

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 12 Bronx Community Boards

FP06-136A

January 29, 2007



THE CITY OF NEW YORK
DEPARTMENT 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:

In accordance with the Comptroller's responsibilities contained in Chapter 5, §93, of the New York City Charter, my office has audited the compliance of the Bronx Community Boards with certain purchasing and inventory procedures.

There are 12 Community Boards throughout the borough of the Bronx. Each Board is headed by a Chairperson and employs a District Manager to manage the day to day operations of the Board. We audit agencies such as these to ensure that they comply with procurement rules.

The results of our audit, which are presented in this report, have been discussed with the officials of the Boards as well as the Bronx Borough President's Office, and their comments have been considered in preparing this report. Their complete written responses are attached to this report.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "William C. Thompson, Jr.", written in a cursive style.

William C. Thompson, Jr.

Report: FP06-136A
Filed: January 29, 2007

Table of Contents

AUDIT REPORT IN BRIEF	1
Audit Findings and Conclusions.....	1
Table I.....	2
Audit Recommendations.....	2
INTRODUCTION	4
Background.....	4
Table II.....	4
Objective.....	4
Scope and Methodology	5
Discussion of Audit Results.....	6
FINDINGS AND RECOMMENDATIONS	7
Use of Incorrect Purchase Documents for Purchase of Goods and Services From External Vendors.....	7
Recommendation	8
Payments Lacked Proper Documentation on File.....	9
Table III	9
Recommendation	10
Sales Tax Paid.....	11
Recommendation	11
Improper Use of Miscellaneous Vouchers.....	11
Recommendation	12
Imprest Fund Checks Issued for Improper Expenditures	13
Recommendation	13
Improper Object Codes.....	13
Recommendation	13
Documentation Lacking for Fundraising Accounts.....	14
Recommendations.....	15
Inventory Control Weaknesses	15
Recommendation	16

ADDENDUM Responses from 12 Bronx Community Boards

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

**Audit Report on the
Financial and Operating Practices of the
12 Bronx Community Boards**

FP06-136A

AUDIT REPORT IN BRIEF

This audit determined whether the 12 Bronx Community Boards (Boards) complied with certain purchasing and inventory procedures as set forth in the New York City Comptroller's *Internal Control and Accountability Directives* (Comptroller's Directives) #3 and #24; applicable Procurement Policy Board (PPB) rules; the *Procedural Guidelines for Community Boards*; and the Department of Investigation *Standards for Inventory Control and Management*; and if the Boards received funding from non-City sources, whether they accounted for the receipt and disbursement of those funds.

Audit Findings and Conclusions

The 12 Boards generally adhered to Comptroller's Directives #3 and #24; applicable Procurement Policy Board (PPB) rules; the *Procedural Guidelines for Community Boards*; and the Department of Investigation *Standards for Inventory Control and Management*.

In addition, bids were appropriately obtained for purchases when applicable; imprest fund purchases did not exceed \$250; imprest fund checks had the required authorized signatures, designated specified payees, and had the inscription "void after 90 days"; imprest fund bank accounts were appropriately reconciled; and all major equipment items were on hand and tagged as property of the Board.

Lastly, our examination of the Boards' Other Than Personal Service expenditures disclosed no instances in which moneys were improperly used. However, there were instances in which the Boards did not comply with certain purchasing and inventory procedures, which are summarized in Table I, below:

Table I
Findings of Noncompliance with
Purchasing and Inventory Procedures

Audit Finding	Noted at
Incorrect purchase document used to initiate purchases of goods and services from external vendors.	All Boards
Payments totaling \$8,537.23 were made without proper documentation on file.	Boards #1, #2, #5, #6, #7, and #9
A total of \$540 in sales tax was inappropriately paid.	Boards #1, #6, #7, and #10
Improper use of miscellaneous vouchers.	Boards #1, #4, #5, #6, #7, #8, #9, #11, and #12
Imprest fund checks totaling \$3,063.45 were issued for services that should not have been paid via the imprest fund. The purchased services were received.	Board #11
Incorrect object code charged.	Boards #1, #2, #3, #4, #5, #7, #8, #10, and #12
Documentation lacking for fundraising account.	Boards #2 and #11
Equipment items not on inventory list.	Boards #2 and #11
Inventory list lacked complete information.	Board #2

Audit Recommendations

We make the following nine recommendations to those Boards that had weaknesses found during the audit.

- All the Boards should ensure that PD and PC purchase documents are used to encumber funds for the purchase of goods and services when required by Comptroller’s Directive #24.
- Boards #1, #2, #5, #6, #7, and #9 should ensure that voucher packages and invoices are properly maintained to adequately support all payments.
- Boards #1, #6, #7, and #10 should ensure that sales tax is excluded from all payments made to vendors.
- Boards #1, #4, #5, #6, #7, #8, #9, #11, and #12 should ensure that miscellaneous vouchers are used only for purposes that are allowable according to Comptroller’s Directive #24.
- Board #11 should ensure that all checks issued from its imprest fund are for purposes that are allowable according to Comptroller’s Directive #3.

- Boards #1, #2, #3, #4, #5, #7, #8, #10, and #12 should ensure that all payments are charged to the correct object code.
- Boards #2 and #11 should maintain complete support documentation for all funds collected from non-City sources.
- Board #11 should ensure it maintains adequate support documentation for all expenditures made from the accounts where funds from non-City sources are deposited.
- Boards #2 and #11 should ensure that complete and accurate records are maintained for equipment.

INTRODUCTION

Background

There are Community Boards for each of the 59 Community Districts throughout the five boroughs of New York City. Each Community Board (Board) has up to 50 non-salaried members who are appointed by the Borough Presidents. Board members reside, work, or have significant interests in their districts. Each Board has a Chairperson and hires a District Manager as its chief executive officer. The District Manager's responsibilities include assisting the Board in hiring the administrative staff, supervising the staff, and managing the daily operations of the district office. Each Borough President's Office provides administrative assistance to its Boards.

The Bronx Boards—Boards 1 through 12—cover the entire Bronx. Each Bronx Board has a District Manager and at least one full-time clerical staff person.

Table II, below, lists each Board's Other Than Personal Service expenditures for Fiscal Year 2005.

Table II
Summary of OTPS Expenditures for the 12 Bronx Boards
Fiscal Year 2005

	Other Than Personal Service
Board 1	\$58,547
Board 2	50,694
Board 3	48,135
Board 4	24,661
Board 5	30,019
Board 6	37,491
Board 7	59,389
Board 8	51,597
Board 9	54,853
Board 10	83,155
Board 11	51,754
Board 12	24,312
Total	\$574,607

Objective

The objectives of this audit were to determine whether the 12 Bronx Community Boards (Boards) are complying with certain purchasing and inventory procedures as set forth in the New York City Comptroller's *Internal Control and Accountability Directives* (Comptroller's Directives) #3 and #24; applicable Procurement Policy Board (PPB) rules; the *Procedural*

Guidelines for Community Boards; and the Department of Investigation *Standards for Inventory Control and Management*; and, if the Boards received funding from non-City sources, whether they accounted for the receipt and disbursement of those funds.

Scope and Methodology

This audit covered the period July 1, 2004, through June 30, 2005.

To obtain an understanding of the purchasing and inventory procedures and regulations with which the Boards are required to comply, we reviewed relevant provisions of: Comptroller's Directives #3, "Procedures for the Administration of Imprest Funds," and #24, "Agency Purchasing Procedures and Controls"; applicable Procurement Policy Board (PPB) rules; the *Procedural Guidelines for Community Boards*; and the Department of Investigation *Standards for Inventory Control and Management*. We interviewed staff at the Boards to obtain an understanding of the purchasing procedures, to determine how physical assets are safeguarded, and to determine the controls over funding received from non-City sources.

Tests of Compliance with Comptroller's Directive #3 and #24 and PPB rules

We examined all 169 purchase documents issued by the Boards (154 purchase orders; 10 contracts; 4 micro purchase documents for purchases of \$5,000 or less; and 1 small purchase document for a purchase of at least \$2,500 using other than capital funds) and their 691 corresponding vouchers. We also examined all 54 miscellaneous vouchers and all 70 imprest fund vouchers issued by the Boards during our audit period. Each purchase document and voucher was examined for the requisite approvals and authorizations; for evidence that the transactions were for proper business purposes; and for adequate documentation. It was also determined whether the proper purchase document was used to initiate the purchase of goods or services. Each of the 815 total vouchers was examined to ascertain whether: it was properly coded; an authorized purchase document was on file, sales and excise taxes, if applicable, were properly excluded from payments; and bids were obtained when required by PPB rules. For the 54 miscellaneous vouchers and 70 imprest fund vouchers, we also determined whether the vouchers were issued for only allowable purposes.

To determine whether the Boards were in compliance with imprest fund procedures specified in Comptroller's Directive #3, we selected all bank statements for the imprest funds for Fiscal Year 2005. All canceled checks listed on the bank statements were examined for the presence of: two authorized signatures; a specific payee (as opposed to "bearer" or "cash"); an endorsement; and a "void after 90 days" inscription. We also determined whether appropriate bank reconciliations were performed and whether individual imprest fund expenditures were within the \$250 allowable amount specified in Comptroller's Directive #3.

Test of Records for Funding from Non-City Sources

Based on our interviews with staff at the Boards, we determined that Boards #2 and #11 both receive funds from non-City sources, such as fundraising events and donations. To assess the controls over the bank accounts for these funds, we obtained and reviewed all available canceled checks and the corresponding invoices for Fiscal Year 2005. In addition, we attempted to determine whether all donations and moneys from fundraisers were properly recorded and deposited.

Tests of Inventory Records

We selected all major equipment items (including computers, monitors, printers, scanners, laptops, fax machines, and televisions) listed on each Board's most current inventory records and determined whether they were on hand at each Board's office. We also checked whether all items examined were properly tagged as property of the Board. Finally, we ascertained whether major equipment items purchased during our audit period were properly recorded on the Boards' inventory listings.

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.

Discussion of Audit Results

The matters covered in this report were discussed with officials of the 12 Bronx Community Boards and the Bronx Borough President's Office during and at the conclusion of this audit. A preliminary draft report was sent to Board officials and the Bronx Borough President's Office and was discussed at an exit conference held on November 8, 2006. On November 22, 2006, we submitted a draft report to Board officials and the Bronx Borough President's with a request for comments. We received written comments from all of the Boards, all of which have been included as addenda to this report. The Borough President's Office did not submit a response.

In their responses, all 12 Boards described the steps they have taken or will take to implement the report's recommendations.

FINDINGS AND RECOMMENDATIONS

The 12 Boards generally adhered to Comptroller's Directives #3 and #24; applicable Procurement Policy Board (PPB) rules; the *Procedural Guidelines for Community Boards*; and the Department of Investigation *Standards for Inventory Control and Management*. In that regard:

- Bids were appropriately obtained for purchases when applicable;
- Imprest fund purchases did not exceed \$250;
- Imprest fund checks had the required authorized signatures, designated specified payees, and had the inscription "void after 90 days";
- Imprest fund bank accounts were appropriately reconciled; and
- All major equipment items were on hand and tagged as property of the Board.

In addition, our examination of the Boards' Other Than Personal Service expenditures disclosed no instances in which moneys were improperly used. However, there were instances in which the Boards did not comply with certain purchasing and inventory procedures, which are discussed in detail in the following sections of this report.

Use of Incorrect Purchase Documents for the Purchase of Goods and Services from External Vendors

City agencies use purchase documents to reserve or encumber funds from their budget for the purchase of goods or services from external vendors. Payment vouchers written against a purchasing document liquidate the encumbrance and record the expenditure. On April 15, 2004, the Comptroller's Office reissued its Directive #24, "Agency Purchasing Procedures and Controls," which introduced new purchase documents that should be used to "replace the generic agency encumbrance, the Purchase Order (PO)." The updated directive states that for contracts of \$10,000 or less (using other than capital funds) agencies should use a PC purchase document instead of a PO. For micro-purchases, which are purchases of \$5,000 or less, agencies should use a PD purchase document. According to the directive, POs should be used only for "a general agency encumbrance for special, non-procurement expenditures for which a contract or Purchase Document is not required."

Based on our testing of purchase documents issued during Fiscal Year 2005, we determined that the Boards are not adhering to Comptroller's Directive #24. Specifically, the Boards issued POs for 154 of the 169 purchase documents tested instead of using the new PC and PD purchase documents when required. By not using the correct purchasing documents to encumber funds for the purchase of goods and services, the Boards are not properly representing their payment activities on the City's Financial Management System (FMS).

Recommendation

All the Boards should:

1. Ensure that PD and PC purchase documents are used to encumber funds for the purchase of goods and services when required by Comptroller's Directive #24.

Board 1 Response: "Once we are password connected online to FMS, we will use PD purchase documents. We have made this correction a part of our 'Agency Implementation Plan' (AIP)."

Board 2 Response: "Community Board staff have instituted the proper procedures in our recording and accounting practices to ensure compliance with future audits."

Board 3 Response: Bronx Community Board Three sent staff to "all necessary classes for appropriate FMS training, to ensure that PD and PC purchase documents are used to encumber funds for the purchases of goods and services as required under NYC Comptroller Directive # 24."

Board 4 Response: "We will ensure that Comptroller's Directive # 24 is strictly followed when PD and PC purchase documents are used to encumber funds for the purchase of goods and services."

Board 5 Response: "Bronx Community Board # 5 will ensure that we adhere to all rules in Directive # 24."

Board 6 Response: "Bronx Community Board #6 agrees with the Comptroller's recommendation. The community board staff will obtain a copy of Comptroller's Directive #24 and adhere to its guidelines as it relates to encumbering funds for the purchase of goods and services."

Board 7 Response: "This agency will use the PD and PC for all future purchasing actions where applicable."

Board 8 Response: "We will use PD's and PC's instead of PO's to encumber funds for the purchase of goods and services from external vendors."

Board 9 Response: "We have reviewed Directive #24 and will adhere to its standards and guidelines."

Board 10 Response: "The use of Purchase Orders will be discontinued and PC Purchase Documents or PD Purchase Documents will be used to make payments on existing accounts, as well as new accounts."

Board 11 Response: “Unfortunately, Community Boards have limited staff and it is extremely difficult to send them down to FISA to get training on the FISA system. Community Board 11 in the Bronx made arrangements with FISA Personnel to come to our Board to train our staff to do PD’s and other FISA applications. **This was done and our staff is currently using the proper purchase documents.**” (emphasis in original)

Board 12 Response: “We have received a copy of Directive 24 and after its review, contacted FISA Training Center to ensure that all staff responsible for the input and monitoring of PVEs, PCs, & PDs, are trained by FISA on the electronic system. Effective November 2006, PDs are to be used instead of POs to encumber funds.”

Payments Lacked Proper Documentation on File

Payments made at six Boards (#1, #2, #5, #6, #7, and #9) were not always properly supported. Specifically, out of the 815 voucher packages issued by the Boards during fiscal year 2005, we were unable to locate a total of seven voucher packages totaling \$4,228.44 at three of the Boards (#1, #5 and #6). Additionally, a total of nine vouchers totaling \$4,308.79 were not completely supported by the documentation on file at five of the Boards (#1, #2, #5, #7, and #9). Table III, below, summarizes the payments made by the Boards that lacked proper documentation on file.

Table III
Payments Made by the Boards that Lacked
Proper Documentation on File

Board	Lacking Voucher Package		Payments Not Fully Supported	
	# Instances	\$ Value	# Instances	\$ Value
1	1	\$1,123.00	4	\$1,873.27
2	0	0	1	255.77
5	1	575.00	1	133.04
6	5	2,530.44	0	0
7	0	0	1	339.27
9	0	0	2	1,707.44
Totals	7	\$4,228.44	9	\$4,308.79

After the exit conference, officials from Board #5 submitted support documentation for the one voucher package (\$575) and for the one payment that was not fully supported at the time of testing (\$133.04).

Comptroller’s Directive #24 states that agencies must maintain all documentation received from vendors including bids, invoices, and any vendor-signed or vendor-generated

documentation. Without invoices or bills on file to support the vouchers that are paid, we cannot determine whether all funds are being used for appropriate purposes.

Recommendation

Boards #1, #2, #5, #6, #7, and #9 should:

2. Ensure that voucher packages and invoices are properly maintained to adequately support all payments.

Board 1 Response: “Community Board 1 will ensure that all payments made are properly supported and that voucher packages and invoices are properly maintained as part of our Audit Implementation Plan.”

Board 2 Response: “We will ensure that voucher packages and invoices are properly maintained to adequately support all payments.”

Board 5 Response: “Bronx Community Board #5 will ensure that all vouchers are properly maintained in our files.”

Board 6 Response: “Bronx Community Board #6 agrees with the Comptroller’s recommendations and will ensure that all voucher packages and invoices are properly filed and maintained for future reference.”

Board 7 Response: “We will ensure that all P.V’s have sufficient and proper documentation before processed. And, that all related files be maintained.”

Board 9 Response: “We have reviewed your comments and recommendations and have specifically requested supportive documentations to be made available by any and all vendors. All said vouchers and supportive documents will be maintained within our files for future review.”

Sales Tax Paid

Four Boards (#1, #6, #7, and #10) collectively paid sales tax on 13 vouchers totaling \$540.30. Comptroller’s Directive #24 states that it is the responsibility of the payment voucher approver to ensure that taxes are not included in the payments made.

Recommendation

Boards #1, #6, #7, and #10 should:

3. Ensure that sales tax is excluded from all payments made to vendors.

Board 1 Response: “We will comply with Comptroller’s Directive # 24 and ensure that taxes are not included in vendor payments and incorporate this edit as part of our Audit Implementation Plan.”

Board 6 Response: “Bronx Community Board #6 agrees with the Comptroller’s recommendations and notes that the times it paid sales tax were for petty cash reimbursements for emergency purchases where the vendors adamantly refused to accept a New York State tax exempt form (i.e. Staples for an in-store purchase and Dell Computers which also would not accept a purchase document as a commitment for future payment), or, when the cash registers of small local vendors were not calibrated to deduct taxes.

“Nonetheless, Bronx Community Board #6 agrees with the recommendation and will henceforth either only use vendors who accept a New York State tax exempt form, or it will absorb the tax itself so that the expense will not be passed onto the City.”

Board 7 Response: “On all future invoices we will make certain that taxes are not paid as we are exempt as a city agency.”

Board 10 Response: “The Board staff has been instructed to no longer pay sales tax on any item and as a result of the Exit Conference on November 8, 2006, the Board staff is endeavoring to have the contractor, Hill-Donnelly Corporation, who was paid the sales tax, refund these monies.”

Improper Use of Miscellaneous Vouchers

Nine Boards (#1, #4, #5, #6, #7, #8, #9, #11, and #12) used a total of 18 miscellaneous vouchers for purposes that are not allowable according to Comptroller’s Directive #24. These vouchers were issued for purposes such as postage, fees for cell phone service, and charges for water cooler rental. Directive #24 states that “Miscellaneous Payment Vouchers (PVMs) may be used only when estimated or future liability is not determinable, or a contract or a Purchase Document is not required or applicable.” The Directive also states that miscellaneous vouchers should not be used for payments to postal and phone service providers. Recurring monthly expenditures such as cell phone service and charges for water cooler rental are costs for which the future liability is determinable and should not be paid with miscellaneous vouchers. Improper use of miscellaneous vouchers contributes to the distortion of the City’s books of account by understating the City’s outstanding obligations.

Recommendation

Boards #1, #4, #5, #6, #7, #8, #9, #11, and #12 should:

4. Ensure that miscellaneous vouchers are used only for purposes that are allowable according to Comptroller’s Directive #24.

Board 1 Response: “The Board will ensure that miscellaneous vouchers are used only for purposes that are allowable according to Comptroller’s Directive # 24 and incorporate this item as part of our Audit Implementation Plan.”

Board 4 Response: “We will ensure that miscellaneous vouchers are used only for purposes that are allowable according to Comptroller’s Directive # 24.”

Board 5 Response: “Bronx Community Board #5 will only use Miscellaneous voucher for purposes allowable in Directive # 24.”

Board 6 Response: “Bronx Community Board #6 agrees with the Comptroller’s recommendation. The community board’s staff will obtain and follow Comptroller’s Directive #24 as it relates to instances in which miscellaneous vouchers may or may not be used.”

Board 7 Response: “The Board will process a Purchase Document to encumber funds for all purchases over \$250.00.”

Board 8 Response: “We will ensure that the miscellaneous vouchers are used for the purposes that are allowable according to the Comptroller’s Directive # 24.”

Board 9 Response: “We have review directive #24 and will adhere to its standards and guidelines.”

Board 11 Response: “Community Board 11 was paying for postage with Miscellaneous Vouchers. This is what we were told to do. Community Board 11 will now be using PD’s for the purchase of postage.”

Board 12 Response: “Effective November 2006, Community Board 12 is utilizing the proper PD codes for postage.”

**Imprest Fund Checks Issued
For Improper Expenditures**

Of the 60 checks issued from Board #11’s imprest fund, 34 (totaling \$3,063.45) were for improper expenditures, according to Comptroller’s Directive #3. These checks were issued to pay monthly charges for cable TV and cell phones and for window cleaning services. According to the Directive, the imprest fund may not be used for “continuing monthly expenditures (e.g. ongoing rental of office equipment, internet or cell phone services).”

Recommendation

Board #11 should:

5. Ensure that all checks issued from its imprest fund are for purposes that are allowable according to Comptroller’s Directive #3.

Board 11 Response: “We began using the Imprest Fund to pay for my cell phone bill and our Cable Service because when we were paying these bills through payment vouchers, the payments were never getting credited to our accounts and these services was shut off. We recently learned that there is a way to place a hold on the checks for these services and for the Community Board to mail them directly to the provider. We are now using payment vouchers for these services.”

Improper Object Codes

All of the Boards except for #6, #9, and #11 charged the wrong object code for some of the vouchers issued during our audit period. Of the 815 voucher packages we reviewed, 27 were charged to the wrong object code. Using incorrect object codes renders agencies incapable of accurately categorizing the type and amount of a particular expense item during the fiscal year. This can compromise management’s ability to plan future budgets.

Recommendation

Boards #1, #2, #3, #4, #5, #7, #8, #10, and #12 should:

6. Ensure that all payments are charged to the correct object code.

Board 1 Response: “With respect to improper object codes Community Board 1 will ensure that all vouchers are charged to the appropriate object code.”

Board 2 Response: “Community Board staff have instituted the proper procedures in our recording and accounting practices to ensure compliance with future audits.”

Board 3 Response: “Bronx Community Board Three has made the appropriate notation for consideration and will make every effort to ensure that purchases of goods and services are charged to the correct object codes.”

Board 4 Response: “We will see to it that all payments are charged to the correct object code.”

Board 5 Response: “Bronx Community Board #5 will take corrective measures that future payments are taken from the correct code.”

Board 7 Response: Board #7 did not respond to this recommendation.

Board 8 Response: “We will make sure that all payments are charged to the correct object codes.”

Board 10 Response: “The Board staff has been instructed to pay particular attention in applying payments to the correct object codes.”

Board 12 Response: “The one voucher in question for Community Board 12 was found to be a typographical error that was corrected. The District Manager will continue to review all PDs, PVEs, and POs to eliminate keyboarding errors.”

Documentation Lacking for Fundraising Accounts

Board #2 and #11 each maintain a bank account for funds they receive from non-City sources.

Board #2 maintains an account in which it deposits donations received from local businesses and residents to pay for a Halloween parade and a holiday party. The bank statements indicated that Board #2 deposited \$12,458.12 into this account during the audit period. However, Board #2 did not maintain complete records to support the amount deposited. In fact, the Board’s lists of contributions received and other donation documentation accounted for a total of only \$11,600—a difference of \$858.12. Of this amount, \$604.12 was from a cash deposit made on December 28, 2004. The District Manager stated that these funds were collected from a raffle that was held at the holiday party. Without documentation showing exactly how much was collected from the raffle, we cannot be sure that all the funds received were actually deposited.

Board #11 maintains a bank account in which it deposits funds received from its annual carnival held in August. The bank statements indicated that Board #11 deposited \$10,051.75 into this account during the audit period. However, Board #11 did not maintain complete records to support the amount deposited. In fact, the Board’s documentation for funds collected from the carnival totaled only \$9,007.75—a difference of \$1,044. In addition, there was inadequate documentation on file for \$343.91 of the \$6,294.13 expended from the account maintained by Board #11.

After the exit conference, officials from Board #11 submitted documentation to support the \$1,044 that was deposited into its fundraising account.

Without complete documentation to support the amounts collected from non-City sources, we cannot adequately determine whether all funds that are collected are actually deposited. Additionally, without support documentation for all expenditures made from the accounts where funds from non-City sources are deposited, we cannot adequately determine the legitimacy of the expenditures.

Recommendation

Boards #2 and #11 should:

7. Maintain complete support documentation for all funds collected from non-City sources.

Board 2 Response: “Please be advised that we agree with and will implement recommendation #7.”

Board #11 should:

8. Ensure it maintains adequate support documentation for all expenditures made from the accounts where funds from non-City sources are deposited.

Board 11 Response: “Community Board 11 acknowledges that we had inadequate documentation for \$343.91 in expenditures from our fundraising account. The receipts were lost. We also had a deposit in the amount of \$1,044 with no back-up material. After the draft of this audit we forwarded the deposit documentation that was missing to your office. Community Board 11 has a much tighter control on all checks written from our fundraising account. All receipts are immediately filed with the check number and the date it was paid written on it. We are also doing our due diligence to assure that we have full accountability for ever penny in that account.”

Inventory Control Weaknesses

Our review of inventory controls at the Boards revealed weaknesses at Board #2 and #11. Specifically, a total of nine major equipment items were not included on the inventory lists at these Boards. At Board #11 we observed four computers and four monitors that were purchased in October 2003 that were not included on the inventory list. At Board #2 we observed one scanner that was purchased during our audit period that was not on the inventory list. It should be noted that after we alerted the officials at Board #2 of the discrepancy, we were given an updated inventory list that included the omitted item.

We also determined that the inventory list for Board #2 did not contain complete information that fully identifies the items listed. Specifically, the inventory list at Board #2 includes only the type of item (e.g., computer, monitor, fax machine) and the number of each item in the office. The Department of Investigation *Standards for Inventory Control and Management* states that as part of the minimum requirements for the physical inventory, records should include: type of equipment, manufacturer, serial number, and location.

Recommendation

Boards #2 and #11 should:

9. Ensure that complete and accurate records are maintained for equipment.

Board 2 Response: “We will most certainly comply with recommendation #9.”

Board 11 Response: Board #11 did not respond to this recommendation.



COMMUNITY BOARD NUMBER 1

384 EAST 149TH STREET, SUITE 320
BRONX, NEW YORK 10455

(718) 585-7117 • Fax (718) 292-0558 • E-mail: brxcbl@optonline.net

SERVING PORT MORRIS • MOTT HAVEN • MELROSE



CEDRIC L. LOFTIN
DISTRICT MANAGER

ADOLFO CARRION, JR.
BOROUGH PRESIDENT

GEORGE RODRIGUEZ
CHAIRPERSON

December 5, 2006

Mr. John Graham
Deputy Comptroller
Audits, Accountancy & Contracts
The City of New York
Office of the Comptroller
Executive Offices
1 Centre Street
New York, N.Y. 10007-2341

Re: Audit Report on the Financial and Operating
Practices of the 12 Bronx Community Boards
FP06-136

Dear Mr. Graham:

Pursuant to your correspondence of November 22, 2006, I want to thank you for providing an opportunity for commentary as to the statements outlined in the Audit Report pertaining to the financial and operating practices of the 12 Bronx Community Boards.

With respect to the audit, there were determinations made based on the review of purchasing and inventory functions of Bronx Community Board # 1 by the Controller's office's audit supervisor and his assistant. I do have some points to provide as to some of the audit findings of noncompliance with purchasing and inventory procedures.

December 5, 2006

Mr. John Graham
Deputy Comptroller
Audits, Accountancy & Contracts
The City of New York
Officer of the Comptroller
Executives Offices
1 Centre Street
New York, N.Y. 10007-2341
Page 2.

Concerning audit finding, "Incorrect purchase document used to initiate purchases of goods and services from external vendors", Board 1 was not notified of the change of procedures outlines in Section 4.4 Comptroller's Directive # 24, and issued on April 15, 2004. The result of which resulted in our being cited in the audit for the 17 purchase orders that were issued by the board in fiscal year 2005. We have now been made aware of this updated directive for future micro-purchases of \$5,000 or less. Since our initial internet connectivity to various city agencies, the board has had connectivity issues and online problems in accessing to FMS. Presently, we are again attempting to rectify with this problem with DOITT and FISA. Once we are password connected online to FMS, we will use PD purchase documents. We have made this correction a part of our "Agency Implementation Plan" (AIP).

Concerning audit finding purchasing functions, "payments lacked proper documentation on file." As outlined in the audit report, one voucher package of the Board's total voucher package was unable to be located by the Controller's audit team, and four vouchers paid without proper documentation on file. Community Board 1 will ensure that all payments made are properly supported and that voucher packages and invoices are properly maintained as part of our Audit Implementation Plan.

Concerning audit finding "sales tax paid." As stated previously, the Board was not in possession of Comptroller's Directive # 24 as to the non-payment of vendor taxes. We are now in receipt of the directive and will comply with Comptroller's Directive # 24 and ensure that taxes are not included in vendor payments and incorporate this edit as part of our Audit Implementation Plan.

Concerning the "improper use of Miscellaneous Vouchers, the Board's payment for one miscellaneous voucher paid during the audit period for an improper purpose according to section 6.32 of Comptroller's Directive # 24. The Board did not possess Directive # 24 as of the time of payment. However, the Board will ensure that miscellaneous vouchers are used only for purposed that are allowable according to Comptroller's Directive # 24 and incorporate this item as part of our Audit Implementation Plan.

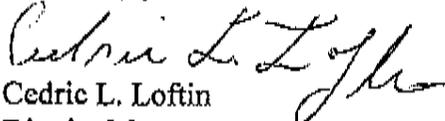
December 5, 2006

Mr. John Graham
Deputy Comptroller
Audits, Accountancy & Contracts
The City of New York
Office of the Comptroller
Executive Offices
1 Centre Street
New York, N.Y. 10007-2341
Page 3.

Concerning audit finding "improper object codes, our Board, as with other boards cited for this item raised a concern upon review of the draft report. Further discussion on this point occurred at the November 8, 2006 exit conference held with staff of the Comptroller's Office, the Borough President's Office, and the District Managers. Specifically, it was understood that a final determination was to be made by the Comptroller's Office as to payment compliance for PVE paid under code # 451, instead of code #110. In general, with respect to improper object codes Community Board 1 will ensure that all vouchers are charged to the appropriate object code.

In closing, I trust that this response is in accordance with the reporting requirements as stated by the New York City Comptroller's Office regarding Audit Report on the Financial and Operating Practices of the 12 Bronx Community Boards FP06-136A.

Very truly yours,



Cedric L. Loftin
District Manager

C: Mr. George L. Rodriguez, Chairperson

Bronx Community Board #2

Borough President Adolfo Carrión, Jr.

1029 East 163rd St.

Bronx, NY 10459

718-328-9125 • 718-991-4974 Fax

E-mail: bronxcb2@optonline.net

www.bronxcb2.org



Roberto S. Garcia
Chairperson



John Robert
District Manager

December 1, 2006

Mr. John Graham
Deputy Comptroller
Office of the Comptroller
1 Centre Street
New York, NY 10007-2341

Re: Audit Report on the Financial and Operating Practices on the 12
Bronx Community Boards FP06 – 136A

Dear Mr. Graham,

Thank you for the opportunity to review and provide written comment regarding the above referenced audit report.

Below please find our explanation and/or comments regarding specific findings and conclusions made by the audit team.

(a) With regard to Table III "Payments made by the Boards that lacked Proper Documentation on File". We were unable to locate one invoice in the amount of \$255.77. In the future, we will ensure that voucher packages and invoices are properly maintained to adequately support all payments.

(b) Under the heading "Documentation Lacking for Fundraising Accounts" the report states that there is an \$858.12 positive difference between listed contributions and deposits. Of this amount, as the report correctly states, "\$604.12 was a cash deposit made on December 28, 2004". The remaining \$254 is accounted for by a September 28, 2004 deposit for \$84.00 and a deposit made on April 8, 2005 for \$170.00. The first amount was raised at our National Night Out event in August 2004, the latter money was donated for our Annual Fellowship Breakfast that was held in the Spring of 2005.

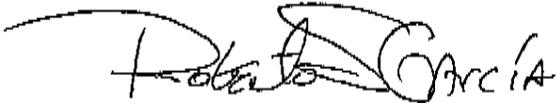
(c) Please be advised that we agree with and will implement recommendation #7 that states, "Board #2 should maintain complete support documentation for all funds collected from non-city sources."

(d) With regard to "Inventory Control Weakness" we will most certainly comply with recommendation #9 that read, "Board #2 should ensure that complete and accurate record are maintained for equipments."

Community Board staff have instituted the proper procedures in our recording and accounting practices to ensure compliance with future audits.

We would like to thank your audit team, especially Christopher Venture, for the quick efficient and professional manner in which the audit was conducted.

Sincerely,

A handwritten signature in black ink that reads "Roberto Garcia". The signature is stylized with a large, sweeping initial "R" and "G".

Roberto S. Garcia
Chairperson

C. Adolfo Carrion, Jr., Bronx Borough President
Barbara A. Becker, Director of Personnel Services and Financial Operations



**The City of New York
Bronx Community Board Three**

1426 Boston Road, Bronx, NY 10456
Telephone No.:(718)378-8054 – Fax No.:(718)378-8188
E-mail Address: brxcb3@optonline.net

DIAL	Government Services
311	& Information for NYC

Comm. Bd. Info go to: bronxmail.com

**ADOLFO CARRION, JR.
BRONX BOROUGH PRESIDENT**

**GLORIA ALSTON
CHAIRWOMAN**

**JOHN W. DUDLEY
DISTRICT MANAGER**

December 4, 2006

Mr. John Graham
Deputy Comptroller
Audits, Accountancy and Contracts
NYC Office of the Comptroller
1 Centre Street
New York, NY 10007-2341

**RE: AUDIT REPORT ON THE FINANCIAL AND OPERATING
PRACTICES OF THE 12 BRONX COMMUNITY BOARDS; FPO6-
136A**

Dear Mr. Graham:

Bronx Community Board Three is responding to the above noted "draft" audit on the financial and operating practices of the twelve Bronx Community Boards by the NYC Office of the Comptroller, dated November 22, 2006. Following is written commentary which includes an agency implementation plan in accordance with recommendations made therein as it pertains to Bronx Community Board Three:

- a) As it relates to audit finding in Table I, page 2, "Incorrect purchase document used to initiate purchases of goods and services from external vendors", Bronx Community Board Three has currently assigned Ms. Etta Ritter to attend any and all necessary classes for appropriate FMS training, to ensure that PD and PC purchase documents are used to encumber funds for the purchases of goods and services as required under NYC Comptroller Directive # 24. Accordingly, Bronx Community Board Three will seek to ensure that all appropriate parties in line with such budgetary process undergo similar FMS training.
- b) As it relates to audit finding in Table I, page 2, "Incorrect object code charged", Bronx Community Board Three has made the appropriate notation for consideration and will make every effort to ensure that purchases of goods and services are charged to the correct object codes.

Bronx Community Board Three trusts that it has met the requirements for adequacy in response to the NYC Office of the Comptroller in this matter.

Sincerely,

John W. Dudley
District Manager

Cc: Gloria S. Alston, Chairwoman
Hon. Adolfo Carrion, Jr., Bronx Borough President
Barbara A. Becker, Director of Personnel Services and Financial Operations, Office of the Bronx Borough President

EXECUTIVE OFFICERS

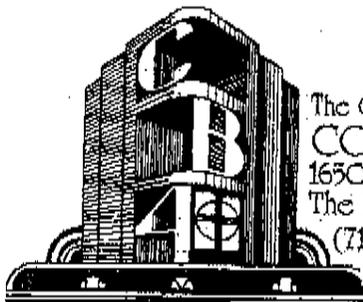
Rev. Bruce Rivera
1st Vice-Chairperson

2nd Vice-Chairperson

Adrienne Moses-Ridley
Secretary

Juanita Hamilton
Treasurer

Henry Johnson
Sgt.-at-Arms/Parliamentarian



The City of New York
COMMUNITY BOARD 4
1650 Selwyn Avenue Suites 11A & 11B
The Bronx, New York, 10457
(718) 299-0800
FAX (718) 294-7870

MS. B. DEE BELL
Chairperson

DAVID MOJICA
District Manager

December 14, 2006

Mr. John Graham
Deputy Comptroller
The City of New York
Office of the Comptroller
1 Centre Street
New York, New York 10007-2341

**Re: Audit Report on the Financial and Operating
Practices of the 12 Bronx Community Boards
FP06-136A**

Dear Mr. Graham:

We are in receipt of your letter dated November 22, 2006 of the above-referenced draft report. We wanted to take the opportunity to commend you and your staff for the quality service you provide and for guiding us through the process of making better informed decisions for the Board's financial and operating practices. Our posture here at Bronx Community Board # Four is to always operate in a manner that is transparent and that exudes excellence in all that we do.

We also wanted to take the opportunity to respond to the findings of noncompliance with inventory and purchasing procedures for fiscal year 2005.

Audit Finding

- 1) It was noted that all Bronx Community Boards used incorrect purchase documents to initiate purchases of goods and services from external vendors.

Response: We will ensure that Comptroller's Directive # 24 is strictly followed when PD and PC purchase documents are used to encumber funds for the purchase of goods and services.

- 2) Improper use of miscellaneous vouchers.

Response: We will ensure that miscellaneous vouchers are used only for purposes that are allowable according to Comptroller's Directive # 24.

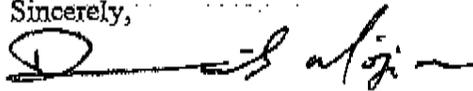
- 3) Incorrect object code charged.

Response: We will see to it that all payments are charged to the correct object code.

Looking forward, I would like to suggest that the Comptroller's Office inform Community Boards of any new changes in fiscal reporting and operating policy and on the issuance of any new Comptroller's Directives, in a timely manner. This communication protocol will facilitate the process for Community Boards to make better informed decisions and to ameliorate any concerns, in a seamless and efficient manner.

Again, thank you for your valuable service and for the courtesy, you have extended our agency in the execution of the audit reporting process.

Sincerely,



David Mojica
District Manager

cc: Hon. Adolfo Carrion Jr., Bronx Borough President
Ms. D. Lee Ezell, Board Chair
Ms. Barbara Becker, Fiscal Personnel Director, Bronx Borough President's Office



THE CITY OF NEW YORK BOROUGH OF THE BRONX
COMMUNITY BOARD 5

Honorable Adolfo Carrion, Jr. *Bronx Borough President*

Chairperson
Beverly Smith

District Manager
Xavier Rodriguez

William Thompson, Jr
Comptroller
Office of Comptroller City of NY
1 Center Street
New York, NY 10007-2341

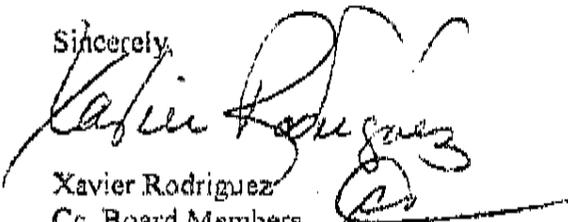
RE: Response to Fiscal Year 2005 Audit Report

Dear Honorable Thompson,

In response to Fiscal Year 2005 Audit Report, Bronx Community Board # 5 will ensure that we adhere to all rules in directive # 24:

1. Bronx Community Board #5 will ensure that all vouchers are properly maintained in our files.
2. Bronx Community Board #5 will take corrective measures that future payments are taken from the correct code
3. Lastly, Bronx Community Board #5 will only use Miscellaneous voucher for purposes allowable in Directive # 24.

Sincerely,


Xavier Rodriguez
Cc. Board Members



THE CITY OF NEW YORK

BRONX COMMUNITY BOARD #6

Honorable Adolfo Carrion, Jr., Bronx Borough President
Honorable Joel Rivera, City Councilman, 15th Councilmatic District

MS. WENDY RODRIGUEZ
Board Chairperson

December 7, 2006

MS. IVINE GALARZA
District Manager

Sister Barbara Lenniger
1st Vice Chairperson

**Mr. John Graham, Deputy Comptroller
Audits, Accountancy & Contracts
Office of the Comptroller
1 Centre Street
New York, New York 10007-2341**

Ms. Sara N. Logan
2nd Vice Chairperson

Ms. Marie G. Riolo
Secretary

Dear Mr. Graham:

Mr. Radame Perez, Jr.
Treasurer

The following is Bronx Community Board #6's response to the recommendations contained in the Comptroller's Office's Audit Report on the Financial and Operating Practices of the 12 Bronx Community Boards (FP06-13A)

Ms. Cheryl Holt-Andrews
Parliamentarian

MEMBERS

- Jannie Armstrong
- Claudette Coles
- John Colangelo, Jr.
- Will Crittendon
- Diana Diaz
- Margarita Espinosa
- Frank J. Franz
- Mark Gonzalez
- Marie Howse
- Kenneth Jackson
- Shirley Jackson
- Elizabeth Luna
- Thomas Murray
- John Napolitano
- Floretta A. O'Brien
- Rosa Peraza
- Egidio Sementilli
- Hector Torres
- Perquida Williams

Recommendation #1

All the Boards should ensure that PD and PC purchase documents are used to encumber funds for the purchase of goods and services when required by Comptroller's Directive #24.

Response: Bronx Community board #6 agrees with the Comptroller's recommendation. The community board staff will obtain a copy of Comptroller's Directive #24 and adhere to its guidelines as it relates to encumbering funds for the purchase of goods and services.

Recommendation #2

Boards #1, #2, #5, #6, #7, and #9 should ensure that voucher packages and invoices are property maintained to adequately support all payments.

Response: Bronx Community Board #6 agrees with the Comptroller's recommendations and will ensure that all voucher packages and invoices are properly filed and maintained for future reference.

STAFF

- Leslie A. Jones
- Evelyn Velazquez

1932 ARTHUR AVENUE --- ROOM 709 --- BRONX, NEW YORK 10457

Telephone: (718) 579-6990 --- Fax: (718) 579-6875

Serving the communities of: Bathgate, Belmont, Bronx Park South, East Tremont, Crotona Park North and West Farms

MR. JOHN GRAHAM, DEPUTY COMPTROLLER

**RE: Audit Report on the Financial and Operating Practices
of the 12 Bronx Community Boards (FP06-13A)**

Recommendation #3

Boards #2, #6, #7, and #17 should ensure that sales tax is excluded from all payment made to vendors.

Response: Bronx Community Board #6 agrees with the Comptroller's recommendation and notes that the times it paid sales tax were for petty cash reimbursements for emergency purchases where the vendors adamantly refused to accept a New York State tax exempt form (i.e. Staples for an in-store purchase and Dell Computers which also would not accept a purchase document as a commitment for future payment), or, when the cash registers of small local vendors were not calibrated to deduct taxes.

Nonetheless, Bronx Community Board #6 agrees with the recommendation and will henceforth either only use vendors who accept a New York State tax exempt form, or it will absorb the tax itself so that the expense will not be passed onto the City.

Recommendation #4

Boards #1, #4, #5, #6, #7, #8, #9, #11, and #12 should ensure that miscellaneous vouchers are used only for purposes that are allowable according to Comptroller's Directive #24.

Response: Bronx Community Board #6 agrees with the Comptroller's recommendation. The community board's staff will obtain and follow Comptroller's Directive #24 as it relates to instances in which miscellaneous vouchers may or may not be used.

Very truly yours,

Ivine Galarza,
District Manager

c: Honorable Adolfo Carrion, Jr., Bronx Borough President
Barbara A. Becker, Director of Personnel Services and Financial Operations
Ms. Wendy Rodriguez, Board Chairperson
Mr. Radame Perez, II, Board Treasurer
Files



THE CITY OF NEW YORK
COMMUNITY BOARD 7
BOROUGH OF THE BRONX
229-A EAST 204th STREET
BRONX, NEW YORK 10458

PHONE: (718) 933-5650
FAX: (718) 933-1829
E-MAIL: rkessler@cb.nyc.gov

Gregory Faulkner, Chairperson

Rita Kessler, District Manager

December 1, 2006

*Mr. Lawrence Welgrin, Audit Manager
NYC Office of the Comptroller
Executive Offices
1 Centre Street
New York, N.Y. 10007*

Dear Mr. Welgrin:

First let me thank you for your and your staff's time in processing the Audit Report for Community Board #7 of the Bronx. We have carefully reviewed it and appreciate your recommendations.

In response to your specific recommendations:

- a) This agency will use the PD and PC for all future purchasing actions where applicable.*
- b) Payment Vouchers: We will ensure that all P.V's have sufficient and proper documentation before processed. And, that all related files be maintained.*
- c) On all future invoices we will make certain that taxes are not paid as we are exempt as a city agency.*
- d) The Board will process a Purchase Document to encumber funds for all purchases over \$250.00.*

Again, thank you for your input and helping us to maintain proper budget files.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rita Kessler'.

*Rita Kessler
District Manager*

cc: Barbara Becker, Director of Personnel Services and Financial Operations



COMMUNITY BOARD NO. 8 BRONX

5676 RIVERDALE AVENUE, BRONX, NY 10471
TELEPHONE: (718) 884-3959
FAX: (718) 796-2763 E-MAIL: BX08@cb.nyc.gov

OFFICERS:

- CHAIRMAN**
Anthony Perez Cassino
- 1st VICE CHAIRMAN**
Damian McShane
- 2nd VICE CHAIRMAN**
Joyce M. Pilsner
- SECRETARY**
Bert Feinberg
- TREASURER**
Laura Spalter
- PAST CHAIRPERSONS**
William D. Abramson
Hon. June M. Eisland
Hon. Mark Friedlander
Lorance J. Hockett
Herbert Lieberman
Charles G. Moerdler
Robert M. Moll
Joyce M. Pilsner
Hon. Sidney Rosen
I. William Stone
Martin S. Wolpoff

Hon. Adolfo Carrion, Jr.
BRONX BOROUGH PRESIDENT

December 6, 2006

Mr. John Graham, Deputy Comptroller
The City of New York
Office of the Comptroller
1 Centre Street
New York, NY 10007

Dear Mr. Graham:

This is to advise that Community Board #8 agrees with the Comptroller's office on the finding in the audit report.

In order to correct the infractions found by your Agency, we will do the following:

We will use PD's and PC's instead of PO's to encumber funds for the purchase of goods and services from external vendors.

We will make sure that all payments are charged to the correct object codes.

We will ensure that the miscellaneous vouchers are used for the purposes that are allowable according to the Comptroller's Directive #24.

We will make these corrections in the future and agree with the Agency's Implementation Plan.

Thank you.

Sincerely,

Anthony P. Cassino
Chair

Grace Belkin
District Manager

APC:GB:sa

COMMITTEE CHAIRPERSONS:

- AGING**
Karen Pesce
- BUDGET**
Alec Diacou
- ECONOMIC DEVELOPMENT**
Julie Reyes
- EDUCATION**
Debbie Bowden
- ENVIRONMENT & SANITATION**
Saul Scheinbach
- ETHICS**
Irving Ladimer
- HEALTH, HOSPITALS & SOCIAL SERVICES**
Martin Katzenstein
- HOUSING**
Jerald Kreppel
- LAND USE**
Charles G. Moerdler
- LAW & LEGISLATIVE**
Robert M. Moll
- LIBRARIES & CULTURAL AFFAIRS**
Libby Vazquez
- PARKS & RECREATION**
Nicole Stent
- PUBLIC SAFETY**
Arlene Garbett Feldmeier
- TRAFFIC & TRANSPORTATION**
James O'Reilly
- DISTRICT MANAGER**
Grace Belkin



COMMUNITY BOARD NUMBER 9

1967 TURNBULL AVENUE, SUITE 7
BRONX, NEW YORK 10473

(718) 823-3034

bxhird09@optonline.net

FAX (718) 823-6461

ADOLFO CARRION
BRONX BOROUGH PRESIDENT

ENRIQUE YEGGA
CHAIRMAN

FRANCISCO M. GONZALEZ
DISTRICT MANAGER

December 8, 2006

SERVING

BRONX RIVER

CASTLE HILL

CLAYTON POINT

HARDING PARK

PARCHESTER

PARK STRATTON

ROUNDVIEW
BRUCKNER

UNIONPORT

Mr. John Graham,
Deputy Comptroller for Audit
Accountancy and Contracts
NYC Office of the Comptroller
One Centre Street, Room 1300N
New York, NY 10007

**RE: Audit Report and the Financial and Operating
Practice of Community Board 9.
FP06-136A**

Dear Mr. Graham:

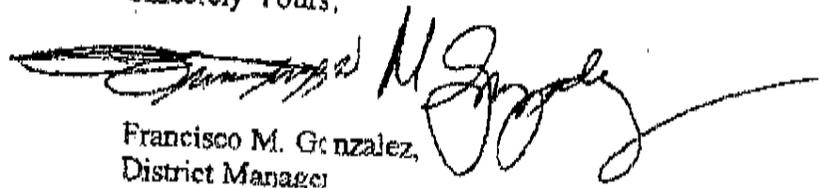
In response to your letter dated November 22nd, 2006, requesting a status report detailing the progress that our office has made in implementing your recommendations contained in your Audit Report.

We have reviewed your comments and recommendations and have specifically requested supportive documentations to be made available by any and all vendors. All said vouchers and supportive documents will be maintained within our files for future review.

We have review directive #24 and will adhere to its standards and guidelines.

Thank you in advance for your assistance and attention to the aforementioned matters.

Sincerely Yours,


Francisco M. Gonzalez,
District Manager



BRONX COMMUNITY BOARD No. 10

3165 East Tremont Avenue • Bronx, New York 10461
Tel: (718) 892-1161 • Fax: (718) 863-6860
E-mail: bx10@cb.nyc.gov • www.bronxmall.com



Adolfo Carrion
Borough President

November 24, 2006

Virginia Gallagher
Chairperson

Kenneth Kearns
District Manager

Mr. John Graham, Deputy Comptroller
Audits, Accountancy and Contracts
The City of New York
Office of the Comptroller, Executive Offices
1 Centre Street
New York, NY 10007-2141

Dear Mr. Graham:

The Board Office is in receipt of the Draft Audit Report on the Financial Operating Practices of the 12 Bronx Community Boards FP06-136A. Based on the recommendations set forth in the Draft Audit Document, Bronx Community Board #10 submits the following "Agency Implementation Plan" (AIP):

- The Board staff has been instructed to pay particular attention in applying payments to the correct object codes.
- The Board staff has been instructed to no longer pay sales tax on any item and as a result of the Exit Conference on November 8, 2006, the Board staff is endeavoring to have the contractor, Hill-Donnelly Corporation, who was paid the sales tax, refund these monies.
- The Board Office will discontinue the practice of using Purchase Orders to make payments on accounts. Prior to the audit, these accounts were paid using Purchase Orders. Subsequent to the audit, the use Purchase Orders will be discontinued and PC Purchase Documents or PD Purchase Documents will be used to make payments on existing accounts, as well as new accounts. The Board will apprise its existing vendors that all future purchases and payments will be made using the PC and PD documents.

If you should have any comment, please forward to the District Manager of the Board Office at the above address. Thank you for your attention and consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Virginia M. Gallagher".
Virginia M. Gallagher, Chair
Bronx Community Board #10



**COMMUNITY BOARD # 11, BRONX
1741 COLDEN AVENUE
BRONX, NEW YORK 10462
(718) 892-6262 FAX (718) 892-1861**

**E-Mail: BX11@cb.nyc.gov
COMMUNITY BOARD WEBSITE**

www.bronxmail.com/commboards/cd11.html

**Adolfo Carrion, Jr.
Borough President**



**John A. Fratta
District Manager**

**Dominic Castore
Chairman**

December 6, 2006

COMMITTEES

- Community Development & Budget priorities
- Economic Development
- Education & Culture
- Health & Social Services
- Highways, Traffic & Transportation
- Housing
- Information & Technology
- Land Use
- Parks & Playgrounds
- Public Safety
- Sanitation & Environmental Protection
- Youth

Hon. William C. Thompson, Jr.
Comptroller, City of New York
Executive office
One Centre Street
New York, New York 10007

Dear Comptroller Thompson:

I want to thank you for the professionalism of your staff during this year's audit of our agency. It is with the help of these audits that we find flaws in our own record keeping and accountability. Your staff was thorough and courteous during this process and I appreciate that.

With regard to the 2006 Audit of Bronx, Community Board 11 I would like to respond to some of the findings and inform you of the steps that I have taken to assure that these errors will not be made again in the future.

1) *Incorrect purchase document used to initiate purchases of goods and services from external vendors.*

Response: Unfortunately, Community Boards have limited staff and it is extremely difficult to send them down to FISA to get training on the FISA system.

Corrective Action Taken: Community Board 11 in the Bronx made arrangements for FISA Personnel to come to our Board to train our staff to do PD's and other FISA applications. **This was done and our staff is currently using the proper purchase documents.**

2) *Improper Use of Miscellaneous Voucher:*

Response: Community Board 11 was paying for postage with Miscellaneous Vouchers. This is what we were told to do.

Corrective Action Taken:

Community Board 11 will now be using PD's for the purchase of postage.

3) *Imprest Fund Checks Issued for Improper Expenditures*

Response: We began using the Imprest Fund to pay for my cell phone bill and our Cable Service because when we were paying these bills through payment vouchers, the payments were never getting credited to our accounts and these services was shut off.

Corrective Action We recently learned that there is a way to place a hold on the checks for these services and for the Community Board to mail them directly to the provider. We are now using payment vouchers for these services.

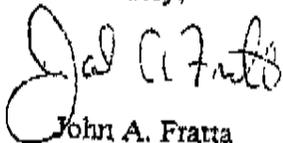
Documentation lacking for Fundraising Accounts

Response: Community Board 11 acknowledges that we had inadequate documentation for \$343.91 in expenditures from our fundraising account. The receipts were lost. We also had a deposit in the amount of \$1,044 with no back-up material. After the draft of this audit we forwarded the deposit documentation that was missing to your office.

Corrective Action Taken: Community Board 11 has a much tighter control on all checks written from our fundraising account. All receipts are immediately filed with the check number and the date it was paid written on it. We are also doing our due diligence to assure that we have full accountability for ever penny in that account.

I want to close again by thanking you and staff for bringing these deficiencies to our attention and for their professionalism.

Sincerely,



John A. Fratta

District Manager



THE CITY OF NEW YORK Borough Of The Bronx

COMMUNITY BOARD #12

FATHER RICHARD F. GORMAN, CHAIRMAN
CARMEN ROSA, DISTRICT MANAGER

4101 WHITE PLAINS ROAD
BRONX, NEW YORK 10466
TELEPHONE: (718) 881-4455/6
FAX: (718) 231-0635

December 7, 2006

**Mr. John Graham
Deputy Comptroller
The City of New York
Office of the Comptroller
Executive Offices
1 Centre Street
New York, New York 10007-2341**

**Re: CB12 Bronx Response to Audit Report
On the Financial and Operating FP06-136A**

Dear Mr. Graham:

The following are Community Board 12's, Bronx comments/response regarding the above referenced Audit for period of July 1, 2004 through June 30, 2005.

Use of Incorrect Purchase Documents for the Purchase of Goods & Services from External Vendors

We have received a copy of Directive 24 and after its review, contacted FISA Training Center to ensure that all staff responsible for the input and monitoring of PVEs, PCs, & PDs, are trained by FISA on the electronic system. Effective November 2006, PDs are to be used instead of POs to encumber funds.

As I stated at the exit interview, Community Boards have limited staff and full day training at the FISA office hamper the board's daily operations. There is a need for FISA to give said training for all Bronx Boards in the borough.

Improper Use of Miscellaneous Vouchers

Effective November 2006, Community Board 12 is utilizing the proper PD codes for postage.



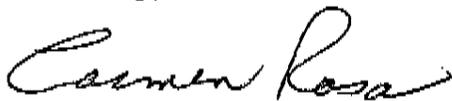
Page 2
Deputy Comptroller
John Graham
December 7, 2006

Improper Object Code

The one voucher in question for Community Board 12 was found to be a typographical error that was corrected. The District Manager will continue to review all PDs, PVEs, and POs to eliminate keyboarding errors.

I would like to once again commend your staff for the professional and expedient manner in which they conducted the audit.

Sincerely,



Carmen Rosa
District Manager

C: Father Richard F. Gorman, Chairman, Community Board 12, Bronx
Barbara Becker, Fiscal Officer, Office of The Bronx Borough President