
 <b>NEW YORK STATE</b>	<b>Corrections and Community Supervision</b>  <b>DIRECTIVE</b>	<b>TITLE</b>  <b>System of Internal Controls</b>		<b>NO.</b> 6920
				<b>DATE</b> 08/05/2020
<b>SUPERSEDES</b> DIR. #6920 Dtd. 04/16/19	<b>DISTRIBUTION</b> A	<b>PAGES</b> PAGE 1 OF 8	<b>DATE LAST REVISED</b>	
<b>REFERENCES</b> (Include but are not limited to)  See Section II		<b>APPROVING AUTHORITY</b> 		

**I. DESCRIPTION:** This directive sets forth responsibilities and functions that support the Department's compliance with the NYS Governmental Accountability, Audit, and Internal Control Act, and the Office of the State Comptroller's (OSC) Standards for Internal Control in New York State Government (March 2016). Examples of Departmental internal control components, mechanisms, and activities include, but are not limited to:

- Compliance with applicable laws, regulations, and policies
- Assurance/preservation of public integrity and ethical behavior in accordance with Directive #2260, "New York State Ethics"
- Promulgation of formal Departmental policy, procedures, and directives
- Development of organizational structure and lines of authority and responsibility
- Written employee job descriptions and evaluations
- Appropriate inventory controls
- Appropriate approval processes, and separation of duties protocols with regard to fiscal and stores transactions
- Approval processes for monetary, purchasing, and inventory transactions
- Central payouts
- Use of protected personal passwords to access computer systems
- Regular meetings of the Inmate Grievance Program Central Office Review Committee (CORC)
- Participation in the Department of Civil Service Employee Suggestion Program
- Use of the Internal Audit Unit and other Departmental audit and inspection teams to review critical operations and provide recommendations for improvement
- Monitoring and follow-up (when necessary) with regard to corrective actions developed in response to external and internal audit and inspection recommendations
- Regular meetings of the local Internal Control Committees
- Annual completion of the local Self-Assessment Guides
- Adherence to American Correctional Association (ACA) expected practices through the Department's Accreditation Program, unless it would conflict with State law (in such a case collaboration with DOCCS Accreditation Office is required)
- Appropriate investigation of complaints or allegations of abuse, misconduct, corruption, or discrimination

- Continuous process improvement relative to quality, efficiency, and effectiveness of an organization's services and operations (See Directive #6925, "Continuous Process Improvement (LEAN)")
- Review and mitigation of identified functional vulnerabilities and/or weaknesses, at both the Departmental (Enterprise/Central Office) and local level. To this end, the Department has an established Risk Assessment and Mitigation Committee to effectively identify, assess, monitor, and mitigate risks to the agency's mission, strategy, programs, and operations, in collaboration with executives and management
- Established channels of communication at all Agency levels that are utilized to: delegate authority, assign responsibility, coordinate and supervise job duties and functions, and inform/educate staff regarding expectations, controls, training requirements, and professional development opportunities

## II. REFERENCES

- OSC Standards for Internal Control in NYS Government 2016
- NYS Governmental Accountability, Audit, and Internal Control Act of 1987
- ACA Expected Practices 1-ABC-1B-02, 4-4017, 4-4027, 2-CO-1A-18, 2-CO-1A-19, 2-CO-1A-22, 2-CO-1B-05, 4-APPFS-3A-29, 4-APPFS-3D-03, 4-APPFS-3D-07, 4-APPFS-3D-23, 4-APPFS-3E-02, 2-1012, 2-1013, 2-1017, 5-ACI-1A-17, 5-ACI-1B-03
- Directives #0001, #2260, #6921, #6925, #6927
- Internal Audit Requirements
- Division of Budget Bulletins B-0350, L-1220

**III. INTERNAL CONTROL - DEFINITION:** Consistent with leading internal control authorities such as the Government Accountability Office (GAO) and the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Office of the New York State Comptroller (OSC) defines internal control as: *A process, effected by an entity's board of directors, management, and other personnel, designed to provide **reasonable assurance** regarding the achievement of objectives relating to operations, reporting, and compliance.* Essentially, a system of internal control strives to ensure that the right people are using the right systems in support of the mission to meet expectations, goals, and objectives.

A. Main Objectives: Internal controls processes within the Department of Corrections and Community Supervision (DOCCS) are incorporated into all of the Department's main functional areas (e.g., Administrative Services, Board of Parole, Security Services, Facility Operations, Community Supervision, Program Services, Office of the Counsel, Division of Health Services, DOCCS' Bureau of Mental Health, Correctional Industries, Compliance Standards and Diversity, Population Management, and PREA), and designed to provide reasonable assurance to management in meeting the following main objectives:

- **Operations:** Pertaining to effectiveness and efficiency of the entity's operations, including operational and financial performance goals. These objectives promote orderly, economical operations and help produce quality products and services consistent with the organization's mission. They also serve to safeguard resources against loss due to waste, abuse, mismanagement, errors, and fraud.



- **Reporting:** Relating to internal and external financial and non-financial reporting. These objectives may encompass reliability, timeliness, transparency, or other terms as set forth by regulators, recognized standard setters, or the organization's policies.
  - **Compliance:** Adherence to laws, regulations, contracts, and management directives to which the entity is subject.
- B. Components and Sub-Principles: In support of the main objectives for internal controls as outlined above, there are several components and sub-principles that are essential to a comprehensive system of internal controls. These components and the accompanying sub-principles are as follows:
1. Control Environment
    - The organization demonstrates commitment to integrity and ethical values
    - The Commissioner exercises oversight of the development and performance of internal controls
    - Management establishes structure, authority, and responsibility
    - The organization demonstrates commitment to competence
    - The organization enforces accountability with regard to internal control responsibilities
  2. Risk Assessment
    - Specifies suitable objectives
    - Identifies and analyzes risk to the achievement of objectives across the agency
    - Assesses fraud risk
    - Identifies and assesses changes that could affect internal controls
  3. Control Activities
    - Selects and develops control activities that contribute to risk mitigation
    - Selects and develops general controls over technology
    - Deploys control activities through policy (expectations) and procedures (action)
  4. Information and Communication (to support internal control activities, expectations, and roles)
    - Uses relevant information
    - Communicates internally to stakeholders
    - Communicates externally (e.g. control agencies, media, etc.)
  5. Monitoring
    - Selects, develops, and performs ongoing internal control evaluations
    - Evaluates and communicates internal control deficiencies in a timely manner to those responsible for taking corrective action

**IV. POLICY:** The Department maintains a system of internal controls, which incorporates the activities of a centralized Internal Control Unit within the Office of Compliance Standards (Bureau of Internal Controls), that is overseen by the Deputy Commissioner for Correctional Industries, Compliance Standards & Diversity, in conjunction with the internal control activities of correctional facilities and Community Supervision Area Offices. Such a system requires agency management to ensure that the right controls are in place and operating as intended, and relies upon the appropriate performance of job duties by all staff.

The Department's system of internal controls includes regular reviews of procedures and self-assessment activities that are designed to demonstrate compliance with the New York State Internal Control Act, and provides reasonable assurance that:

- Management's policies and procedures are carried out as intended
- The degree of compliance with policies and procedures does not deteriorate
- Policies, procedures, and control activities (e.g., reports, spot-checks, self-assessments) are evaluated as conditions change to ensure they remain appropriate for the intended task or function

Examples of DOCCS agency-wide internal control mechanisms are as follows:

- A. Annual Internal Control Certification: In accordance with the Division of Budget (DOB), Budget Policy and Reporting Manual (BPRM) Item, [Bulletin B-0350](#), "*Governmental Internal Control Act and Internal Audit Requirements*," each year the Commissioner certifies to DOB the Department's level of compliance with the requirements of the New York State Internal Control Act.

As part of the certification process, the Deputy Commissioner for Correctional Industries, Compliance Standards & Diversity requires all Superintendents to certify that they have reviewed their Facility Operations Manual Items for accuracy, and to certify their compliance with the applicable requirements of the Internal Control Act. Additionally, Central Office Division Heads provide descriptions of their internal control and self-assessment activities to the Bureau of Internal Controls, where it is compiled and utilized in the preparation of the Department's Internal Control Summary and Certification Report.

- B. Accreditation Program: Department correctional facilities, Community Supervision, the Board of Parole, and other correctional units such as: the Training Academy, Food Production Center, Central Office, and the Division of Correctional Industries (Corcraft) shall become and remain accredited by the ACA (see Directive #6921, "Accreditation Program").
- C. Enterprise Risk Management (ERM): The coordinated effort to direct and control all activities related to the **effect of uncertainty on stated objectives** (e.g., mission statement, directives, or other policies).

Therefore, it ties risk management to what is most important to the organization, and is designed to spread the **responsibility for managing risk** across the organization to ALL staff, particularly staff who are in positions of authority, such as supervisors and agency management.



The Department is utilizing an ERM process comprised of four main steps as follows:

- **Identification of the core functions** as performed by the Department's various assessable areas (bureaus, divisions, units, offices, and satellite locations)
- Completion of functional **vulnerability assessments** for the identified core functions
- Identification and then ongoing evaluation of enterprise-level risks. This process should identify external and internal risk that may threaten the core mission. The mitigation of this type of risk typically requires coordination across the enterprise, not just one assessable area.
- Development of corrective-action plans, as deemed necessary by Executive staff based upon the enterprise level risks, functional vulnerability assessments, and reviews of the associated controls. Such corrective action plans must be appropriately monitored to ensure appropriate execution, and that they work as intended.

- D. LEAN: (See Directive #6925, "Continuous Process Improvement (LEAN)"): The Governor's Office of LEAN was established pursuant to the recommendation from the New York State Spending and Government Efficiency (SAGE) Commission. The purpose of this widely recognized management philosophy is to improve the efficiency and effectiveness of services and operations. This is accomplished through a prescribed system of data collection and mapping for established processes to identify inefficiencies or barriers to progress, and then to mitigate them through documented implementation plans. The Department has developed a LEAN community to work with DOCCS Executive Team, Board of Parole, and management teams across all areas of the agency to identify critical functions, processes, or procedures for LEAN project consideration in compliance with the Division of Budget, [Budget Bulletin L-1220](#), "Building a High-Performance Government."

Additionally, within the Office of Compliance Standards, the Bureau of Internal Controls, Process Improvement (LEAN) Unit, supports continuous process improvement efforts across the agency (see Directive #6927, "Functions – Office of Compliance Standards").

LEAN project metrics and completions are required to be reported externally to the Governor's Office of Lean via their SharePoint website. The Department is an active participant in LEAN, and as such, numerous projects have been completed, are actively progressing, or are in the planning stages as noted in Directive #6925.

- V. **RESPONSIBILITIES**: Generally, internal controls are designed to protect assets and employees, communicate relevant information, mitigate risk, and assist Department Executives and management in making timely, well-informed decisions. In order to achieve this objective, **all employees must** share responsibility for maintaining appropriate internal controls as applicable to their areas of responsibility. Specific internal control responsibilities for the various levels of staff are outlined below:

- A. The Commissioner, as the Agency Head, is ultimately responsible for the Department's system of internal controls and, as described above, attests to the annual Internal Control Certification as required by DOB.

The Commissioner casts the agency vision and along with the Executive Team, establishes the Control Environment as described in Section III-B. The Commissioner also ensures that appropriate communications (information, objectives, and responsibilities) are maintained, which includes, at a minimum, monthly meetings with DOCCS Executives (Deputy/Associate/Assistant Commissioners) and other key staff as deemed necessary. As noted in Directive #0001, "Introduction to the Policy and Procedure Manual," DOCCS directives serve as the widely recognized source of consistent direction for all staff and inmates.

Additionally, all employees receive and are required to read the Commissioner's annual memorandum "[Policies and Standards Generally Applicable to All Employees](#)." This memorandum is attached to all employee paychecks on the pay date ending the first full pay period in the month of July.

The Commissioner has designated the Director of the Bureau of Internal Controls as the Department's Internal Control Officer (ICO).

- B. The Central Office ICO, under the administrative oversight of the Assistant Commissioner for Correctional Industries and Compliance Standards, and the Deputy Commissioner for Correctional Industries, Compliance Standards & Diversity, and in consultation with the Chairperson of the Board of Parole and the Central Office Executive Team, shall be responsible for establishing and maintaining a system of internal controls and program reviews, documenting the systems, ensuring that internal control requirements are communicated to employees through training and awareness, and assisting agency managers, if necessary, with assuring that controls are functioning as prescribed. The Bureau of Internal Controls assists the Central Office ICO to accomplish this as described in Directive #6927.
- C. Each Superintendent shall designate a local ICO and establish a facility Internal Control Committee (ICC) from a group of employees that represent the various disciplines at each facility.

Annually, the Central Office ICO will notify each Superintendent of the need to certify to the Commissioner that their facility has an ICO and an established ICC, which functions in accordance with the guidelines cited in this directive. Under the direction of the facility ICO, each facility ICC shall:

1. Meet **minimally** four times each year and then report on their internal control activities to the Central Office ICO. This report shall be submitted using the approved Internal Control Review and Activity Report that is available on the agency-wide Internal Controls shared drive;
2. Monitor compliance with new and revised directives and consider any potential impacts on local FOMs, and as FOMs are revised, forward electronic copies to the Bureau of Policy Management;



3. Monitor compliance with OSC audit report findings and recommendations (available on the Statewide Internal Controls shared drive as final reports are released); Assist local Executives with risk mitigation prioritization, review of any other independent or external audits such as: Central Office Site Visit reports, Central Office Audits, or Internal Audit Unit reviews or audits, with a focus on any mission or functionally critical/high impact recommendations or findings that may require immediate corrective actions;
  4. Participate in establishment and maintenance of a system of internal controls designed to identify any potential internal control weaknesses or deficiencies, and work with local Executives/management to initiate and/or monitor any corrective actions; and
  5. Ensure that the "[Commissioner's Policies and Standards Generally Applicable to All Employees](#)" is distributed to all employees as required.
- D. Regional Directors and Assistant Regional Directors shall designate local ICOs and ensure local ICCs are present and functioning at each Area Office. ICCs should be comprised of a representative group of employees. Each Bureau Chief is responsible for ensuring that their Area Office ICC is functioning in accordance with the guidelines of this directive (outlined in Section V-C).
- E. Individual Managers: Financial and accounting managers are essential to the way management oversees some administrative controls. However, DOCCS' mission statement encompasses **all** aspects of Corrections and Community Supervision. Therefore, in accordance with management's direction, supervisory staff is **most** responsible for ensuring the appropriateness of the internal control system within their areas of operation by:
1. Maintaining an ethical, accountable, and transparent office or work environment that encourages internal controls;
  2. Documenting and then distributing to appropriate staff the policies and procedures that are to be followed;
  3. Identifying or revising objectives and implementing them through cost-effective means;
  4. Identify vulnerabilities evaluate the risk and develop corrective plans;
  5. Continuous and regular assessment of the applicable control objectives, business unit operations, and local procedures in light of the current or changing environment (laws, managerial or control agency mandates, technological advances, etc.) to ensure that they remain current and accurate;
  6. Regular self-testing and monitoring of controls to determine if they are performing as intended, and revising or adjusting controls as necessary; and
  7. Defining and communicating roles and responsibilities of employees consistent with the established controls.

- F. Individual Employees: As stated previously, internal controls is the responsibility of all employees. Therefore, employees play a major role in effecting the care with which internal control activities are performed. Each employee is responsible for:
1. Fulfilling the duties and responsibilities established by his or her job description and meeting applicable performance standards;
  2. Attending educational and training programs, as appropriate, to increase awareness and understanding;
  3. Taking all reasonable steps to safeguard assets against waste, loss, unauthorized use, fraud, and misappropriation;
  4. Reporting allegations of, or possible acts of, corruption, criminal acts, sexual abuse of an inmate, conflict of interest, or abuse by an employee to the appropriate supervisors; and
  5. Refraining from the use of official positions to secure unwarranted privileges (see Directive #2260, "New York State Ethics").





# Corrections and Community Supervision

ANDREW M. CUOMO  
Governor

ANTHONY J. ANNUCCI  
Acting Commissioner

## MEMORANDUM

**TO:** All EMPLOYEES

**FROM:** Anthony J. Annucci  
Acting Commissioner

**SUBJECT:** Policies and Standards Generally Applicable to All Employees

**DATE:** July 13, 2020

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**To effectively carry out the Department's mission, all employees** of the Department of Corrections and Community Supervision are expected to comply with the applicable laws, regulations, policies and standards as outlined below in performing their assigned duties, and in their daily professional conduct:

- ♦ Laws - including the Correction Law, Executive Law, Penal Law, Criminal Procedure Law, Public Officer's Law, and Civil Service Law
- ♦ Regulations - the Codes, Rules and Regulations of the State of New York (NYCRR), particularly Title 7, "Correctional Services," and Title 9, "Executive" (includes Board of Parole)
- ♦ Employees' Manual
- ♦ DOCCS Policy and Procedure Manual (Directives), specifically, but not limited to:
  - Directive #0410 – "Confidential Security Information"
  - Directive #2205 – "Record of Attendance"
  - Directive #2218 – "Outside Employment"
  - Directive #2260 – "New York State Ethics"
  - Directive #2724 – "Travel Preparation and Expense Report Submission"
  - Directive #2810 – "Information Security Policy"
  - Directive #2824 – "Use of Electronic Mail (E-Mail)"
  - Directive #2932 – "Use of State Owned Vehicles"
  - Directive #4006 – "Reporting Inmate Attitude and Behavior"
  - Directive #6920 – "System of Internal Controls"
  - Directive #6925 – "Continuous Process Improvement (LEAN)"
- ♦ Job or Duties Description (expectations and roles specific to each title or job)
- ♦ Standards for Internal Control in New York State Government Office of the State Comptroller)
- ♦ Employee's Individual Performance Program (annual performance evaluation for each employee)
- ♦ Facility, Program, local Policy and Procedure Manuals
- ♦ Union Contracts (Council 82, NYSCOPBA, CSEA, or PEF)



## Policies and Standards

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Copies of laws and regulations are available upon request at each facility and from the Department's offices. Directives are available for review in executive and program offices, from the Bureau of Internal Controls, and through union representatives. Directives that are coded as "A" or "AB" are also readily available on the Department's intranet website at <http://directives/>.

**Employees** are also expected to comply with the Governor's Executive Orders and the Commissioner's Policy Statements on:

- ♦ Prevention of Sexual Harassment in the Workplace (Directive #2602, "Employee Discrimination Complaints")
- ♦ "504" Grievance Procedures (nondiscrimination against the disabled)
- ♦ Provision of Reasonable Accommodations Procedures (Directive #2607, "Reasonable Accommodations for Employees and Applicants with Disabilities")
- ♦ Provision of Reasonable Accommodations of Religious Observance or Practices Procedures (Directive #2609, "Reasonable Accommodations of Religious Observance or Practices for Employees and Applicants with Disabilities")
- ♦ Equal Employment Opportunity and Diversity & Inclusion, (Directive #2601, "Equal Employment Opportunity and Diversity & Inclusion Program"). Additionally, all employees should be familiar with the Governor's Office of Employee Relations (GOER) *Equal Employment Opportunity in New York State-Rights and Responsibilities, A Handbook for Employees of New York State Agencies* that is available from the Office of Diversity & Inclusion and on the GOER website.
- ♦ Prevention of Sexual Abuse of Inmates (Directive #4027A, "Sexual Abuse Prevention & Intervention - Inmate-on-Inmate," and #4028A, "Sexual Abuse Prevention & Intervention - Staff-on-Inmate")
- ♦ Workplace Violence Prevention (Directive #4960, "Workplace Violence Prevention Program")
- ♦ Commissioner's Memorandum on the prohibition against Workplace Bullying
- ♦ Deputy Commissioner for Correctional Facilities Staff Safety memorandums

**PLEASE NOTE:** Copies of these policy statements are posted on official bulletin boards.

**Employees** shall comply with the following general standards:

- ♦ Employees shall adhere to the lawful directions of supervisory staff.
- ♦ Employees shall demonstrate professionalism, honesty, and integrity at all times.
- ♦ Employees are obliged to report any noted violations of safety or security protocols by inmates, parolees, or releasees, in accordance with Department policy.
- ♦ Employees shall treat inmates, parolees, releasees, or any member of the general public with dignity and respect.
- ♦ Employees shall safeguard State assets and use them economically. Unauthorized use of State assets or property is prohibited.
- ♦ Employees are obliged to report allegations of misconduct, or possible acts of, corruption, criminal acts, conflict of interest, unethical activity, or abuse by an employee or supervisory staff to the appropriate supervisor.
- ♦ Employees shall fully cooperate with any internal or external investigation.
- ♦ Employees are obliged to review procedures and protocols, and suggest improvements.
- ♦ In the absence of specific directions or applicable policies or standards, employees shall exercise their best judgment and conduct themselves in a professional manner so as to promote safety and security, public confidence, internal controls, and the best interests of the Department.

Thank you for your attention to these important issues. Please contact your supervisor if you have any questions.