



The Chancellor

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February 28, 2018

The Honorable Thomas P. DiNapoli
Comptroller of the State of New York
Office of the State Comptroller
110 State Street
Albany, NY 12236

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EXECUTIVE CORRESPONDENCE

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OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

Dear Comptroller DiNapoli:

In accordance with New York State Executive Law Section 170, The City University of New York hereby submits its 90-day report on the implementation of the corrective action recommendations made in Comptroller's audit report 2015-S-94 – Central Office: Controls over Bank Accounts:

- 1. Fully comply with prescribed procedures for opening new bank accounts and the monitoring of existing accounts.**

The University's Board of Trustees approved a revised Bank Account Control Policy at its December 2017 meeting. This updated document addresses key policies regarding the opening, closing and monitoring of bank accounts and banking activity. We are conducting training sessions with campus and central office personnel to ensure compliance with this new Policy.

- 2. Develop and implement formal policies and procedures for repurposing bank accounts and ensuring that large bank account balances are adequately collateralized or otherwise secured.**

The updated Bank Account Control Policy that CUNY's Board of Trustees approved in December 2017 includes a section on the repurposing of bank accounts. This new section generally limits the conditions under which repurposing may be allowed. The Policy also addresses custodial credit risk pertaining to the university's deposits. The University is in the process of drafting a new policy on Short-Term Investments (or Working Capital) which we expect to present to our Board of Trustees later this calendar year and which will contain provisions that will further mitigate the University's risk.

- 3. Strengthen controls to ensure that funds are appropriately deposited to and disbursed from accounts by:**
 - Reinforcing with staff the importance of adhering to New York State, City, federal, and CUNY requirements; and
 - Training OUC employees on the required policies and procedures relating to bank accounts and banking operations.


(2)

In addition to issuing a new Bank Account Control policy in December 2017, the CUNY's Board of Trustees also approved a Cash Accountability Policy and a Petty Cash Policy. As part of ensuring that the central office finance personnel are in compliance with the new policies, we have required the staff to read each of the three policies and sign an acknowledgment form that they understand and will abide by the policies.

We are performing training sessions on the three policies for both the central office and college staff. Our first online session for the Bank Account Control Policy has already been conducted, and we are planning to conduct additional sessions on Petty Cash and Cash Accountability in the upcoming months.

Thank you again for the opportunity to respond to this audit report. Please contact me if you need any additional information.

Sincerely,



James B. Milliken

c: Hon. Andrew M. Cuomo, New York State Governor
Hon. John J. Flanagan, Temporary President and Majority Leader of the Senate
Hon. Andrea Stewart-Cousins, Minority Leader of the Senate
Hon. Carl E. Heastie, Speaker of NYS Assembly
Hon. Joseph D. Morelle, Majority Leader of the NYS Assembly
Hon. Brian M. Kolb, Minority Leader of the NYS Assembly
Hon. Catherine M. Young, Chair of NYS Senate Finance Committee
Hon. Liz Krueger, Ranking Minority Member of NYS Senate Finance Committee
Hon. Helene E. Weinstein, Chair of NYS Assembly Ways and Means Committee
Hon. Robert Oaks, Ranking Minority Member of NYS Assembly Ways and Means Committee
Ms. Carmen Maldonado, Audit Director, Office of the State Comptroller