



# City of New York

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## OFFICE OF THE COMPTROLLER

**Scott M. Stringer**  
**COMPTROLLER**



## **MANAGEMENT AUDIT**

**Marjorie Landa**

Deputy Comptroller for Audit

Audit Report on the Purchasing  
Practices of the Department of City  
Planning

MG20-060A

**June 19, 2020**

<http://comptroller.nyc.gov>



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

June 19, 2020

To the Residents of the City of New York:

My office has audited the New York City Department of City Planning (DCP) to determine whether DCP maintains adequate financial controls over Other Than Personal Service (OTPS) expenditures as required by the Department of Citywide Services Purchasing Card (P-Card) Policies and Guidelines, applicable Comptroller's Directives and DCP's own policies. We audit entities such as DCP as a means of increasing accountability and ensuring that City resources are used effectively, efficiently and in the best interest of the public.

The audit found that DCP has generally implemented financial controls over its purchasing practices of OTPS but need improvement in certain areas. Specifically, the audit found that DCP's process for authorizing and reconciling P-Card purchases lacked adequate controls to ensure compliance with DCAS' P-Card policies. Further, some transactions were missing required supporting documentation, and receipts and invoices did not have the required transaction descriptions or other relevant details necessary to properly identify the items purchased.

To address these issues, the audit makes five recommendations, including that DCP: require staff to obtain and maintain written authorization prior to all P-Card purchases; consider implementing as part of its P-Card policy the use of a P-Card checklist to promote compliance with applicable policies and procedures; and ensure that it consistently obtains and retains purchase receipts, invoices, and other backup documentation with all required information to reflect the dollar amounts and detailed descriptions of the purchases.

The results of the audit have been discussed with DCP officials throughout the audit, and their comments have been considered in preparing this report.

If you have any questions concerning this report, please e-mail my Audit Bureau at [audit@comptroller.nyc.gov](mailto:audit@comptroller.nyc.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Scott M. Stringer".

Scott M. Stringer

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# THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER MANAGEMENT AUDIT

## Audit Report on the Purchasing Practices of the Department of City Planning

MG20-060A

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### EXECUTIVE SUMMARY

The Department of City Planning (DCP), established under the 1936 New York City Charter, began functioning in 1938. The Director of City Planning heads DCP and serves as Chair of the City Planning Commission (Commission). The Director's responsibilities include advising and assisting the Mayor, the Borough Presidents, and the City Council regarding all matters related to the development and improvement of the City, as well as assisting the Mayor in the preparation of strategic plans that have long-term implications for the City. DCP is the City's primary agency instrumental in designing the City's physical and socioeconomic framework and is the lead agency for most discretionary land use actions, such as amendments to the zoning map and zoning text. DCP's mission is to plan for the future of New York City.

During Fiscal Year 2019, DCP's Other Than Personal Services (OTPS) expenditures totaled \$10,266,885, resulting from 1,490 transactions. DCP Procurement Analysts (PAs) are responsible for processing OTPS expenditures.<sup>1</sup> PAs receive requests by email from office managers to purchase goods and services, determine the classification and the funding source most appropriate for the expenditures, and prepare procurement documents for review and approval by the Agency Chief Contracting Officer (ACCO). DCP's Fiscal Affairs division addresses inquiries regarding the funding source to be used. The OTPS transactions, including payments, are processed through the City's Financial Management System (FMS). DCP also procures goods and services through the use of Procurement Cards (P-Cards).

### Audit Findings and Conclusion

Overall, DCP's financial controls over OTPS expenditures are functional but need improvement in certain areas. The audit found that DCP's controls adequately ensured that agency staff complied with requirements of the agency's internal procedures, the Comptroller's Directives, and the Department of Citywide Administrative Services' Citywide Purchasing Card (P-Card) Policies and Guidelines relating to eight areas. However, the audit also found that DCP's process for authorizing and reconciling purchases lacked adequate controls to ensure that agency staff consistently complied with the requirements relating to five other areas. Specifically, we found

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<sup>1</sup> OTPS expenses are expenses other than salaries and fringe benefits, such as supplies, equipment, utilities, and contractual services.

weaknesses with the way DCP processed 161 (76 percent) of the 212 transactions that we sampled, totaling \$56,582.

These issues, if not resolved, may increase the risk of DCP making unnecessary or unauthorized payments for goods and/or services.

## **Audit Recommendations**

To address the issues raised by this audit, we make five recommendations, including the following:

- DCP should ensure that its staff are familiar with and adhere to established policies and guidelines governing P-Card use and travel and conference expenditures and require staff to obtain and maintain written authorization prior to all P-Card purchases.
- DCP should consider implementing as part of its P-Card policy the use of a P-Card checklist to promote compliance with applicable policies and procedures, as DCAS generally encourages for all agencies in Section 2.2.4 of its Citywide P-Card Policies and Guidelines.
- DCP should ensure that it consistently obtains and retains P-Card and PRM1 purchase receipts, invoices, and other backup documentation with all required information to reflect the dollar amounts and detailed descriptions of the purchases, and that all such supporting documentation is submitted and reviewed in a timely manner.

## **Agency Response**

In its response, DCP stated that it agreed with the audit findings and recommendations.

# AUDIT REPORT

## Background

DCP, established under the 1936 New York City Charter, began functioning in 1938. The Director of City Planning heads DCP and serves as Chair of the City Planning Commission (Commission). The Director's responsibilities include advising and assisting the Mayor, the Borough Presidents, and the City Council regarding all matters related to the development and improvement of the City, as well as assisting the Mayor in the preparation of strategic plans that have long-term implications for the City.

DCP is the City's primary agency instrumental in designing the City's physical and socioeconomic framework and is the lead agency for most discretionary land use actions, such as amendments to the zoning map and zoning text. DCP's mission is to plan for the future of New York City. To fulfill its mission, DCP works with neighborhoods and government agencies to develop frameworks for growth that align strategic planning priorities with individual community needs and promote neighborhood economic development. DCP also advises government agencies and the public by providing policy analysis, technical assistance and data on housing, zoning, urban design, and community facilities to help inform strategic and capital planning decisions.

During Fiscal Year 2019, DCP's OTPS expenditures totaled \$10,266,885, resulting from 1,490 transactions. DCP PAs are responsible for processing OTPS expenditures.<sup>2</sup> PAs receive requests by email from office managers to purchase goods and services, determine the classification and the funding source most appropriate for the expenditures, and prepare procurement documents for review and approval by the ACCO. DCP's Fiscal Affairs division addresses inquiries regarding the funding source to be used. The OTPS transactions, including payments, are processed through FMS. DCP also procures goods and services through the use of P-Cards.

## Objective

The objective of this audit was to determine whether DCP maintains adequate financial controls over OTPS expenditures.

## Scope and Methodology Statement

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards 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 objective. 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.

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<sup>2</sup> OTPS expenses are expenses other than salaries and fringe benefits, such as supplies, equipment, utilities, and contractual services.

The scope of this audit covered Fiscal Year 2019 (July 1, 2018 through June 30, 2019). Please refer to the Detailed Scope and Methodology at the end of this report for specific procedures and tests that we conducted.

## **Discussion of Audit Results with DCP**

The matters covered in this report were discussed with DCP officials during and at the conclusion of this audit. A preliminary draft report was sent to DCP and discussed at an exit conference held on May 22, 2020. On June 3, 2020, we submitted a draft report to DCP with a request for comments. We received a written response from DCP on June 12, 2020.

In its response, DCP stated that it “accepts the findings of the audit and will work to implement the Comptroller’s overall recommendations.”

The full text of DCP’s response is included as an addendum to this report.

## FINDINGS AND RECOMMENDATIONS

Overall, DCP's financial controls over OTPS expenditures are functional but need improvement in certain areas. The audit found that DCP's controls adequately ensured that agency staff complied with requirements of the agency's internal procedures, the Comptroller's Directives, and the Department of Citywide Administrative Services' Citywide Purchasing Card (P-Card) Policies and Guidelines relating to eight areas. Specifically, based on our review of 212 sampled transactions, totaling \$184,521, we found that DCP's controls over its purchases allowed the agency to adequately ensure that:

- P-Card holders did not exceed their monthly cycle or their individual charge limits;
- Miscellaneous payment vouchers (PRM1s) were generally used appropriately;<sup>3</sup>
- Approved out-of-city trips did not exceed the total approved amount;
- Micro-purchases were not split purchases;<sup>4</sup>
- Invoices supporting the OTPS expenditures contained evidence that DCP received the goods/services it paid for; and
- Transactions were recorded in the correct accounting period.

In addition, our review of DCP's procurement of two Environmental Impact Studies (EIS), totaling \$424,861, as well as five recurring and requirement expenses, totaling \$44,924, revealed that DCP did not exceed the amount on the advice of award and that all of the transactions were properly authorized.<sup>5</sup> Furthermore, we were able to physically account for the inventory items that DCP purchased during Fiscal Year 2019.

However, the audit found that DCP's process for authorizing and reconciling purchases lacked adequate controls to ensure that agency staff consistently complied with five types of requirements outlined in the above-mentioned policies. Specifically, we found weaknesses with the way DCP processed 161 (76 percent) of the 212 transactions that we sampled, totaling \$56,582, for the reasons outlined below:

- DCP's expenditure records contained no evidence that staff obtained supervisory approval prior to initiating purchases for any of the 150 P-Card charges sampled;
- Transactions were missing required supporting documentation;
- Receipts or invoices did not have the required transaction descriptions and other relevant details necessary to properly identify items that were purchased;
- DCP did not consistently use appropriate object codes; and
- DCP inadvertently paid New York State sales tax for some P-Card purchases.

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<sup>3</sup> We found one instance (out of 12 PRM1s examined) where DCP inappropriately used a PRM1 rather than create a purchase order. The PRM1 (totaling \$1,500) was for legal services. DCP officials explained that the vendor in question was not registered in FMS and DCP would have missed the filing deadline had they required that this vendor go through the registration process. The vendor has since been registered with FMS and DCP has processed subsequent payments to this vendor through purchase orders.

<sup>4</sup> Micro-purchases are procurements of \$20,000 or less (\$35,000 for construction). Split purchases occur when a single purchase requirement is divided into two separate purchase requests to circumvent single transaction limits or purchase thresholds.

<sup>5</sup> An EIS describes and analyzes a proposed action which may have a significant impact on the environment and includes, among other things, an identification of ways to reduce or avoid adverse environmental impacts. The recurring and requirement contractual expenses include printing, purchase of promotional items and accessories, copier rentals, and rental of water filtration unit.



Our findings based on the transactions we sampled are summarized in Table 1 below:

**Table 1**

OTPS Transactions with Issues

Expenditure Type	# of Transactions Sampled	Total \$ Amount of Sample	# of Transactions with Deficiencies <sup>6</sup>	\$ Amount of Deficient Transactions
PRM1	12	\$6,621	6	\$4,872
P-Cards	150	\$35,551	150	\$35,551
Other OTPS	50	\$142,349	5	\$16,159
TOTAL	212	\$184,521	161	\$56,582

Without consistently applying the applicable policies, guidelines, and directives, DCP cannot ensure that OTPS expenditures are properly authorized and appropriated.

## Management Oversight of Controls over OTPS Expenditures Insufficient to Ensure Consistent Adherence

DCP management has established policies and guidelines as internal controls to enable its oversight of OTPS transactions. However, DCP management has not ensured that these policies and procedures are universally followed by DCP staff when OTPS expenditures are processed.

As a result of inadequate management oversight, DCP’s expenditure records contained no evidence that P-Card holders obtained written authorization prior to charging purchases to the P-Cards. In addition, we found instances where supporting documentation for purchases involving both P-Cards and reimbursement of employees’ travel and conference expenses was either missing or incomplete, other instances in which incorrect object codes were used for expenditures, and three purchases in which DCP inadvertently paid a small amount of sales tax, which is not permitted. These issues are discussed in more detail in the sections below.

### No Proof of Written Prior Authorization for P-Card Usage

DCAS’s Citywide P-Card Policies and Guidelines, Section 1.4.1, states that the cardholders are responsible for obtaining “written approval from their Cardholder Approver/Manager . . . prior to any purchases.” In addition, DCP’s Purchasing Card Policies states that “purchasing staff must receive written supervisor approval prior to any credit card purchases.” Contrary to those provisions, however, none of DCP’s 150 P-Card transactions that we sampled were supported by a record of written pre-approval.

According to the above guidelines, P-Cards are used to purchase goods and services “for official business purposes . . . when it is deemed financially and operationally advantageous to the agency.” Examples of appropriate P-Card purchases are: (1) unplanned expenses that are not available through the DCAS Storehouse or City Requirement Contracts; (2) time-sensitive needs

<sup>6</sup> For the PRM1 and P-Card tests, 38 transactions had more than one deficiency. An example is a transaction with missing or incomplete supporting documentation and an incorrect object code.

that meet micro-purchase limits of up to \$20,000; and (3) instances where a credit card is the sole or most practical payment option. For Fiscal Year 2019, DCP's P-Card purchases totaled \$84,888.

We sampled three months of DCP's P-Card purchases during Fiscal Year 2019 (September 2018, March 2019, and April 2019), encompassing 150 transactions totaling \$35,551, to determine whether the charges were appropriate, authorized, adequately supported, and properly recorded. We found that for all 150 P-Card transactions, DCP was unable to provide evidence of prior written authorization for the purchases. DCP officials stated that DCP staff "approves P-Card purchases via email and does not store these documents." DCP officials also stated that "[i]n practice, because the P-Card holders are seated next to the ACCO, approval is sometimes also granted verbally, though this is outside of Department and DCAS policy." In the absence of evidence of prior approval, DCP incurs an increased risk that P-Cards may be misused and that the misuse may go undetected.

## **Missing or Insufficient Documentation for PRM1 and P-Card Expenditures**

Comptroller's Directive #6, *Travel, Meals, Lodging and Miscellaneous Agency Expenses*, governs expenditures for employee travel, agency-provided meals and refreshments, and a variety of other miscellaneous agency expenditures, including employees' attendance at conferences. Section 7.5 states, "A brief synopsis of the relevant subject matter covered at the Conference must be submitted to the Agency Head or Designee within 14 business days of the employee's return, and it must be available for the Comptroller's audit." In addition, Section 4.1 states, "Original Receipts are required for transportation fares, parking fees, gasoline, minor repairs of City owned vehicles, Taxis, tolls and rental vehicle costs." Furthermore, Section 4.6.2 states that the "*Personal Expense Reimbursement Request* must describe the specific reason for each use." DCP primarily uses PRM1s to reimburse employees for expenses incurred for one-day and overnight travel.

In addition, DCAS' Citywide P-Card Policies and Guidelines Section 2.2.2 requires that receipts and associated purchase backup documentation include the name of the vendor, a description and the unit cost of each item purchased, and pre-approval authorization. Section 1.4.1 further states that cardholders are responsible for "retaining receipts and documentation for all transactions."

We found the following deficiencies in DCP's PRM1 and P-Card transactions:

- Of the 12 PRM1 transactions tested, 5 transactions totaling \$1,500 were either missing supporting documentation (3 transactions totaling \$1,427) or lacked required information in the documentation provided (2 transactions totaling \$73). Supporting documentation that was missing or insufficient included employee post-conference attendance reports describing what was learned at the conference, a taxi fare receipt, and justification for using the taxi service.
- Of the 150 P-Card transactions tested, 20 charges totaling \$4,412 either had no supporting documentation (11 transactions totaling \$334) or lacked required information in the supporting documentation provided (9 transactions totaling \$4,078), such as catering receipts that did not list the items purchased.

DCP attributed the missing invoices to an oversight by an employee who no longer works at the agency and the incomplete information to the billing systems of the vendors. Maintaining complete supporting documentation is essential for an agency to review the legitimacy of purchases. Inadequate supporting evidence for OTPS expenditures may lead to incomplete reviews of the validity of the transactions, and, in turn, DCP risks potentially paying for unnecessary or inappropriate expenses.

## **Appropriate Object Codes Were Not Consistently Used**

According to Comptroller's Directive #24, Section 6.0, Payment Voucher approvers must ensure that the "appropriate accounting and budget codes are being charged. This includes charging the correct unit of appropriation and correct object code within that unit of appropriation." If object codes for specific categories of expenses are available, approvers must use them to charge those expenses; for other charges, approvers may use object codes available for general categories.

We identified 21 transactions, totaling \$22,744, out of 212 transactions reviewed in which DCP did not use the appropriate object codes; incorrect object codes were used for two transactions totaling \$956, and general rather than the more appropriate specific object codes were used for 19 transactions, totaling \$21,788. For example, in one instance, DCP incorrectly charged an air conditioning maintenance contract to "Data Processing Equipment Maintenance." In some instances, DCP charged "Contractual Exp. General" rather than the more appropriate specific object code categories of "Telephone & Other Communications" or "Office Services." DCP also charged expenditures for data processing supplies to "Supplies and Materials-General" rather than the more appropriate "Data Processing Supplies."

DCP acknowledged that the agency used incorrect object codes in 2 of the 21 abovementioned transactions but contended that its use of the general object codes instead of the specific ones in the 19 remaining transactions was acceptable, stating that "while DCP's Expense Classification Guide strongly encourages the use of specific object codes when applicable, use of a general object code is allowable." However, use of the appropriate, specific object codes ensures that an agency correctly categorizes the type and amount of particular expense items within a fiscal year; conversely, the use of general rather than specific object codes, along with the use of incorrect object codes, could compromise management's understanding of that spending and its ability to plan future budgets.

## **Inadvertent Payment of New York State Sales Taxes**

According to Section 2.3.5 of DCAS's Citywide P-Card Policies and Guidelines, "the City is not required to pay NY State Sales taxes." However, we found that DCP paid New York State sales tax totaling \$30.45 for three of the 150 P-Card transactions that we reviewed. Although the dollar amount is nominal, DCP must ensure that P-Card holders are aware of the tax exemptions so that DCP does not incur unnecessary expenses.

These issues, if not resolved, may increase the risk of DCP making unnecessary or unauthorized payments for goods and/or services.

## Recommendations

1. DCP should ensure that its staff are familiar with and adhere to established policies and guidelines governing P-Card use and travel and conference expenditures and require staff to obtain and maintain written authorization prior to all P-Card purchases.

**Agency Response:** DCP agreed, stating, “DCP will ensure that its staff are familiar with and adhere to established policies and guidelines governing P-Card, PRM1 and travel and conference expenditures, including applicable sales taxes exemptions.”

2. DCP should consider implementing as part of its P-Card policy the use of a P-Card checklist to promote compliance with applicable policies and procedures, as DCAS generally encourages for all agencies in Section 2.2.4 of its Citywide P-Card Policies and Guidelines.

**Agency Response:** DCP agreed, stating, “As advised, DCP will implement a P-Card checklist to promote compliance with applicable policies and procedures, similar to the one DCAS generally encourages.”

3. DCP should ensure that it consistently obtains and retains P-Card and PRM1 purchase receipts, invoices, and other backup documentation with all required information to reflect the dollar amounts and detailed descriptions of the purchases, and that all such supporting documentation is submitted and reviewed in a timely manner.

**Agency Response:** DCP agreed, stating, “We will ensure proper approvals and supporting documentation with all required information are submitted and maintained in a timely manner.”

4. DCP should verify that the appropriate object codes are charged for agency transactions.

**Agency Response:** DCP agreed, stating, “[W]e will verify that appropriate object codes are charged for agency transactions.”

5. DCP should ensure that its staff are familiar with applicable sales tax exemptions so that it does not incur unnecessary and inappropriate expenses for State sales tax for goods and services procured for agency use.

**Agency Response:** Please see response to recommendation #1.

## DETAILED SCOPE AND METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards 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 objective. 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 audit scope covered the period July 1, 2018 through June 30, 2019.

To obtain an understanding of DCP's purchasing process, we met with two officials from DCP's Fiscal Affairs department, which is directly responsible for providing the funding codes for the procurement of goods and services—its Director of Fiscal Affairs and Business Improvement and its Deputy Director of Fiscal Affairs. We also met with the ACCO, who oversees the Procurement Department.

To assess the adequacy of DCP's internal controls as they related to our audit objective, we evaluated information obtained from DCP's website, from our interviews, from DCP's policies and procedures, and from the Comptroller's Directives. We used the following as audit criteria:

- DCP Agency Purchasing Policy;
- DCP Purchasing Card Policies;
- DCAS Citywide Purchasing Card (P-Card) Policies and Guidelines;
- Comptroller's Directive #6 – Travel, Meals, Lodging, and Miscellaneous Agency Expenses;
- Comptroller's Directive #24 – Agency Purchasing Procedures and Controls;
- Comptroller's Memorandum #2015-1 – Update to Comptroller's Directive #24; and
- Comptroller's Memorandum #01-1 – Guidelines for Use of Procurement/Purchasing Cards.

To assess DCP's OTPS expenses for Fiscal Year 2019, we stratified the population of 1,490 transactions received from DCP to exclude P-Card purchases, PRM1 transactions, expenses \$20 and below, EIS transactions, and recurring and requirement contract expenses.<sup>7</sup> We randomly selected 50 out of the 361 remaining transactions to determine whether the transactions were properly authorized, whether prior written approvals were obtained, and whether sales tax was paid. To determine whether DCP used the correct object codes as required, we matched the category of expenses listed on the invoices to the object codes indicated in the Chart of Accounts and to DCP's Expense Classification Guide.

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<sup>7</sup> Separate tests were performed for P-Card purchases, miscellaneous payment voucher (PRM1) transactions, Environmental Impact Studies transactions, and recurring and requirement contract expenses because of additional criteria specific to each test.

To determine whether DCP used P-Cards in accordance with DCP's and DCAS's policies, we judgmentally selected from DCP's Fiscal Year 2019 monthly credit card billing statements the three statements with the highest dollar amount of charges (September 2018, March 2019, and April 2019) — a total of 150 transactions, totaling \$35,551. We reviewed the supporting documents for the 150 transactions to determine whether they adequately supported the expenses, whether written authorizations were provided prior to each use, and whether DCP adhered to DCAS's Policies and Procedures for cardholders. We also reviewed the transactions to determine whether any P-Card holders exceeded their allowable monthly cycle amounts and individual monthly transactions limits.

To determine whether DCP used PRM1s appropriately and according to the Comptroller's Directive #24, we randomly selected 12 of the 58 PRM1s for Fiscal Year 2019, totaling \$6,621. We reviewed the adequacy of the supporting documents, determined whether the expenditures were properly classified using the correct object code, and reviewed the description of each expense to determine whether it was appropriate for the use of a PRM1.

To determine whether expenses related to EIS transactions and to recurring and requirement contracts did not exceed the amount on the advice of award, using the encumbrance IDs, we randomly selected two EIS contracts and five recurring and requirement contracts for a total of 12 and 42 transactions respectively. We also reviewed the supporting documents to determine whether all of the transactions were properly authorized.

To determine whether inventory items purchased in Fiscal Year 2019 existed and could be physically located, we reviewed the list of OTPS purchases made by DCP during Fiscal Year 2019 and selected the 18 inventory items identified.<sup>8</sup> We visited DCP's offices in Manhattan, Brooklyn, Queens, and Staten Island to account for the inventory items purchased.

Although the results of our sampling tests were not statistically projected to their respective populations, the results of our audit procedures and tests provide a reasonable basis for us to determine whether DCP is in compliance with DCAS's Citywide Purchasing Card Policies and Guidelines, Comptroller's Directive #24 regarding purchasing procedures and controls, and Directive #6 with regards to travel.

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<sup>8</sup> The list of purchases included computer-related items such as computer monitors, laptops, and printers.



CITY PLANNING COMMISSION  
CITY OF NEW YORK

OFFICE OF THE CHIEF OPERATING OFFICER

June 12, 2020

Marjorie Landa  
Deputy Comptroller for Audit  
One Centre Street  
New York, NY 10007

**RE: Audit Report on the Purchasing Practices of the Department of City Planning**

Dear Ms. Landa,

The Department of City Planning (DCP) appreciates the opportunity to respond to the Draft Audit Report on the Purchasing Practices of the Department of City Planning. While the audit found that DCP adequately ensured that agency staff largely complied with the requirements of the agency's internal procedures, the Comptroller's Directives, and the Department of Citywide Administrative Services' Citywide Purchasing Card (P-Card) Policies and Guidelines, your team also identified important improvements to DCP's process for authorizing and reconciling purchases.

After a careful review, DCP accepts the findings of the audit and will work to implement the Comptroller's overall recommendations. DCP will ensure that its staff are familiar with and adhere to established policies and guidelines governing P-Card, PRM1 and travel and conference expenditures, including applicable sales taxes exemptions. As advised, DCP will implement a P-Card checklist to promote compliance with applicable policies and procedures, similar to the one DCAS generally encourages. We will ensure proper approvals and supporting documentation with all required information are submitted and maintained in a timely manner. Finally, we will verify that appropriate object codes are charged for agency transactions.

DCP is committed to improving its purchasing practices in adherence to the guidelines provided in this report.

Sincerely,

[SIGNED DIGITALLY BY WAY OF ELECTRONIC TRANSMISSION]

Jon Kaufman  
Chief Operating Officer

cc: Marisa Lago, Chair

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Title of Letter

Anita Laremont, Executive Director  
Susan Amron, General Counsel