

# 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 Queens Borough President's Office**

*FP07-094A*

**June 30, 2008**



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

WILLIAM C. THOMPSON, JR.  
COMPTROLLER

**To the Citizens of the City of New York**

Ladies and Gentlemen:

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 Queens Borough President's Office with certain purchasing, cash control, and inventory procedures.

New York City's five Borough Presidents are elected by the people of their respective boroughs for a term of four years and are the executive officials of their boroughs. We audit agencies such as these to ensure that they comply with applicable regulations and are accountable for their use of public funds.

The results of our audit, which are presented in this report, have been discussed with the Borough President's Office officials, and their comments have been considered in the preparation of this report. Their complete written response is 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](mailto:audit@Comptroller.nyc.gov) or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in black ink, appearing to read "Will C. Thompson, Jr.", written over a horizontal line.

William C. Thompson, Jr.

WCT/fh

**Report:** FP07-094A  
**Filed:** June 30, 2008

*Table of Contents*

**AUDIT REPORT IN BRIEF ..... 1**  
    Audit Findings and Conclusions ..... 1

**INTRODUCTION..... 3**  
    Background ..... 3  
    Objectives ..... 3  
    Scope and Methodology ..... 3  
    Discussion of Audit Results..... 5

**FINDINGS AND RECOMMENDATIONS ..... 6**  
    Purchase Documents Lacked Bidding Documentation..... 6  
        Recommendation ..... 7  
    Sales Tax Paid..... 7  
        Recommendation ..... 7  
    Improper Object Codes ..... 7  
        Recommendation ..... 7  
    Inappropriate Use of Miscellaneous Vouchers ..... 8  
        Recommendation ..... 8  
    Grant Files Lacked Required Documentation..... 8  
        Recommendation ..... 9  
    Cash Control Weaknesses ..... 9  
        Recommendation ..... 9  
    Inventory Control Weaknesses ..... 9  
        Recommendation ..... 10

**ADDENDUM** Response of the Queens Borough President’s Office

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

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

**FP07-094A**

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**AUDIT REPORT IN BRIEF**

New York City's five Borough Presidents are elected by the people of their respective boroughs for a term of four years and are the executive officials of their boroughs. Among their duties, Borough Presidents prepare and review budget proposals; recommend capital projects; hold public hearings on matters of public interest; consult with the Mayor and the City Council on the preparation of the City's executive and capital budgets; and provide technical assistance to the borough's community boards

This audit determined whether the Queens Borough President's Office (Borough President's Office) is complying with certain purchasing and inventory procedures and whether it maintained adequate controls over the cash receipts from map sales and topographical services.

**Audit Findings and Conclusions**

The Borough President's Office generally adhered to Comptroller's Directives #3, #11, #23, and #24; applicable PPB rules; and the Department of Investigation *Standards for Inventory Control and Management*. In addition, our examination of the Borough President's Office Other Than Personal Service (OTPS) expenditures disclosed no instances in which monies were improperly used. However, the Borough President's Office did not always comply with certain purchasing, cash control, and inventory procedures. Specifically the Borough President's Office:

- did not maintain bidding documentation on file for ten purchase documents totaling \$194,948;
- paid \$54 in sales tax on four of the 446 vouchers;
- charged the wrong object code for 23 of its 446 vouchers, totaling \$13,485;
- used 11 of its 32 miscellaneous vouchers, totaling \$44,262, to pay for transactions to postal service providers, which is not allowed under Comptroller's Directive #24;

- did not maintain a list of principals and directors for 36 of 77 organizations receiving grants, totaling \$209,694;
- did not deposit cash collected on 4,437 sales transactions on the same business day it was collected; and
- did not maintain complete and accurate inventory records.

We make seven recommendations to the Borough President's Office. The Borough President's Office should ensure that:

- documentation of bidding is maintained on file.
- sales tax is excluded from all payments made to vendors.
- all payments are charged to the correct object code.
- miscellaneous vouchers are used only for purposes that are allowable.
- a complete listing of an organization's principals and directors is on file at the time a grant is made available.
- cash collected is deposited on the same business day it is collected.
- complete and accurate inventory records are maintained.

## INTRODUCTION

### **Background**

New York City's five Borough Presidents are elected by the people of their respective boroughs for a term of four years and are the executive officials of their boroughs. The powers of each Borough President include preparing and reviewing budget proposals; recommending capital projects; holding public hearings on matters of public interest; consulting with the Mayor and the City Council on the preparation of the City's executive and capital budgets; reviewing and recommending applications and proposals for the use, development, or improvement of land within the borough; preparing environmental analyses required by law; providing technical assistance to the borough's community boards; monitoring and making recommendations regarding the performance of contractual services in the borough; and proposing legislation to be introduced in the City Council.

During Fiscal Year 2006, OTPS expenditures for the Borough President's Office amounted to \$1,419,929.

### **Objectives**

This audit was conducted to determine whether the Borough President's Office is complying with certain purchasing and inventory procedures as set forth in the Comptroller's Directives #3, and #24; applicable PPB rules; and the DOI *Standards for Inventory Control and Management*. In addition, the audit determined whether the Borough President's Office maintained controls over the cash receipts from map sales and topographical services according to Comptroller's Directive #11, and over grant expenditures according to Comptroller's Directive #23.

### **Scope and Methodology**

This audit covered the period July 1, 2005, through June 30, 2006.

To obtain an understanding of the purchasing and inventory procedures and regulations with which the Borough President's Office is required to comply, we reviewed relevant provisions of: Comptroller's Directive #3, "Procedures for the Administration of Imprest Funds"; Directive #6, "Travel, Meals, Lodging and Miscellaneous Agency Expenses"; Directive #11, "Cash Accountability and Control"; Directive #23, "Monitoring and Accountability of Discretionary Funds Provided to Borough Presidents"; Directive #24, "Agency Purchasing Procedures and Controls"; applicable Procurement Policy Board (PPB) rules; and the Department of Investigation *Standards for Inventory Control and Management*. We interviewed staff to obtain an understanding of the purchasing procedures, to understand how physical assets are safeguarded, and to identify the controls over cash receipts and grants; and we conducted a walkthrough of the Borough President's Office to familiarize ourselves with its operation.

### **Tests of Compliance with Comptroller's Directives #3, #6, and #24 and PPB rules**

We examined all 122 purchase documents issued by the Borough President's Office (6 purchase orders; 18 contracts; 93 micro-purchase documents for purchases of \$5,000 or less; 1 requirements contract release order; and 4 small purchase documents for a purchase of at least \$2,500 using other than capital funds) and their 446 corresponding vouchers. We also examined all 32 miscellaneous vouchers issued by the Borough President's Office 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 478 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 32 miscellaneous vouchers, we also determined whether the vouchers were issued for only allowable purposes.

To determine whether the Borough President's Office was in compliance with imprest fund procedures specified in Comptroller's Directives #3, we reviewed all bank statements for the imprest funds for Fiscal Year 2006. 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 Compliance with Comptroller's Directive #11 for Cash Receipts**

We examined all 5,192 transactions, totaling \$513,321, for map sales, topographical services, and incidentals (such as grant reimbursements or collections on returned checks) issued by the Borough President's Office during Fiscal Year 2006 to ascertain whether the receipts were pre-printed and in sequential order and whether all of the sales receipts were accounted for. We also examined all of the corresponding cash receipts documents and bank deposit slips to check whether all sales were properly recorded and all cash collected deposited the same or following day into the Treasury Collection Account, as required by Comptroller's Directive #11.

### **Test of Compliance with Comptroller's Directive #23, Grants**

We examined all 77 grant expenditures, totaling \$472,749, issued by the Borough President's Office during Fiscal Year 2006 for evidence that adequate supporting documentation was maintained, the recipients were monitored to ensure that funds were properly expended for the intended purposes. We also examined the records to determine whether the awarding of grants could result in a possible conflict of interest. In addition, we inspected the Borough President Office's records to establish whether a reporting system existed to account for the progress of associated projects; whether the recipients' administrative costs were checked for reasonableness; and whether grant expenditures were approved by the Borough President.

## **Tests of Inventory Records and Compliance with DOI Inventory Standards**

We randomly selected 86 of 378 major equipment items (including computers, monitors, printers, scanners, laptops, fax machines, DVD players, televisions, cell phones, cameras, camcorders, and cars) listed on the Borough President's Office most current inventory records and determined whether they were present at the office. We also determined whether 25 equipment items that we observed in the Borough President's Office during our walkthrough were listed on the Borough President's Office inventory records. In addition, we checked whether all items examined were properly tagged as property of the Borough President's Office. Finally, we ascertained whether the three major equipment items purchased during our audit period were properly recorded on the Borough President's Office inventory listing. The results of the above tests, while not projectable to all major equipment items, provided a reasonable basis to assess the Borough President's Office controls over inventory as specified in the DOI *Standards for Inventory Control and Management*.

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 Borough President's Office during and at the conclusion of this audit. A preliminary draft report was sent to the Borough President's Office March 7, 2008, and discussed at the exit conference on April 9, 2008. On April 25, 2008, we submitted a draft report to the Borough President's Office officials with a request for comments. We received written comments from the Borough President's Office officials on May 12, 2008, in which they generally agreed except for one issue with the audit recommendations and described the specific steps that have been or will be taken to address the exceptions noted in the report.

The Borough President's Office disagreed with our position on payments made to post office boxes. Upon further reflection we agree with their position and have deleted this issue from our final report.

The full text of the Borough President's Office response is included as an addendum to this report.



## **FINDINGS AND RECOMMENDATIONS**

The Borough President's Office generally adhered to Comptroller's Directives #3, #6, #11, #23, and #24; applicable Procurement Policy Board rules; and the Department of Investigation *Standards for Inventory Control and Management*. In this regard:

- Vouchers and purchase documents were properly approved and authorized;
- Appropriate documentation was maintained to support the vouchers;
- All cash collected was deposited to the Treasury Collection Account;
- Sales receipts were pre-printed and used in sequence;
- Grant Expenditures were approved by the Borough President;
- Grant Expenditures were properly monitored and used as intended;
- Imprest fund checks had the required authorized signatures, designated specified payees, had the inscription "void after 90 days," and did not exceed \$250;
- All imprest fund checks were issued for proper expenditures;
- Imprest fund bank accounts were appropriately reconciled; and
- All inventory items were found at the designated locations.

In addition, our examination of the Borough President's Office OTPS expenditures disclosed no instances in which monies were improperly used. However, the Borough President's Office did not always comply with certain purchasing, cash control, and inventory procedures. These instances of noncompliance, which did not detract from our opinion, are discussed in detail in the following sections of this report.

### **Purchase Documents Lacked Bidding Documentation**

During Fiscal Year 2006, the Borough President's Office did not maintain bidding documentation in their files for 10 purchase documents, totaling \$194,948.

The PPB rules state that any purchase valued at more than \$5,000 is to be awarded to the lowest responsive and responsible bidder or to a vendor who presented the most beneficial offer. The PPB rules also require that the record of bids be maintained on file at the agency. Without the proper documentation, it would be impossible to evaluate City agency adherence to applicable laws and regulations.

### **Recommendation**

1. The Borough President's Office should ensure that documentation of bidding is maintained on file.

***Borough President's Office Response:*** Officials from the Borough President's Office did not respond to the recommendation but instead explained why each purchase cited in the report did not have bidding documentation on file.

***Auditor Comment:*** As stated in the report, PPB rules require that the record of bids be maintained on file at the agency.

### **Sales Tax Paid**

The Borough President's Office paid \$54 in sales tax on 4 of the 446 vouchers.

Comptroller's Directive #24 states that it is the responsibility of the person who approves a payment voucher to ensure that taxes are not included in the payments made.

### **Recommendation**

2. The Borough President's Office should ensure that sales tax is excluded from all payments made to vendors.

***Borough President's Office Response:*** "All of these vouchers were paid to Redwood Deli. In the future we will review bills more carefully and omit the payment of sales tax."

### **Improper Object Codes**

The Borough President's Office charged the wrong object code for 23 of its 446 general payment vouchers, totaling \$13,485, and one of its 32 miscellaneous vouchers, totaling \$852.

Using incorrect object codes does not allow agencies to accurately categorize the type and amount of a particular item expense during the fiscal year. This can compromise management's ability to plan future budgets.

### **Recommendation**

3. The Borough President's Office should ensure that all payments are charged to the correct object code.

***Borough President's Office Response:*** "In the future we will be more mindful of identifying items purchased and allocating object codes accordingly."

### **Inappropriate Use of Miscellaneous Vouchers**

The Borough President's Office used 11 of its 32 miscellaneous vouchers, totaling \$44,262, to pay for transactions to postal service providers, which is not allowed under Comptroller's Directive #24.

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. Improper use of miscellaneous vouchers contributes to the distortion of the City's books of account by understating the City's outstanding obligations.

#### **Recommendation**

4. The Borough President's Office should ensure that miscellaneous vouchers are used only for purposes that are allowable according to Comptroller's Directive #24.

***Borough President's Office Response:*** "Many agencies used this Miscellaneous Vouchers to purchase postal services. It was only after clarification from the Comptroller's Office that we learned postal services should be made with a Purchase Order."

***Auditor Comment:*** Directive #24 went into effect on April 15, 2004; section 6.3.2 lists examples of inappropriate uses of PVMs (Miscellaneous Vouchers) including payments to postal providers.

### **Grant Files Lacked Required Documentation.**

The Borough President's Office did not maintain on file the list of principals and directors for 36 of 77 organizations that received grant funding, totaling \$209,694. Upon request, the Borough President's Office did provide a list of principals and directors; however, the newly provided documents did not cover the period tested.

According to Comptroller's Directive #23, a complete listing of the organization's principals and directors should be maintained on file when a grant is made available. All City employees must be aware of situations that may result in a conflict of interest. Therefore, it is crucial that Borough President's Office exercise caution and follow closely the Comptroller's Directives in order to avoid the appearance of a conflict of interest.

### **Recommendation**

5. The Borough President's Office should ensure that a complete listing of an organization's principals and directors is on file at the time a grant is made available.

***Borough President's Office Response:*** The Borough President's office agreed to maintain a complete listing of an organization's principals and directors on file at the time a grant is made available.

### **Cash Control Weaknesses**

During Fiscal Year 2006, the Borough President's Office had 5,192 transactions, totaling \$513,321, for map sales and topographical services (5,174 transactions) and incidentals such as grant reimbursements or collections on returned checks (18 transactions). We found that proceeds from only 755 transactions were deposited in the bank in a timely manner, as required by Comptroller's Directive #11. Cash collected on 4,437 transactions (4,429 from map sales and topographical services and 8 transactions from incidentals), or 85 percent of total receipts, was deposited from 3 to 19 days after received.

Comptroller's Directive #11 indicates the guidelines for internal control and accountability of cash. It requires that in general, all cash collections should be deposited into the bank account on the same business day that they are received. Cash transactions are vulnerable to breaches in internal controls and open to abuse.

### **Recommendation**

6. The Borough President's Office should ensure that cash collected is deposited on the same business day it is collected.

***Borough President's Office Response:*** "The primary delay is caused by the fact that the bank we are assigned to deposit into is Deutsche Bank and it is located in Manhattan. It is hardship for us to send a messenger daily to deposit checks. We contacted the Comptroller's office requesting a bank location in Queens to expedite deposits. The Comptroller has just assigned a Queens bank location for our deposits. Going forward, Daily deposits will be made."

### **Inventory Control Weaknesses**

Our examination of a sample of 114 items—86 from the Borough President's Office's inventory records, 25 observed at the time of the walkthrough, and 3 purchased by the Borough President's Office during our audit period—found that:

- 12 items had no serial number listed on the inventory list;
- 1 item was not tagged as property of the Borough President's Office;

- 2 items had the actual asset tag but its number was different from the one on the Borough President’s Office records; and
- 3 items were not included on the inventory list.

Section 28 of the DOI *Standards for Inventory Control and Management* states, “Permanent records are maintained, centrally, to track all non-consumable goods issued to each agency unit, including type of equipment, manufacturer, serial number, agency control number, condition, location, date issued, and the person(s) responsible for maintenance.”

**Recommendation**

7. The Borough President’s Office should ensure that complete and accurate records of all equipment are maintained.

***Borough President’s Office Response:*** “Since the draft audit we have reviewed the items cited. Most of the items have been located, the office inventory listing has been updated and we will do our best to maintain accurate listings.”



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CITY OF NEW YORK  
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April 29, 2008

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

Dear Mr. Graham:

We have received a copy of the draft audit report FP07-094A from your office. As I am sure you are aware, we met with Lawrence Welgrin, Audit Manager a few weeks ago prior to this draft report. We are, of course, pleased that the audit findings were positive and disclosed no instances in which moneys were improperly used.

We have enclosed a detailed response to the draft audit for your consideration. Please do not hesitate to have Larry Welgrin contact Carol Ricci of my staff to discuss any issues, comments or policies.

Very truly yours,

ALEXANDRA ROSA  
Chief of Staff

Below is a detailed response to the draft audit. The Comptroller's Audit staff reviewed each of these categories in detail. Therefore, we are responding to the categories in detail.

### **Purchase Documents Lacked Bidding Documentation**

1. Information Leasing- This was bid as a copier lease. There were no copiers on requirement contract. Therefore, beginning Fiscal Year 2005 this copier was bid and leased. This is the second half of the Fiscal Year 2005 contract. The contract was bid in conformance with DCAS procurement rules based upon the advice of Janette Williams, DCAS procurement. The contract is part of the lease agreement with Danka. DCAS approved this procurement. All bids were submitted to the Comptroller's office for registration of this contract. Unfortunately, copies of the bids were not maintained in the fiscal office files.
2. Graffiti Answers – this contract ran from 2/1/05 – 1/30/06. The contract was bid. This contract was registered with the Comptroller's Office. In order to be registered, the contract must have all bids attached, as well as all other required documentation. The reason it was not in the file is because it was registered in Fiscal Year 2005. When a contract runs over two Fiscal Years, the Comptroller's Office rolls the balance of the funding into the next Fiscal Year.
3. Lanier Worldwide – this contract was a competitive bid, small purchase. The total cost of 36-month lease was \$27,200.80. The contract was registered by the Comptroller's Office. In order to be registered, all documentation must be on file. The contract ran from 6/1/05 to 5/31/08. The reason it is not in the file is because it was registered in Fiscal Year 2005. When a contract runs over multiple Fiscal Years, the Comptroller's Office rolls the balance of the funding into the next Fiscal Year.
4. Thomas Campagna – this is a negotiated acquisition contract. The term of the contract is from 10/15/05 – 10/15/06. This contract was registered with the Comptroller's Office. In order to be registered all required documentation must be included. The reason it is not in the file is because it was registered in Fiscal Year 2005. When a contract runs over two Fiscal Years, the Comptroller's Office rolls the balance of the funding into the next Fiscal Year.
5. CitySoft – this is a renewal contract. The term of the contract is from 1/2/06 – 1/2/07. This contract was an RFP and was submitted as a competitive bid, large purchase. The contract was bid. This contract was registered with the Comptroller's Office. In order to be registered, the contract must have all bids attached, as well as all other required documentation. When a contract runs over two Fiscal Years, the Comptroller's Office rolls the balance of the funding into the next Fiscal Year.

6. Graffiti Answers – this contract runs from 2/1/06 through 1/31/07.  
This contract was registered with the Comptroller's Office. In order to be registered, the contract must have all bids attached, as well as all other required documentation. When a contract runs over two Fiscal Years, the Comptroller's Office rolls the balance of the funding into the next Fiscal Year.
7. Prime New York – this was a small purchase, sole source.  
There is no other provider in New York. The purchase totaled \$5,100.
8. Queens Theatre in The Park – this is a sole source.  
Payment was made for the rental of the Theatre for Hispanic events that were co-sponsored by the Borough President and private entities. The rental is given to us "at cost" and is part of our contribution to co-sponsored events. This is a licensing agreement for space and cannot be bid.
9. Danka – This contract was bid out and registered with the Comptroller's Office. In order to be registered, the contract must have all bids attached, as well as all other required documentation.
10. Queens Progress – This is a contract for copying maps, blueprints, etc.  
There are only two companies that copy with Mylar. We used the requirement contractor some years ago. This was Louis Frey. This company not only lost one of our maps but eventually went out of business. Therefore, we began using the only other company available. It should be noted that the price for map reproduction is less expensive with Queens Progress than Louis Frey.

### **Sales Tax Paid**

All of these vouchers were paid to Redwood Deli. The tax was paid inadvertently. However, to remedy the payment of tax we have contacted Redwood Deli and have received a credit of \$54.17 which was applied to this Fiscal Year. In the future we will review bills more carefully and omit the payment of sales tax.

### **Improper Object Codes**

In the future we will be more mindful of identifying items purchased and allocating object codes accordingly.

1 - This purchase order was both for hardware and software products from the same vendor. In order not to split the order, we used the software code.

2 through 6 -

These purchase orders were coded incorrectly.

7 - This purchase order was for photo paper to be used for our identification



cards. The vendor generally provides general office supplies and we coded it accordingly.

8 and 9 -

These purchase orders were coded incorrectly.

10 - Object code 6000 was selected for this purchase since it is the object for discretionary funding. A portable sound system was purchased for use at all cultural institutions. Since the cultural institutions are scattered throughout the borough and we are using the sound system for discretionary collaborations, we charged it to the discretionary code.

11 through 22 -

We acknowledge that the water was put in the wrong object code. The correct object code of 1100 is now being used for the purchase of water instead of 1000. We would like to mention that the water purchased is on requirement contract. The encumbrances are sent to DCAS for approval. All of the encumbrances were coded as 1000 and none were rejected. It is DCAS policy to reject all encumbrances that are incorrect in any way. All of these PVE documents were to Nestle Water Company for monthly water delivery, July through June.

23 - Again, the vendor provides general office supplies. There was a shredder and office stamp purchased with this vendor which we coded as general office supplies.

### **Inappropriate Use of Miscellaneous Vouchers**

This office used Miscellaneous Vouchers to purchase postal services. Many agencies used this Miscellaneous Vouchers to purchase postal services. It was only after clarification from the Comptroller's Office that we learned postal services should be made with a Purchase Order. We have corrected this coding error.

### **Payments Made to Post Office Box**

Comptroller's Directive 23 was written on May 30, 1986. Clearly the intention of this directive is to provide guidelines to disburse discretionary grants while maintaining a check and balance safety net.

Under Section 4.1 General there is a statement that a post office box number is not acceptable as a street address. Let us remember that this directive was written long before the FMS system. Since this directive was written, in order to do business with and make a vendor verification and payment, a substitute W9 must be completed by the vendor and submitted to the Comptroller for approval. The substitute W9 validates an organization name, address and tax identification number.

Both of the grants cited have Comptroller Validated Substitute W-9's on file. The primary addresses for these grants have been validated as Post Office Boxes. Therefore, it should be acceptable that the grants were written using these Post Office Boxes.

In addition, please be aware NO checks are mailed. Checks for reimbursements MUST be picked up and signed and received in person. A review of the grant files will show that identification of the person receiving the check as well as a copy of the check is on file.

#### **Discretionary Funds Files Lacked Required Documentation**

The Borough President's office does not allocate discretionary funding unless the organization works with our office routinely. The designated liaison for the organization not only works with the organization, but routinely meets with and attends the Board meetings.

All of the agreements were small purchases. The Borough President's office will ensure that a complete listing of an organization's principals and directors is on file at the time a discretionary funding is made available regardless of the size of the award.

Please note that all Office of the Queens Borough President employees are required to report any outside activities that MAY conflict with office business.

#### **Cash Control Weakness**

We understand the rule for depositing cash is that they must be deposited the same day. However, to be reasonable the Comptroller will allow deposits to be made the next day.

This office does not handle cash. Queens Borough President's Office accepts checks and money orders only.

This is not possible for our agency. The primary delay is caused by the fact that the bank we are assigned to deposit into is Deutsche Bank and it is located in Manhattan. We are a small office of 57 people. It is a hardship for us to send a messenger daily to deposit checks. There is NO cash to be deposited.

We contacted the Comptroller's office requesting a bank location in Queens to expedite deposits. There are several large banks located nearby which could be used thus eliminating the trip to Manhattan. The Comptroller has just assigned a Queens bank location for our deposits. Going forward, Daily deposits will be made.

**Inventory Control Weaknesses**

Since the draft audit we have reviewed the items cited. Most of the items have been located, the office inventory listing has been updated and we will do our best to maintain accurate listings.