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Timothy Sheares  
Deputy Commissioner

October 11, 2017

Carmen Maldonado  
Office of the State Comptroller  
Division of State Government Accountability  
59 Maiden Lane, 21<sup>st</sup> floor  
New York, NY 10038-3804

**Re: Status Update -90 Days - Selected Controls Over the Property Tax Assessment Process 2015-N-1**

Dear Ms. Maldonado,

The Department of Finance (DOF) hereby provides its status update to recommendations to the audit by the Office of the State Comptroller on "Selected Controls Over the Property Tax Assessment Process" - 2015-N-1, issued final July 2017. Below are the recommendations in the Audit Report and the original response from DOF. A status update is provided for each recommendation.

DOF UPDATES TO RECOMMENDATIONS

- 1. Require field valuation employees to conduct and document the necessary periodic inspections of real property parcels, as prescribed.**

DOF Response: DOF agrees with this recommendation.

The new Administrative Inspection Project (AIP) provides better documentation of these inspections so that DOF can demonstrate more directly the agency's compliance with the law. 2017 is the third year of AIP and all remaining parcels not seen in 2015 or 2016 will be seen.

*DOF Current Status: Implemented.*

*As of July 27, 2017, the Assessors have completed the third year of a 3-year cycle to inspect all parcels in New York City. This is the first completion of a repeating 3-year cycle of the Administrative Inspection Project (AIP).*

- 2. Ensure the reason for the valuation method selected for parcels is clearly documented in CAMA.**

DOF Response: DOF partially agrees with this recommendation.

DOF does not agree that there needs to be an individual note in CAMA regarding management's inventory or policy decisions which may result in year to year methodology changes, as those are recorded in other documents. Assessors are directed to provide a note in CAMA if they change the methodology of parcels assigned to them that year. When parcels are reviewed by

supervisors or Assessment Review, part of their review is determining if an assessor note was required.

*DOF Current Status: Implemented where DOF agreed.*

*Assessors continue to be directed to provide a note in CAMA if they change the methodology of parcels assigned to them that year in the inventory.*

- 3. Ensure that supervisors who review parcels with extreme changes pursuant to QA instruction are independent from the initial review process.**

DOF Response: DOF disagrees with this recommendation.

The overall framework of the quality assurance and property valuation review process provides a high degree of independence. DOF disagrees with the recommendation as there are particular cases where it is appropriate for a supervisor to review parcel multiple times during the same period or subsequent periods.

*DOF Current Status: DOF disagrees with this recommendation. No change in status.*

- 4. Develop and implement policies and procedures for documenting Global Changes and mass updates and comply with Internal Control and Accountability Directive #18 of the New York City Comptroller.**

DOF Response: DOF agrees with this recommendation.

DOF is in compliance with Directive #18 currently. In the database/application event audit log DOF records the user ID associated with the event, date and time information, session data and program and file usage. Separately, DOF agrees that formal written documentation on the Global Change process is useful for operational, audit and transparency purposes. DOF is currently developing a draft policies and procedures document, to be completed by November 2017.

*DOF Current Status: In Progress.*

*DOF is currently developing a draft policies and procedures document, to be completed by November 2017.*

- 5. Ensure that scripts and authorizations for scripts are kept in a secured folder to prevent unauthorized updates. The logs should be retained for a period of time to aid later review or investigation.**

DOF Response: DOF agrees with this recommendation.

DOF has implemented several changes to address these concerns and is currently in compliance with this recommendation. A specific email box is now used where authorization and confirming emails (including logs) are stored and archived. When the SQL is executed, a confirming email (which includes the log) is sent to multiple senior staff in FIT and the business unit, and is automatically sent to the designated email box. The log is also automatically sent to the secure folders. The business unit, Property, does not have any access to execute these scripts in Production or any access to the secure log folders.

*DOF Current Status: Implemented.*

*For the current valuation cycle (FY19) a specific email box is used where authorization and confirming emails (including logs) are stored and archived indefinitely. The log is automatically sent to the secure log folders.*

**6. Ensure that a User ID or Service ID is recorded for every Global Change and mass update.**

DOF Response: DOF partially agrees with this recommendation.

DOF agrees that for every action that requires a user audit entry there should be a specific user ID or service ID, and this will be included in DOF's policies and procedures. The standard CAMA application initiated processes which include mass update utilities, batch processes and system maintenance do not require user audit entries as they already have tested controls in place.

*DOF Current Status: In Progress where DOF agreed.*

*Requirements for User IDs or Service IDs are included in the draft policies and procedures document, to be completed by November 2017.*

**7. Prevent unauthorized data changes to properties by ensuring the requestors of all scripts are documented and that the executed scripts are what was requested and documented in the CAMA User Audit Table.**

DOF Response: DOF agrees with this recommendation.

DOF agrees that the requestors of all scripts should be documented. The requestor's name is now required to be contained in all scripts. DOF also agrees that it is critical to verify that the executed scripts are what was requested. This is done as part of the routine testing process now. SQL scripts, as defined earlier, should be documented in User Audit. These items will be included in the policies and procedures.

*DOF Current Status: In Progress.*

*Requirements for scripts are included in the draft policies and procedures document, to be completed by November 2017.*

**8. Ensure DOF officials document justifications for granting users additional permissions outside those normally granted for their respective user groups. Also, ensure that Property Division Administrative Assessors approve CAMA access requests to add users.**

DOF Response: DOF agrees with this recommendation

Requests/approvals for additional permissions are currently documented and we agree that this should continue. DOF also agrees that Administrative Assessors must approve CAMA access requests to add users. DOF is currently in compliance with this recommendation.

*DOF Current Status: Implemented.*

*Requests/approvals for additional permissions are currently documented on the request forms and in the Permissions Database. Administrative Assessors must approve CAMA access requests to add users.*

**9. Disable accounts of employees immediately upon their separation from DOF.**

DOF Response: DOF agrees with this recommendation.

The access to the DOF network is disabled immediately upon separation, so that former employees are not able to log into any DOF computer device, which means they cannot access the CAMA application or any other application on the DOF network. The accounts of separated employees are generally specifically disabled from CAMA within a few days of notification from the Employee Services Division.

*DOF Current Status: Implemented.*

*The access to the DOF network is disabled immediately upon separation, so that former employees are not able to log into any DOF computer device, which means they cannot access the CAMA application or any other application on the DOF network.*

**10. Establish a formal policy for remote access and disseminate it to all remote users. Also, actively monitor the use of remote access.**

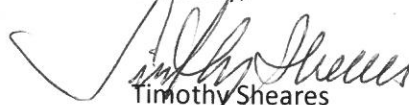
DOF Response: DOF agrees with this recommendation.

DOF already has formal policies in place and DOITT publishes citywide IT policies and standards, as detailed earlier in this response. DOF IT is currently conducting a Security Awareness Program to educate and remind employees about security issues. DOITT maintains an overall Juniper Terminal Server Event Log for remote access.

*DOF Current Status: Implemented.*

*DOF and DOITT have formal policies in place which cover remote access. DOF continues to conduct a Security Awareness Program to educate and remind employees about security issues. DOITT maintains an overall Juniper Terminal Server Event Log for remote access. The DOITT/Citywide Cyber Command center has also deployed CrowdStrike which actively monitors all network traffic. Suspicious activities/network traffic are automatically alerted to Citywide SOC and notifies DOF finance response team.*

Sincerely,



Timothy Sheares  
Deputy Commissioner

cc: Michael Hyman, First Deputy Commissioner  
Carmela Quintos, Assistant Commissioner  
Sam Mayer, Senior Director, Internal Audit