honorable Joseph D. Morelle, Assembly Majority Leader
Honorable Brian M. Kolb, Assembly Minority Leader
Honorable Catherine Young, Chair of the Senate Finance Committee
Honorable Diane Savino, Vice Chair, Senate Finance Committee
Honorable Liz Krueger, Ranking Minority Member, Senate Finance Committee
Honorable Herman D. Farrell, Jr., Chair, Assembly Ways and Means Committee
Honorable Robert C. Oaks, Ranking Minority Member, Assembly Ways and Means Committee
Honorable Tom McKeivitt, Assembly Minority Leader Pro Tempore
Mary Beth Woods, Executive Director, New York State Workers' Compensation Board
Suzanne Aluise, Director of Financial Administration, New York State Work