



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

October 2, 2025

Jeanette M. Moy
Commissioner
Office of General Services
Corning Tower, 41st Floor
Albany, NY 12242

Re: Capital Asset Management
Report 2025-F-2

Dear Commissioner Moy:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Office of General Services to implement the recommendations contained in our initial audit report, *Capital Asset Management* (Report [2022-S-32](#)).

Background, Scope, and Objective

The Office of General Services' (OGS or Office) mission is to deliver a broad scope of critical services to State agencies. As part of this mission, OGS provides essential support services for the operation of State government. Under Chapter 405 of the Laws of 1981 (Law), the State is responsible for establishing and maintaining custody of a comprehensive capital asset reporting system that allows for monitoring and reporting of the State's capital assets. To improve controls, financial reporting, accountability, and operational efficiencies in managing these assets, the State established the Statewide Financial System Asset Management Module (SFS AM) to house and maintain capital asset information in a single master file, providing auditable information in accordance with generally accepted accounting principles, as required by Law. SFS AM is used by State agency managers to effectively budget, account for, and control the acquisition and disposition of the State's capital assets.

OGS considers tangible and intangible property (i.e., a resource lacking a physical substance, such as a copyright or patent) with a significant value that is used over a long period of time to be a capital asset. This includes the following:

- All land and buildings
- Infrastructure and intangible assets costing over \$1 million
- Building and land renovations/improvements costing over \$100,000 with a useful life of 2 years or more
- Equipment costing over \$40,000 with a useful life of 2 years or more
- Works of art and historical treasures costing over \$40,000

- Construction in progress
- Library books costing over \$5,000 each

New York State has a significant investment in capital assets, totaling \$120.6 billion as of March 31, 2025, with OGS' reporting obligation at \$20 billion. According to OGS officials, 55 State agencies use SFS AM and are required to report their capital assets to OGS. All other State entities that do not use SFS AM report their capital assets to the Office of the State Comptroller.

The Bureau of Capital Assets (BCA) within OGS acts as a service bureau to State agencies by monitoring and coordinating capital asset inputs to SFS AM, assisting agencies in the management and maintenance of their asset data in SFS AM, and distributing reports. In addition, the Bureau of State Asset and Land Management assists in managing land capital assets by maintaining the State Land Inventory, dispositions of State land, transfers of jurisdiction of State land from one State agency to another, and declarations of surplus buildings and improvements. Each State agency has a Property Control Manager responsible for gathering, entering, and maintaining accurate information within SFS AM related to their capital asset activity.

According to the Law, OGS may prescribe the elements, extent, and format of the information included in the inventory and the procedures for capital asset information collection, presentation, and verification to provide an accurate and current inventory of capital assets. The Law further states that each State agency must deliver this information to OGS as requested for the establishment and maintenance of the capital asset inventory, and permits OGS to make physical and record inspections as deemed necessary. Capital asset inventory is maintained on a continuous basis, with each State agency submitting additions, deletions, and modifications electronically via SFS AM. Once submitted, all capital assets are reviewed and approved by BCA. To maintain accuracy, each State agency is responsible for performing a physical inventory of its capital assets on a biennial basis (i.e., every 2 years) and submitting a biennial report. Any resulting changes must be submitted by the agency in SFS AM to BCA on a timely basis. Further, each State agency is asked to annually certify the value of its capital assets in SFS AM on March 31 as part of the State's annual statewide financial statement audit. To verify the accuracy of the capital asset inventory data maintained in SFS AM, BCA conducts periodic physical inventory site visits (site visits) to State agencies.

BCA developed and made publicly available a Capital Asset Policy and Procedural Manual for State agencies to understand their role and responsibilities for maintaining capital asset information in SFS AM.

The objective of our initial audit, issued on February 12, 2024 and covering the period from April 2020 through May 2023, was to determine whether OGS was adequately overseeing selected State agencies and related entities to ensure that they had proper inventory controls in place to safeguard assets and that they were properly reporting capital assets. The audit found that BCA was not adequately overseeing capital assets reported by State agencies to ensure that these agencies were properly and timely reporting capital assets. For example, BCA did not establish adequate policies and procedures for its site visit process and was not conducting site visits on a regular or consistent basis. We found 224 capital assets went unreported in SFS AM, including forklifts and dump trucks, and 16% of capital assets had incorrect or missing data in SFS AM. We also found BCA could not ensure the quality or completeness of the capital asset

data in SFS AM or that every State agency required to report its capital assets to BCA was actually reporting for all sites. For example, we found 5,461 instances of properties where the address was marked as State-owned in tax parcel data but did not appear in the SFS AM data. Finally, BCA officials were not taking timely, proactive actions such as running reports from SFS AM or performing analysis on SFS AM data to provide OGS with valuable data to monitor and identify potential data inaccuracies or trends. We also provided OGS officials with a Letter of Matters of Lesser Significance for them to take appropriate action.

The objective of our follow-up was to assess the extent of implementation, as of September 2025, of the seven recommendations included in our initial audit report.

Summary Conclusions and Status of Audit Recommendations

OGS has made progress in addressing the problems we identified in the initial audit report. Of the initial report's seven audit recommendations, five were implemented and two were partially implemented.

Follow-Up Observations

Recommendation 1

Establish clear guidance through policies and procedures when conducting physical inventories to ensure they are completed appropriately and identified risks are mitigated.

Status – Implemented

Agency Action – OGS drafted new site visit procedures in July 2024, modified the procedures in March 2025, and approved and released them in May 2025. The procedures provide seven detailed steps for BCA personnel to follow when conducting a physical site visit to verify asset data accuracy in SFS AM.

BCA also finalized new methodology in April 2025 for OGS' site visit plan to evaluate State agencies' effectiveness in reporting capital assets. Due to the number of asset sites (in excess of 1,000) and limited staffing resources, BCA developed a systematic approach to plan and prioritize site visits. To mitigate risk, agencies are grouped as follows: Major, Mids, Minor, Department of Transportation (DOT), No Assets, and Corrections, with the highest-risk assets representing a larger percentage of the sample taken. These groupings were created to avoid skewing the data and to ensure a good representation of the agency populations when making selections for review.

For State fiscal year 2025-26, the site visit plan has 85 visits scheduled, including six No Assets (no assets listed in SFS AM), 11 Minor (agencies with five or fewer sites), five Mids (between five and 800 sites), 62 Major (about 800 or more sites), and one separate DOT visit. In early September 2025, BCA finalized and approved the revised 5-year site visit plan that now runs through 2030-31.

Recommendation 2

Work with State agencies to identify their additional sites to develop a complete listing of locations that may house capital assets.

Status – Implemented

Agency Action – OGS has taken steps to develop its listing of locations and provided us with a Site Listing—a summary of all sites with assets in the State, including the agency and location details of each site—that, as of April 2025, listed 1,046 sites. To ensure this list was complete, OGS compared the agencies listed in the State Operations Appropriations Bill, which lists all State agencies, to the agencies listed in SFS AM. OGS also revised its biennial letter, which notifies agencies that the State is required to complete, on a biennial basis, a physical inventory of all its qualifying assets.

Recommendation 3

Augment existing processes by including more effective methods to ensure agencies that are required to report capital assets to the Office are properly doing so.

Status – Implemented

Agency Action – OGS provided us with a copy of the State Operations Appropriations Bill because it includes a list of all State agencies, and OGS uses it to ensure SFS AM also includes all agencies. However, this comparison does not ensure that all agencies are adding/deleting assets in a timely manner—it ensures only that all agencies are reviewed. While these actions have implemented our recommendation, the site visits we conducted show there is still room for improvement.

We conducted site visits to five agencies (Office of Children and Family Services, Office of Mental Health, OGS, DOT, and Department of Environmental Conservation) and reviewed a total of 50 assets to determine if they were accurately accounted for in SFS AM. While on site, we located and verified 28 assets: 15 tagged assets and 13 items that were not required to be tagged per OGS guidelines. We could not physically identify 22 assets, as they were either on a job site or were not required to be tagged (e.g., courtyard paving, lights, fencing, window/roof replacements). Additionally, for one agency, we found boilers on the list recorded at their original value from 2004 even though they had been decommissioned in 2020 and were still on site waiting to be properly disposed of and removed from the asset listing. At another agency, we found boilers were on the list that we were unable to locate because they had been disposed of and not removed from the asset listing. Finally, a third agency had a pickup truck and a transfer item from another agency that were not on the list, although they should have been, based on their value.

Recommendation 4

Conduct a formal risk assessment of the site visit process and use results to establish reasonable and obtainable goals, including performing site visits to each State agency with established regularity.

Status – Implemented

Agency Action – OGS finalized a site visit plan methodology in April 2025 designed to evaluate the effectiveness of State agencies' reporting of capital assets. With more than 1,000 agency sites and limited BCA staff resources, BCA developed this systematic approach to plan and prioritize site visits based on various factors and to establish regular visits for all agency groupings.

The scoring methodology used for major asset groupings uses multiple queries, with each site assessed in six key areas, resulting in a total score of 1–6 (1 being lowest priority, 6 the highest). Criteria used include failure to respond to the last biennial letter, new activity in SFS (e.g., additions and retirements within the past 3 years), total value of all assets held for the site, number of all assets held for that site, major and unresolved findings from the previous visits, and whether more than 40% of an agency's sites had findings in the past 5 years.

Recommendation 5

Take proactive action to identify capital asset data inaccuracies reported in SFS AM by enhancing internal processes such as data analysis.

Status – Implemented

Agency Action – According to OGS officials, updates and additions to SFS AM are not posted until they have been reviewed by OGS staff. This allows staff to identify inaccuracies and missing data and request additional documentation when necessary. We reviewed three recent asset reviews, all of which confirmed that the new process is working to identify errors and appropriate changes are addressed by staff sending a request for correction to the agency.

Recommendation 6

Develop and implement procedures to provide continued support, such as detailed risk-based guidance and trainings, to ensure agencies are aware that capital assets data needs to be accurate, complete, and updated timely.

Status – Partially Implemented

Agency Action – The newly developed site visit procedures include instructions to complete the Purchase query, which allows BCA staff to see assets that were purchased recently and determine if the item was recorded in SFS AM. Because the query is at the agency level, BCA also reviews the report for all the agency's other sites, which may uncover other assets not added to SFS AM. On a quarterly basis, BCA staff run multiple queries that show building and land discrepancies in SFS AM. Staff make necessary corrections and reach out to OGS State Asset and Land Management as needed.

In May 2024, OGS also developed a detailed, step-by-step tutorial on how to add an asset to SFS AM. Additionally, OGS developed a detailed tutorial on how to retire/dispose of an asset in SFS AM.

When findings are identified during a site visit, the findings letters now require changes to be made within 30 days of the date of the letter. Written resource materials, including links to job aids (step-by-step instruction guides), are now being provided with biennial and findings letters, and as needed and requested. When an agency notifies OGS of a new Agency Property Control Manager, OGS then requests the name and contact information so it can send an introductory email with information on who at OGS to contact with any questions or issues.

OGS also identified a need for a training program for entering and maintaining dates in SFS AM, but limited staffing resources prevented OGS from reaching that goal in

October 2024, as originally intended. However, new staff have been added, and OGS will be providing the training at a State agency-wide conference in October 2025.

Recommendation 7

Facilitate communication with State agencies regarding the types of errors the Office encounters statewide and address them with all State agencies.

Status – Partially Implemented

Agency Action – Detailed tutorials for the most common SFS AM transactions have been created and are shared with agencies upon request, when there are findings stemming from a site visit, or when an agency needs to make updates in response to the biennial letter. Additionally, OGS is conducting a thorough review of the Capital Assets Policy and Procedural Manual. Once completed and approved, a mass email will be sent to all agencies. OGS has added links to the manual and instructions on how to access job aids in key documents sent to agencies, including the biennial letter, the findings letter, and the engagement letter.

OGS officials stated the most common errors encountered when reviewing assets in the queue are missing cost or acquisition date, incorrect tag number, and incorrect location code. They also stated that the most common oversight discovered during site visits is neglecting to add sheds, shacks, and lean-tos as buildings because some Agency Property Control Managers aren't aware that anything with at least three walls, a roof, and a foundation is considered a building for reporting purposes.

The current job aids available to State agencies describe how to enter, modify, and remove assets, including the required fields. OGS officials stated that they address the previously discussed oversights as they arise individually and will address them more broadly at the State agency conference in October 2025 and future trainings, and will communicate the issue to all agency contacts when the presentation materials are finalized.

Major contributors to this report were Ray Barnes, Rob Horn, and Jeffrey Dormond.

OGS officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank the management and staff of OGS for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Brandon Ogden
Audit Manager

cc: David Sears, Office of General Services