



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

MARJORIE LANDA
DEPUTY COMPTROLLER FOR
AUDIT

BUREAU OF AUDIT

November 12, 2014

By Electronic Mail

Commissioner Steven Banks
Human Resources Administration
Department of Social Services
180 Water Street, 25th Floor
New York, New York 10038

Re: Final Letter Audit Report on the Human Resources Administration's Monitoring of Its Employees Who Use an E-ZPass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business (Audit Number SZ15-065AL)

Dear Commissioner Banks:

This Letter Report concerns the New York City Comptroller's audit of the Human Resources Administration's ("HRA") monitoring of its employees' use of City-issued E-ZPasses and parking permits while driving City-owned or personally-owned vehicles on City business. The objective of this audit was to determine if HRA is effectively monitoring its employees who use E-ZPasses and parking permits while driving City-owned or personally-owned vehicles on City business in accordance with applicable rules and regulations. The audit found that HRA effectively monitored the use of the E-ZPasses and permits by its authorized drivers.¹

Background

New York City requires that only those employees who exercise reasonable care in operating City-owned or personally-owned vehicles be allowed to use them to conduct City business. This requirement is outlined in the City of New York's "City Vehicle Driver Handbook" (the "Handbook"). Agency heads, through their agency's Agency Transportation Coordinator ("ATC"), must ensure that all employees assigned a City-owned vehicle either for full-time use or temporary use have been authorized to drive. It is also the ATC's responsibility to ensure that these drivers have valid licenses. The drivers' licenses must be issued by New York State unless an employee is exempt from City residency requirements. In such a case, the authorized driver must have a valid license from the state where he/she resides and must have the

¹ This opinion does not include our review of HRA's controls regarding its drivers' driving behavior, which is addressed in a separate report.

appropriate classification for the vehicle which he/she is driving on City business. The Handbook further specifies that City agencies must establish programs that promote safety along with proper training in the use of motor vehicles.

E-ZPasses should be issued only to authorized drivers who are also responsible drivers. All E-ZPass usage must be reported to and monitored by the ATC. Drivers are allowed to use a City-sponsored E-ZPass only when conducting official City business and in connection with the approved use of a City government vehicle or an authorized personal vehicle. Subsequently, the driver must fill out a vehicle trip log detailing what the vehicle was used for and why it needed to be used so that accurate agency vehicle trip log books can be maintained. E-ZPasses are issued by the Metropolitan Transportation Authority/Bridges and Tunnels ("MTA"). The MTA sends detailed summary reports on travel to the designated agency E-ZPass representative for review.

Drivers must be aware of their agency's in-house procedures regarding the use of parking permits, including areas where City government vehicles are permitted to park. Parking permits must be properly displayed to ensure visibility through the windshield. Permits may only be used for official City business in connection with the assigned City government vehicle or an authorized personal vehicle, and only as described by the parking permit and any other accompanying instructions.

Conclusion

We found that HRA monitored the use of E-ZPasses and parking permits by its authorized drivers in accordance with applicable rules and regulations.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope period of this audit was from January 1, 2012 through December 31, 2012 and October 1, 2013 through March 31, 2014. Our audit reviewed E-ZPass usage and parking permits issued in our scope period.

To meet our objectives, we obtained and reviewed the City's Handbook issued February 2009 and its subsequent update. To determine whether HRA monitored its drivers' E-ZPass usage and issued parking permits in accordance with the City's Handbook, we obtained and reviewed the following: 1) a list of all E-ZPasses issued to the agency and the associated license

plates; 2) a copy of the agency's E-ZPass bills for the scope period; 3) a copy of all vehicle usage trip logs during our scope; 4) a list of all parking permits and the vehicles they were assigned to; and 5) a list of all employees at the agency who were authorized to drive on City business during the scope period.

To assess the reliability of the database of E-ZPasses received from the agency, we matched the MTA E-ZPass billing statements to the vehicle trip logs for the agency where available.

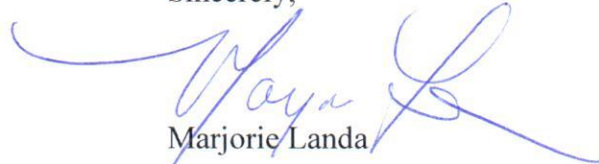
To determine whether HRA effectively monitored its E-ZPass usage, we examined whether the E-ZPass was used during normal agency business hours. We reviewed the E-ZPass bills and compared the dates to the January 1, 2012, through March 31, 2014, calendars to determine if an E-ZPass was used on a weekend or holiday. We reported all activity to HRA and inquired why an E-ZPass was necessary for weekend or holiday use. If an E-ZPass was used, we determined whether proper authorization was given for its use. We also checked the vehicle trip log (where applicable) to determine if a City vehicle was used. If a personal vehicle was used, we determined whether the employee was reimbursed for mileage and tolls or just mileage in accordance with regulations. In addition, we checked the New York City Payroll Management System to determine whether the assigned driver was an employee of the agency and not on leave during the period of E-ZPass usage. Furthermore, we checked to ensure that each E-ZPass was active during the scope period. We verified that HRA's drivers did not use their E-ZPasses except while performing official City business.

To determine whether HRA effectively monitored its parking permits, we reviewed all parking permits to determine if each parking permit issued by the agency to the employee was attached to a City vehicle or personally-owned vehicle. If the parking permit was attached to a personally-owned vehicle, we reviewed HRA's authorization for the employee with that parking permit. We reviewed whether each employee assigned a parking permit had any outstanding parking tickets. In addition, we received a list of all the parking permits from the agency and verified that listing with the Department of Transportation to ensure that HRA had given us a complete list. Further, we ensured that HRA had accounted for the appropriate number of parking permits. We also ensured that no employees had a permit issued to more than one personally-owned vehicle.

Based on our positive conclusion, we recommend that HRA continue its current processes in accordance with the applicable regulations. On October 16, 2014, we submitted a draft letter report providing HRA with an opportunity to formally respond. HRA's response was received on October 22, 2014. In its written response, HRA agreed with the report, stating: "Thank you for such a positive report. We assure you that HRA will continue to monitor our drivers as we follow the applicable rules, policies and procedures for this function..."

The full text of HRA's comments is included as an addendum to this report.

Sincerely,



Marjorie Landa

cc: Jane Corbett, Executive Deputy Commissioner, Audit & Quality Assurance
Hope Henderson, Director, Bureau of Audit Coordination
Dexter Freeman, Assistant Deputy Commissioner, Office of Police Operations
Stanley Ruszkowski, Director, Fleet Administration
Dennis Jimenez, Deputy Director, Fleet Administration
Mindy Tarlow, Director, Mayor's Office of Operations
George Davis III, Deputy Director, Mayor's Office of Operations



Human Resources
Administration

Department of
Social Services

Office of
Audit Services

Steven Banks
Commissioner

October 21, 2014

Jane Corbett
Executive Deputy
Commissioner

Marjorie Landa
Deputy Comptroller for Audits
The City of New York
Office of the Comptroller
1 Centre Street, Room 1100
New York, NY 10007

180 Water Street
New York, NY 10038

929 221 7126

Re: Draft Letter Audit Report on HRA's Monitoring of its Employees Who use an E-Z Pass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business - Audit Number SZ15-065AL.

Dear Deputy Commissioner Landa:

We have reviewed the referenced draft letter report dated October 16, 2014 concerning your Audit of the Human Resources Administration's Monitoring of Its Employees Who Use an E-Z Pass and Parking Permits While Driving City-Owned or Personally-Owned Vehicles on City Business. The objective of the audit was to determine if HRA effectively monitors its employees who use E-Z Passes and parking permits while driving City-owned or personally-owned vehicles on City business, in accordance with applicable rules and regulations.

We are pleased that your Letter Audit Report acknowledges HRA's effective monitoring of our authorized drivers who use E-Z Passes and parking permits, while they conduct City business.

Thank you for such a positive report. We assure you that HRA will continue to monitor our drivers as we follow the applicable rules, policies and procedures for this function while also working to achieve HRA's mission of service to the City's neediest population.

Sincerely,

A handwritten signature in black ink, appearing to read "Jane Corbett".

Jane Corbett

cc: Commissioner Banks