

AUDIT REPORT



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BUREAU OF FINANCIAL AUDIT
WILLIAM C. THOMPSON, JR., COMPTROLLER

Audit Report on the Financial and Operating Practices of the Staten Island Borough President's Office

FP02-171A

June 4, 2003



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.
COMPTROLLER

To the Citizens of the City of New York

Ladies and Gentlemen:

Pursuant to Chapter 5, Section 93 of the New York City Charter, we have examined the Staten Island Borough President's Office's (Borough President's Office) compliance with certain payroll, timekeeping, purchasing, and inventory procedures, as set forth in the Office of Payroll Administration policies and procedures, the Procurement Policy Board (PPB) Rules, and the New York City Comptroller's Internal Control and Accountability Directives. The results of our audit, which are presented in this report, have been discussed with officials from the Borough President's Office, and their comments have been considered in preparing this report.

Audits such as this provide a means of ensuring that agencies follow City guidelines and that government dollars are being used appropriately and in the best interest of the public.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please contact my office at 212-669-3747 or e-mail us at audit@Comptroller.nyc.gov.

Very truly yours,

A handwritten signature in cursive script that reads 'William C. Thompson, Jr.'.

William C. Thompson, Jr.

Report: FP02-171A
Filed: June 4, 2003

*The City of New York
Office of the Comptroller
Bureau of Financial Audit*

**Audit Report on the
Financial and Operating Practices of the
Staten Island Borough President's Office**

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AUDIT REPORT IN BRIEF

We performed an audit of the compliance of the Staten Island Borough President's Office with certain payroll, timekeeping, purchasing, and inventory procedures, as set forth in the Office of Payroll Administration policies and procedures, the Procurement Policy Board (PPB) Rules, and the New York City Comptroller's *Internal Control and Accountability Directives* (Comptroller's Directives). During Fiscal Year 2002, the Personal Service (PS) expenditures for the Staten Island Borough President's Office (Borough President's Office) amounted to \$3,436,492; Other Than Personal Services (OTPS) expenditures amounted to \$1,351,311.

Audit Findings and Conclusions

The Borough President's Office generally adhered to Comptroller's Directives, Procurement Policy Board Rules, and Office of Payroll Administration policies and procedures with respect to payroll, timekeeping, purchasing, and inventory management. Our examination of the PS and OTPS expenditures disclosed no instances in which monies were improperly used. Moreover, we found that the Borough President's Office:

- ensured that employees' annual leave balances did not exceed the two-year accrual limit;
- purchased items that were necessary for its operations;
- properly completed vouchers and purchase orders and accurately calculated the amounts paid to vendors;
- complied with Comptroller's Directive #3. In that regard, Imprest Fund purchases did not exceed \$250; invoices to support Imprest Fund payments were maintained; checks had the required authorized signatures and designated specified payees; and each check bore the inscription "void after 90 days."
- accurately reconciled the Imprest Fund bank account;
- ensured that all employees sampled are bona fide;

- ensured that employees signed the required Form 319 when picking up their paychecks;
- accurately calculated and properly authorized all pay increases;
- accurately paid employees upon separation from City service; and
- maintained up-to-date and accurate inventory lists and affixed identification tags to the sampled inventory items.

However, the audit found instances in which the Office did not comply with certain provisions of Comptroller’s Directive #23 and #24, the City’s *Time and Leave Regulations*, PPB Rules, and Payroll Management System (PMS) guidelines. Specifically, the Borough President’s Office:

- did not always accurately charge employees’ leave balances for annual and sick leave use;
- permitted employees to carry compensatory time beyond the 120 day limit;
- did not place on sick leave restriction employees who had more than five undocumented sick leave instances within a “sick leave period,” as required by the *Time and Leave Regulations*;
- paid employees in excess of their *Career and Salary Plan* title salary ranges;
- did not ensure that the preparation and review of its “employee update” and “job appointment” forms were performed by different individuals;
- did not ensure that each page of the voucher packages sampled were stamped “vouchered” as required by Directive #24;
- did not ensure that the purchase requisition forms had the required signatures approving the purchases; and,
- did not ensure that its employees disclosed in writing to the Conflicts of Interest Board their positions with not-for-profit organizations that received discretionary grants from the Borough President’s Office.

Moreover, the Office did not maintain copies of the insurance certificates required under agreements with vendors and recipients of discretionary grants.

Audit Recommendations

To address these issues, the audit made 13 recommendations, including that the Borough President’s Office should:

- Ensure that timekeeping transactions are carefully reviewed so that timekeeping errors are avoided.
- Require employees to use compensatory time within 120 days after it is earned. If an employee does not adhere to this requirement, the compensatory time should be converted and incorporated into the employee’s sick leave balance.
- Transfer employees whose salaries currently exceed their title limits into other titles that they qualify for and that have salary ranges that properly encompass their current pay levels.

- Implement a tracking system to ensure that grantees and vendors provide up-to-date insurance certificates that cover the entire contract period.
- Ensure that the Borough President and the Confidential Assistant to the Borough President formally disclose in writing to the COIB their positions with not-for-profits, and consult with the COIB where appropriate.

INTRODUCTION

Background

The Staten Island Borough President, like the presidents of all five boroughs of New York City, is the elected executive official of the borough. It is his responsibility to: prepare and review budget proposals; recommend capital projects; hold public hearings on matters of public interest; consult with the Mayor and the City Council on the preparation of the executive and capital budgets; review and recommend applications and proposals for the use, development, or improvement of land within the borough; prepare environmental analyses required by law; provide technical assistance to the borough's community boards; monitor and make recommendations regarding the performance of contractual services in the borough; and propose legislation to be introduced in the City Council.

During Fiscal Year 2002, Personal Service (PS) expenditures for the Staten Island Borough President's Office (Borough President's Office) amounted to \$3,436,492; Office Other Than Personal Services (OTPS) expenditures amounted to \$1,351,311.

Objective

This audit was conducted to determine whether the Borough President's Office is complying with applicable payroll, timekeeping, purchasing, and inventory procedures, as set forth in the Office of Payroll Administration policies and procedures, the Procurement Policy Board (PPB) Rules, and the New York City Comptroller's *Internal Control and Accountability Directives* (Comptroller's Directives).

Scope and Methodology

This audit covered the period July 1, 2001, through June 30, 2002.

To obtain a general understanding of the procedures and regulations with which the Borough President's Office is required to comply, we reviewed the Comptroller's Directives; and other applicable City laws, regulations, and policies. We interviewed members of the Office staff to obtain an understanding of payroll, timekeeping, and purchasing procedures, and to determine how the Office safeguards its physical assets.

To determine whether employees' leave balances recorded on the Payroll Management System (PMS) were accurate, we reviewed attendance records of 20 employees—five managerial and 15 non-managerial employees—for the months of April, May, and June 2002. We examined the attendance records for completeness and evidence of supervisory review. We compared attendance records to the PMS *Employee Leave Details Report* (PEILR721) to ensure that all reportable timekeeping transactions were accurately posted on PMS. We reviewed compensatory time transactions and annual leave use for evidence of proper approvals and posting. We determined whether compensatory time was used within 120 days and, if not, whether it was transferred to sick leave. We determined whether medical documentation, whenever required by City regulations, appropriately supported sick leave use. We determined whether the Borough President's Office followed City regulations with regard to employees who have excess annual leave balances (i.e., more than two years of accruals).

To determine whether employees were bona fide, we compared our sampled 20 employees listed on the payroll register for the pay period ending June 21, 2002, to the Borough President's Office timekeeping records.

To determine whether employees receiving paychecks are signing the required Forms 319, we reviewed the Forms 319 for two pay periods—those ending December 21, 2001, and June 21, 2002.

To determine whether pay increases were accurately calculated and properly authorized, we reviewed salary history reports and salary-increase authorization memos for our 20 sampled employees.

With regard to employees who separated from City service, we determined whether separation payments made to a sample of five individuals were properly calculated. We also determined whether these employees were appropriately removed from the City's payroll.

To determine whether Borough President's Office employees are receiving salaries that are within the salary ranges of their civil service titles, we compared the salaries of all Borough President's Office employees to the minimum and maximum salary amounts of their civil service titles included in the City's Collective Bargaining Agreement.

To ensure that the Borough President's Office used proper procedures when making purchases, we examined a sample of 50 purchase vouchers issued by the Office in Fiscal Year

2002. We examined each voucher for the requisite approvals and authorizations, and for evidence that the transactions were for proper business purposes. We also reviewed the supporting documentation (i.e., vendor invoices) for each voucher. We determined whether each voucher was correctly coded, and confirmed that no duplicate vouchers were processed.

To determine whether the Borough President's Office was in compliance with Imprest Fund procedures specified in Comptroller's Directive #3, we examined check stubs and the related bank statements covering the period December 2001–January 2002. We also examined 49 canceled checks for: authorized signatures and amounts; a specified payee (as opposed to “bearer” or “cash”); the eligibility of the expenditure; an endorsement; and a “void after 90 days” inscription on each check. We also determined whether the Office performed monthly bank reconciliations, and whether Imprest Fund expenditures exceeded the allowable amounts for a particular month, vendor, or item.

We reviewed documentation related to 18 discretionary grants issued by the Office during Fiscal Year 2002 to determine whether the Borough President's Office complied with Comptroller's Directive #23, *Monitoring and Accountability of Discretionary Funds Provided to Borough Presidents*.

Finally, to determine whether the Borough President's Office maintained a complete inventory list, we examined 60 pieces of equipment on hand at the Office and determined whether the items were recorded on the agency's inventory list. We also checked each piece of equipment for an affixed identification tag.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. This audit was performed in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, § 93, of the New York City Charter.

Agency Response

The matters covered in this report were discussed with officials from the Borough President's Office during and at the conclusion of this audit. A preliminary draft report was sent to Borough President's Office officials and discussed at an exit conference held on March 19, 2003. On April 30, 2003, we submitted a draft report to Borough President's Office officials with a request for comments.

We received a written response from the Borough President's Office on May 28, 2003 in which it agreed with the audit recommendations and described the specific steps that it has taken to address the exceptions noted in the report. The full text of the comments from the Borough President's Office is included as an addendum to this report.

FINDINGS AND RECOMMENDATIONS

The Staten Island Borough President's Office generally adhered to Comptroller's Directives, PPB Rules, and Office of Payroll Administration policies and procedures with respect to payroll, timekeeping, purchasing, and inventory management. Our examination of the Borough President's Office PS and OTPS expenditures disclosed no instances in which monies were improperly used. Moreover, the Borough President's Office:

- ensured that employees' annual leave balances did not exceed the two-year accrual limit;
- purchased items that were necessary for its operations;
- properly completed vouchers and purchase orders and accurately calculated the amounts paid to vendors;
- complied with Comptroller's Directive #3. In that regard, Imprest Fund purchases did not exceed \$250; invoices to support Imprest Fund payments were maintained; checks had the required authorized signatures and designated specified payees; and each check bore the inscription " void after 90 days."
- accurately reconciled the Imprest Fund bank account;
- ensured that all employees sampled are bona fide;
- ensured that employees signed the required Form 319 when picking up their paychecks;
- accurately calculated and properly authorized all pay increases;
- accurately paid employees upon separation from City service; and
- maintained up-to-date and accurate inventory lists and affixed identification tags to the sampled inventory items.

However, there were instances in which the Office did not comply with certain provisions of Comptroller's Directive #23 and #24, the City's *Time and Leave Regulations*, PPB Rules and PMS guidelines. Moreover, the Borough President's Office did not ensure that all employees' wages were within the salary ranges of their *Career and Salary Plan* titles. Finally, the Office did not maintain copies of the insurance certificates required under agreements with vendors and recipients of discretionary grants. These issues are discussed in detail in the following sections of this report.

Timekeeping Discrepancies

Our review of the timekeeping records disclosed several minor errors on employees' leave balances as follows:

- 12 instances in which seven employees were undercharged a total of 54.5 hours for annual and sick leave use.
- Four instances in which two employees were overcharged a total of 11.75 hours for annual and sick leave use.
- Three instances in which two employees did not sign in or out when arriving and departing work.

After we brought these discrepancies to the attention of the agency timekeeper, she made the appropriate adjustments to the employees' leave balances.

Recommendation

The Borough President's Office should:

1. Ensure that timekeeping transactions are carefully reviewed so that timekeeping errors are avoided.

Borough President's Office Response: "To ensure proper timekeeping transactions, all ETRs and 920s will be reviewed and initialed by the Personnel Director."

Employees Permitted to Carry Compensatory Time Beyond the 120 Day Limit

The Borough President's Office did not ensure that all employees used compensatory time within 120 days as required by the City's *Time and Leave Regulations*. Consequently, as of April 30, 2002, three employees had a combined total of 80 hours of compensatory time that was not used within 120 days. According to the *Time and Leave Regulations*, employees must use compensatory time within four months following its being earned. Any such time not used should be added to the employees' sick leave balances, unless the agency authorizes employees in writing to carry it forward. However, there was no documentation on file authorizing the three employees to carry their compensatory time beyond the 120 days.

Recommendations

The Borough President's Office should:

2. Require employees to use compensatory time within 120 days after it is earned. If an employee does not adhere to this requirement, the compensatory time should be converted and incorporated into the employees' sick leave balance.

Borough President's Office Response: "All compensatory time not used within the 120 days will be converted into the employee's sick leave balance to ensure compliance with the City's *Time and Leave Regulations*."

3. Ensure that employees who are not permitted to use compensatory time within 120 days obtain the appropriate authorization allowing the carryover of this time.

Borough President's Office Response: "Employees who are unable to liquidate their balances within the 120 days due to job responsibilities, will be asked to submit a leave plan to liquidate this time with the approval of the Director of Administration."

Sick Leave Abuse

Four employees of the Office had more than five undocumented sick leave instances within a "sick leave period," and were not placed on sick leave restriction as required by the *Time and Leave Regulations*. *Time and Leave Regulations* require that an employee who uses undocumented sick leave more than five times during a six-month period—either January to June or July to December—be placed on "sick leave restriction." Three employees had six undocumented sick leave instances, and the fourth employee had seven instances of undocumented sick leave used from January 2002 through June 2002.

Recommendation

The Borough President's Office should:

4. Require employees to provide medical documentation when they exceed the allowable number of undocumented sick leave days.

Borough President's Office Response: "This office will ensure that all employees who have more than five undocumented sick leave instances in a sick leave period will be required to submit appropriate medical documentation."

Employees Paid in Excess of the Salary Ranges of Their Titles

The annual salaries of four of the Office's 63 employees exceed the maximum pay rates for their *Career and Salary Plan* titles. The excess salary amounts range from \$806 to \$36,413. The most significant case is related to a Special Assistant to the Borough President, whose salary

is \$96,635, but the maximum salary for his particular job title is \$60,222. Table I lists the four employees' current salaries and the maximum pay rates for their titles.

Table I

Employees Paid in Excess of the Salary Ranges of their Titles

Employee	Title	Current Salary	Maximum Job Title Salary	Difference
1	Special Assistant to Borough President	\$96,635	\$60,222	\$36,413
2	Special Assistant to Borough President	\$70,908	\$60,222	\$10,686
3	Secretary	\$44,934	\$42,184	\$2,750
4	Community Coordinator	\$57,202	\$56,396	\$806

The City's *Career and Salary Plan* contains minimum and maximum pay rates for each job title. According to the *Career and Salary Plan*, "The purpose of this resolution is to provide fair and comparable pay for comparable work." Therefore, the minimum and maximum pay rates are an integral part of the *Plan*. If there are no non-managerial titles within the employees' salary ranges, then the employees should be transferred to appropriate managerial titles with salary ranges encompassing the employees' salaries.

Recommendation

The Borough President's Office should:

5. Transfer employees whose salaries currently exceed their title limits into other titles that they qualify for and that have salary ranges that properly encompass their current pay levels.

Borough President's Office Response: "Employee #1 – Special Asst. to the Borough President's salary will be reduced to the maximum permissible salary range effective with the new Fiscal Year. Employee #2 – (same title) will be placed in an appropriate title and salary range, effective with the new Fiscal Year. Employees #3 and #4 will be moved to appropriate titles during the next Fiscal Year. Due to the City's budgetary condition and with the recent reduction in workforce (layoffs) which occurred in our Office, we are still researching appropriate titles for these two employees, in line with their job responsibilities."

Weaknesses in Payroll Procedures

The Borough President's Office did not ensure that the preparation and review of its "employee update" and "job appointment" forms were completed by different individuals. Three

of the four “employee update” forms examined and one of the two “job appointment” forms examined were prepared and then reviewed by the same individual. Moreover, one “job appointment” form did not have the required manager/supervisory reviewer’s signature. Employee update forms are used for title and salary changes and other administrative actions.

Having different individuals prepare and review payroll documents provides for adequate checks and balances and ensures that changes in personnel and payroll are processed accurately.

Recommendations

The Borough President’s Office should:

6. Ensure that the “employee update” and “job appointment” forms are prepared and reviewed by different individuals.

Borough President’s Office Response: “The Borough President’s Office will ensure that all personnel and payroll forms will not be prepared and reviewed by the same individual.”

7. Ensure that all payroll forms contain appropriate signatures.

Borough President’s Office Response: “The Personnel Director will sign-off on all payroll transactions authorized by this administration to ensure that they are processed accurately.”

Insurance Requirements Not Documented

Discretionary grants awarded by the Borough President’s Office require that grant recipients maintain “liability, vehicle, and malpractice insurance, where applicable, in the amount of not less than (\$1,000,000) dollars per occurrence.” The Borough President’s Office and the City of New York are also to be named as insured parties. Grant recipients are required to provide the Borough President’s Office with copies of valid insurance certificates.

The same insurance provision is included in contracts between the Borough President’s Office and vendors who supply services and materials at events sponsored by the Borough President or provide renovation services at Borough Hall.

We found, however, that 10 of the 18 discretionary grant files reviewed contained expired insurance certificates, of which five did not name the City of New York as an insured party. In addition, two of the five vendor files lacked the required insurance certificates. One other vendor file had a certificate that did not cover the entire service period and did not name the City as an insured party.

At the exit conference, the Borough President’s Office provided us with additional copies of insurance certificates. However, two of the insurance certificates were still deficient—one

certificate expired prior to the end of the grant while the other did not name the City of New York as an insured party.

We note that a previous Comptroller's Office audit also cited the Borough President's Office for missing insurance certificates.

Recommendations

The Borough President's Office should:

8. Implement a tracking system to ensure that grantees and vendors provide up-to-date insurance certificates that cover the entire contract period.

Borough President's Office Response: "The Borough President's office will implement an ACCESS software program, to track insurance certificate expirations and automatic renewals, to improve compliance in this area."

9. Ensure that the grantees and vendors name the City of New York as an insured party on all insurance policies covering grants, services, and materials provided to the Borough President's Office.

Borough President's Office Response: "The Borough President's office will review insurance certificates for appropriate listing of agency and the City of New York as insured parties."

Weaknesses in Procurement and Payment Practices

Our review of payment vouchers and their supporting purchase documents revealed weaknesses in the Borough President's Office procurement and payment practices. Specifically, all 50 voucher packages were not stamped "vouchered" on each page as required by Directive #24. Stamping vouchers helps to prevent duplicate payments. In addition, two purchase requisition forms were missing signatures indicating that the purchase was approved by either the Agency Chief Contracting Officer, the Deputy Borough President, or the Director of Administration. Such signatures indicate that responsible officials have reviewed and approved the purchases.

In addition, the Office made two payments of \$16,500 each for refurbishing the wood floor and paneling in one room in Borough Hall. Although the Office had proof of payment, the file containing contract and bid documents was missing. Therefore, we cannot determine whether this procurement was made in accordance with PPB Rules. Finally, one file was missing a vendor evaluation form. The PPB Rules state, "A performance evaluation shall be done no less than once annually."

Recommendations

The Borough President's Office should:

10. Ensure that all documents in voucher packages are stamped "vouchered."

Borough President's Office Response: "The Borough President's office notes that this audit showed no duplicate payments, and the agency will strive to ensure that all documents are stamped 'vouchered'."

11. Implement a supervisory contract review process that ensures that all necessary documents are on file and that the necessary authorizations are obtained. The supervisor should sign off or initial the contract file to indicate supervisory review.

Borough President's Office Response: "The Borough President's office will strengthen the supervisory review process, to ensure that all necessary documents are on file, and to improve the audit's 96% compliance rate in the area of completed requisition forms."

Directorship Issues

In Fiscal Years 2001 and 2002, the Borough President's Office awarded discretionary grants totaling \$44,575 to the Borough Hall Centennial Restoration Corporation ("BHCRC")—a not-for-profit organization. The funds were to be used for restoration services for Staten Island Borough Hall, including painting and restoring the lobby floor, ceiling, and architectural molding and details.

We ascertained that the funds were spent for their intended purposes and that the Borough President's Office generally followed the requirements of Comptroller's Directive #23. We did note that at the time the grants were awarded: the Deputy Borough President (who is now the Borough President), was a committee member of the BHCRC; and the Confidential Assistant to the current and former Borough President was the Chairman of the BHCRC.

Comptroller's Directive #23 states: "Borough Presidents must be alert to situations where use of discretionary funds could result in possible conflict of interest situations. For example, it may not be appropriate for Borough President employees to take part in business dealings between their Office and organizations with which they are affiliated. The City's Board of Ethics provides guidelines in this area and should be consulted when questions arise."

Neither the Borough President nor the Confidential Assistant has disclosed in writing to the City's Conflicts of Interest Board (the "COIB," successor to the Board of Ethics) the fact of their service with the BHCRC.

In addition, Board of Directors lists were missing from three of the 18 discretionary grant files that we reviewed, contrary to Comptroller's Directive #23. Regarding grantees, Directive #23 states that "a complete listing of its directors, executives and principals at the time of the

grant must be on file.” At the exit conference, the Staten Island Borough President’s Office provided the three missing Board of Directors lists. Our review of these lists showed that the current Borough President was a Board member of the Sisters of Charity Health Care System when a grant was awarded, and the former Borough President served as the Honorary Chairman of the United Activities Unlimited when a grant was awarded. Neither Borough President had disclosed in writing to the COIB that they held those Board of Directors positions.

We note that a previous Comptroller’s Office audit of the Borough President’s Office mentioned similar issues.

Recommendations

The Borough President’s Office should:

12. Ensure that the Borough President and the Confidential Assistant to the Borough President formally disclose in writing to the COIB their positions with not-for-profits, and consult with the COIB where appropriate.

Borough President’s Office Response: “The Borough President and the Confidential Assistant to the Borough President will formally disclose in writing to the Conflicts of Interest Board (COIB) their positions with not-for-profits, and will consult with the COIB where appropriate.”

13. Remind its employees, especially senior executives, to comply with Comptroller’s Directive #23 requirements regarding their service (even when it is uncompensated) with not-for-profit organizations doing business with the Borough President’s Office.

Borough President’s Office Response: “The Borough President’s office will remind its employees to comply with Comptroller’s Directive #23 regarding their service with non-for-profit organizations doing business with the Borough President’s office.”

CITY OF NEW YORK
PRESIDENT
OF THE
BOROUGH OF STATEN ISLAND



JAMES P. MOLINARO
PRESIDENT

BOROUGH HALL, STATEN ISLAND, N.Y. 10301

May 28, 2003

Mr. Greg Brooks
Deputy Comptroller
Policy, Audits, Accountancy & Contracts
New York City Comptroller's Office
One Centre Street,
New York, NY 10007

Dear Mr. Brooks:

The Office of the Borough President is in receipt of a "Draft" copy of the Audit Report on the Financial and Operating Practices of Staten Island Borough President's Office (FP02-171A).

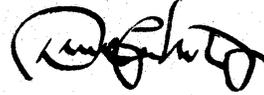
Listed below are responses to recommendations as offered by your office:

- 1) Timekeeping Discrepancies: To ensure proper timekeeping transactions, all ETRs and 920s will be reviewed and initialed by the Personnel Director.
- 2) Compensatory Time: All compensatory time not used within the 120 days will be converted into the employee's sick leave balance to ensure compliance with the City's *Time and Leave Regulations*.
- 3) Employees who are unable to liquidate their balances within the 120 days due to job responsibilities, will be asked to submit a leave plan to liquidate this time with the approval of the Director of Administration.
- 4) Sick Leave Abuse: This office will ensure that all employees who have more than five undocumented sick leave instances in a sick leave period will be required to submit appropriate medical documentation. If such documentation is not supplied, we have been advised by the Comptroller's Office that we may charge these instances to annual leave. It was also recommended that we adopt the City's Absence Control Program.

- 5) Employees Paid in Excess of Salary Ranges of their Titles: Employee #1 – Special Asst. to the Borough President’s salary will be reduced to the maximum permissible salary range effective with the new Fiscal Year. Employee #2 – (same title) will be placed in an appropriate title and salary range, effective with the new Fiscal Year. Employees #3 and #4 will be moved to appropriate titles during the next Fiscal Year. Due to the City’s budgetary condition and with the recent reduction in workforce (layoffs) which occurred in our Office, we are still researching appropriate titles for these two employees, in line with their job responsibilities.
- 6) Payroll Weaknesses: The Borough President’s Office will ensure that all personnel and payroll forms will not be prepared and reviewed by the same individual.
- 7) The Personnel Director will sign-off on all payroll transactions authorized by this administration to ensure that they are processed accurately.
- 8) The Borough President’s office will implement an ACCESS software program, to track insurance certificate expirations and automatic renewals, to improve compliance in this area.
- 9) The Borough President’s office will review insurance certificates for appropriate listing of agency and the City of New York as insured parties.
- 10) The Borough President’s office notes that this audit showed no duplicate payments, and the agency will strive to ensure that all documents are stamped “vouchered.”
- 11) The Borough President’s office will strengthen the supervisory review process, to ensure that all necessary documents are on file, and to improve the audit’s 96% compliance rate in the area of completed requisition forms.
- 12) The Borough President and the Confidential Assistant to the Borough President will formally disclose in writing to the Conflicts of Interest Board (COIB) their positions with not-for-profits, and will consult with the COIB where appropriate.
- 13) The Borough President’s office will remind its employees to comply with Comptroller’s Directive #23 regarding their service with not-for-profit organizations doing business with the Borough President’s office.

This constitutes our response to your draft copy of the Audit Report on the Financial and Operating Practices of Staten Island Borough President's Office. If you should have any questions regarding this response, please do not hesitate to contact our office.

Sincerely,



Daniel L. Master, Jr.
Counsel to the Borough President

DLM:mas