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December 19, 2006

To The Chief Judge of the New York  
State Unified Court System:

In planning and performing our examination of management's assertion that the New York State Unified Court System's (UCS) system of internal accounting and administrative controls maintained during the period April 1, 2004 through March 31, 2005 are adequate to meet the criteria contained in the New York State Governmental Accountability, Audit and Internal Control Act of 1999, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency.

We now present for your consideration our comments and suggestions regarding those matters. This letter does not affect our report dated December 19, 2006 on management's assertion regarding the New York State Unified Court System's internal accounting and administrative controls.

We have already discussed many of these comments and suggestions with various Court personnel. We will be pleased to discuss them in further detail at your convenience or to assist you in implementing the recommendations.

Improving Control Over Equipment

Identification and Tracking of Equipment

All non-computer equipment purchases, as defined by the New York State Unified Court System's inventory controls policy, must be identified through the use of pre-numbered asset tags and must have corresponding written inventory record forms completed and centrally maintained. During our testing of controls over such equipment, we noted that there were no corresponding inventory records on file for the equipment purchases we selected. In addition, management indicated that the equipment had not been properly assigned a pre-numbered decal tag. We recommend that the UCS prepare the proper inventory record forms for all non-computer equipment purchases and affix a pre-numbered decal tag onto each piece of equipment in order to comply with the written UCS inventory controls policy. We have been informed by UCS Eighth District management that they are in the process of installing an automated, bar coding system for furniture and equipment identification to be used by all district office and court locations.

### Annual Physical Inventory

Each court location is responsible for maintaining inventory records of all non-computer equipment. During the course of our discussions with management, we noted that the Erie County Surrogate Court, Erie Supreme and County Court, and the Eighth District administrative office did not complete a physical inventory of equipment during the period April 1, 2004 through March 31, 2005. In order to improve internal control over equipment, we recommend that each court office conduct an annual physical inventory of non-computer equipment and that the equipment be reconciled to the central inventory records. In connection with this process, appropriate disposition should be made of any lost or disposed equipment.

### Disaster Recovery Plan

The Unified Court System's Division of Technology has not prepared comprehensive written disaster recovery procedures for all locations. An emergency response manual has been developed for the Division of Technology office in Troy, New York and a back-up location is expected to be operational by the end of 2007. The time to make contingency plans for all other Court locations is before disaster strikes, so that all personnel will be aware of their responsibilities in the event of an emergency situation that precludes the use of the existing IT facilities. These plans should complement any existing, non-technical emergency plans maintained for each District by the Unified Court System's Department of Public Safety. We recommend that Division of Technology management in Troy, New York develop a standard written emergency recovery plan template for each District's IT operations that includes, but is not limited to, the following matters:

- Location of, and access to off-site storage.
- A listing of all data files that would have to be obtained from the off-site storage location.
- Identification of a back-up location (name and telephone number, if any) with similar or compatible equipment for emergency processing.
- Responsibilities of various personnel, including names and emergency telephone numbers.
- Priority of critical applications and reporting requirements during the emergency period.

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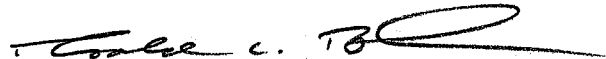
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We would like to thank the personnel of the New York State Unified Court System for the courtesy and cooperation they have given us during the course of the examination. Please understand that the nature of this letter is to recommend improvements. There are many favorable areas within the New York State Unified Court System upon which we have not made comment.

This report is intended solely for the information and use of the New York State Unified Court System and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

TOSKI, SCHAEFER & CO., P.C.

A handwritten signature in black ink, appearing to read "Ronald C. Toski", followed by a stylized flourish.

Ronald C. Toski, CPA  
Managing Director