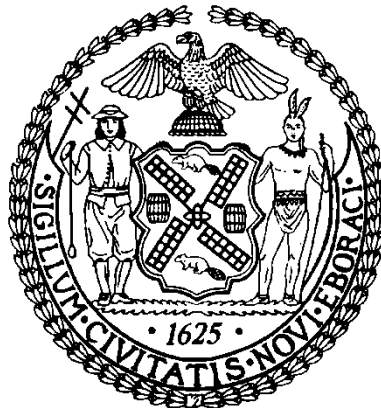


**CITY OF NEW YORK
OFFICE OF THE COMPTROLLER**

**John C. Liu
Comptroller**

BUREAU OF FINANCIAL AUDIT

**H. Tina Kim
Deputy Comptroller for Audit**



**Audit Report
On the Financial and Operating Practices of
The Three Staten Island Community Boards**

FP10-106A

June 25, 2010



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

John C. Liu
COMPTROLLER

June 25, 2010

To the Residents of the City of New York:

My office has audited the financial and operating practices of the three Staten Island Community Boards (Boards) regarding purchasing procedures. We audit City agencies such as these as a means of ensuring their compliance with established policies and procedures.

The Boards generally adhered to applicable requirements and standards for purchasing and a review of their Other Than Personal Services expenditures revealed no improper use of monies. However, there were minor instances of noncompliance with procedures for the administration and reconciliation of the imprest fund, the use of various purchase documents, the maintenance of supporting payment documentation, and the proper maintenance of inventory. These instances did not change the audit's overall opinion.

The audit recommendations addressed the weaknesses identified in the report and if implemented will result in compliance with purchasing standards and procedures.

The results of the audit have been discussed with Board officials and officials in the Staten Island Borough President's Office, and their comments have been considered in preparing this report. Their complete written responses are attached to this report.

If you have any questions concerning this report, please e-mail my audit bureau at audit@comptroller.nyc.gov.

Sincerely,

John C. Liu

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

**Audit Report
On the Financial and Operating Practices of
The Three Staten Island Community Boards**

FP10-106A

AUDIT REPORT IN BRIEF

This audit determined whether Staten Island Community Boards 1, 2, and 3 complied with certain purchasing procedures, as set forth in the Comptroller's Directives #1, "Financial Integrity Statement"; #3, "Procedures for the Administration of Imprest Funds"; #6, "Travel, Meals, Lodging and Miscellaneous Agency Expenses"; #11, "Cash Accountability and Control"; #24, "Agency Purchasing Procedures and Controls"; applicable Procurement Policy Board (PPB) rules; and the Department of Investigation (DOI) *Standards for Inventory Control and Management*.

Audit Findings and Conclusions

With the exception of the issues noted below, we found that the Boards generally adhered to the requirements of Comptroller's Directives #3, #6, #11, and #24, applicable PPB rules, and the DOI *Standards for Inventory Control and Management*. In addition, the Boards OTPS expenditures disclosed no instances in which monies were improperly used. However, the Boards did not always comply with certain aspects of Comptroller's Directives #3, #6, #11, and #24, and the DOI *Standards for Inventory Control and Management*. Specifically:

- Files for imprest fund expenses did not always contain purchase requisitions.
- Continuing monthly expenditures were inappropriately charged as imprest fund expenses.
- Four purchases were split to circumvent the \$250 expenditure limitation.
- Seven imprest fund checks did not have the inscription "void after 90 days," and four imprest fund checks were signed by the custodian of the account who is not authorized to sign checks.

- Board 2 did not reconcile the imprest fund account on a monthly basis.
- Three purchases totaling \$2,162, for Board 2, were improperly processed using miscellaneous vouchers.
- Board 2 made eight purchases of office furniture using incorrect purchase documents.
- Board 1 did not have sufficient documentation to support 10 rental payments, totaling \$1,000, that it made to a local church for space to conduct its monthly Board meetings.
- Boards 2 and 3 inventory lists of computer and electronic equipment were not complete and accurate.
- Boards 1 and 2 did not maintain written policies and procedures for inventory control.

We make ten recommendations, including the following.

- The Boards should ensure that all imprest fund expenditures comply with the provisions of Directive #3.
- Board 2 should ensure that appropriate purchasing documents are used for vendors that have a requirements contract and comply with the provisions of Directive #24.
- Board 1 should ensure that sufficient supporting documentation is maintained and comply with the provisions of Directive #24.
- Boards 2 and 3 should ensure that complete and accurate records of all pieces of equipment are maintained.
- Boards 1 and 2 should establish written policies and procedures for their inventory controls over 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 respective 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. The Borough President's Office provides administrative assistance to its borough's Boards. Staten Island's Community Boards—Boards 1, 2, and 3—cover the entire Borough of Staten Island.

Table I, below, lists each Board's Other Than Personal Service expenditures for Fiscal Year 2009.

Table I
Summary of Expenditures for the Three Staten Island Community Boards
Fiscal Year 2009

	Other Than Personal Services
Board 1	\$66,223
Board 2	\$101,641
Board 3	\$95,722
Total	\$263,586

Objective

This audit was conducted to determine whether Staten Island Community Boards 1, 2, and 3 are complying with certain purchasing procedures, as set forth in the Comptroller's Directives #1, "Financial Integrity Statement"; #3, "Procedures for the Administration of Imprest Funds"; #6, "Travel, Meals, Lodging and Miscellaneous Agency Expenses"; #11, "Cash Accountability and Control"; #24, "Agency Purchasing Procedures and Controls"; applicable Procurement Policy Board (PPB) rules; and the Department of Investigation (DOI) *Standards for Inventory Control and Management*.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was conducted in

accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

This audit covered the period July 1, 2008, through June 30, 2009.

To obtain an understanding of the purchasing procedures and regulations with which the Boards are required to comply, we reviewed relevant provisions of: Comptroller’s Directives #1, #3, #6, #11, and #24; applicable PPB rules; and the DOI *Standards for Inventory Control and Management*. We interviewed staff at the three Boards to obtain an understanding of their purchasing procedures and to determine how their physical assets are safeguarded.

Tests of Compliance with Comptroller’s Directives #3, #6, #11, and #24, And PPB Rules

During Fiscal Year 2009, the three Boards issued a total of 25 purchase documents with 91 corresponding payment vouchers, totaling \$185,849. Table II, below, summarizes the payment vouchers for each Board by type of purchase document:

Table II
Summary of Payment Vouchers by Type of Purchase Document

Board Number	Purchase Document Type	Number of Vouchers	Total Amount
1	1 PD (Micro Purchase Document)	1	\$1,015
1	1 CT (Contract)	15	\$54,890
1	3 POs (Purchase Order Documents)	27	\$4,466
2	5 PDs (Micro Purchase Documents)	5	\$4,326
2	9 POs (Purchase Order Documents)	20	\$40,346
3	3 PDs (Micro Purchase Documents)	3	\$4,497
3	1 PG (Requirements Contract Release Order)	7	\$1,401
3	2 CTs (Contracts)	13	\$74,908
Totals	25	91	\$185,849

We examined all 25 purchase documents issued by the Boards during our audit period and their 91 corresponding vouchers. We also examined the four miscellaneous payment vouchers (PVM) issued by Boards 2 and 3. Board 1 did not issue any PVMs during Fiscal Year 2009.

In addition, we examined five imprest fund vouchers (PVR) with the highest dollar amounts from each of the Boards. The 15 PVRs examined totaled \$7,701. It should be noted that during our audit period Board 1 issued 11 PVRs totaling \$3,375; Board 2 issued 26 PVRs totaling \$9,808; and Board 3 issued 14 PVRs totaling \$4,810.

We examined each purchase document and voucher 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 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; late fees were incurred and/or paid; and bids were obtained when required by PPB rules. For the four PVMs, we also determined whether the vouchers were issued for only allowable purposes.

For the 15 PVRs selected, we examined 64 canceled checks related to those vouchers for two authorized signatures and amounts, a specific payee (as opposed to “bearer” or “cash”), an endorsement, and a “void after 90 days” inscription on each check. We also traced the canceled checks to the bank statements and determined whether appropriate bank reconciliations were performed for Fiscal Year 2009. Finally, we determined whether each expenditure was within the \$250 allowable amount specified in Comptroller’s Directive #3.

The results of the above tests of the 15 PVRs, while not projected to all PVRs, provided a reasonable basis to assess each Board’s compliance with Comptroller’s Directive #3.

Tests of Major Equipment Items

We selected all 21 major equipment items, totaling \$3,088 (including computers, monitors, printers, cameras, televisions, and a laptop) purchased during our audit period to determine whether these items were listed on the Boards’ inventory records and were present at the offices. We also randomly selected 19 additional items that were present at the offices to determine whether they were included on the inventory lists.

During the inventory walkthroughs, we checked whether all 40 examined items were properly tagged as property of the Boards. In addition, we determined whether the tag and serial number affixed to each item matched each tag and serial number as listed on the inventory records.

The results of the above tests of 40 inventory items, while not projected to all inventory items, provided a reasonable basis to assess the Boards’ controls over inventory, as specified in the DOI *Standards for Inventory Control and Management*.

Discussion of Audit Results

The matters covered in this report were discussed with Board officials during and at the conclusion of this audit. A preliminary draft report was sent to Board and the Staten Island Borough President’s Office (SIBP) officials and discussed at an exit conference held on May 27, 2010. On June 3, 2010, we submitted a draft report to Board and SIBP officials with a request for comments. We received written comments from Boards 1, 2 and 3. We received an e-mail correspondence from the SIBP indicating that they will not be responding to the report.

In their comments, the Boards described the steps they have taken or will take to implement the report’s recommendations. The full texts of the comments are included as addenda to this report.

FINDINGS AND RECOMMENDATIONS

The Boards generally adhered to the requirements of Comptroller’s Directives #3, #6, #11, and #24, applicable PPB rules, and the DOI *Standards for Inventory Control and Management*. In addition, the Boards OTPS expenditures disclosed no instances in which monies were improperly used. However, the Boards did not always comply with certain aspects of Comptroller’s Directives #3, #6, #11, and #24, and the DOI *Standards for Inventory Control and Management*. These instances of noncompliance, which did not cause us to change our overall opinion, are discussed in detail in the following sections of this report.

Imprest Fund Weaknesses

Although the Boards used the imprest fund to make legitimate purchases, there were several weaknesses with the administration of the imprest fund. Those weaknesses were that files for imprest fund expenses did not always contain purchase requisitions, continuing monthly expenditures were inappropriately charged as imprest fund expenses, incorrect object codes were used, certain purchases were split to circumvent the \$250 expenditure limitation, imprest fund checks did not have the inscription “void after 90 days,” imprest fund checks were signed by the custodian of the account who is not authorized to sign checks, and Board 2 did not perform bank reconciliations.

Table III, below, summarizes the weaknesses found at each Board.

Table III
Imprest Fund Weaknesses

Board Number	Purchase Requisition Not Completed	Incorrect Imprest Fund Purchases	Checks Not Imprinted “Void After 90 Days”	Incorrect Object Code	Purchases Split to Circumvent \$250 Limit	Checks Signed By Unauthorized Individual
1	16	0	0	2	0	0
2	12	4	0	2	4	0
3	0	4	7	0	0	4
Totals	28	8	7	4	4	4

A total of 28 imprest fund purchases made by Boards 1 and 2 using 9 PVRs did not contain purchase requisitions in their files as required by Directive #3. Directive #3, §5.4.1, states, “All agency purchases must be approved, in advance, by the employee(s) designated by the Agency Head to authorize the purchases.” The prior approval for items to be purchased is accomplished by preparing a purchase requisition form that is signed by an authorized individual.

Six of the eight incorrect imprest fund purchases were for recurring monthly services for Direct TV and office cleaning totaling \$483.97, expenditures not allowable under Directive #3. Directive #3, §6.0, states, “Continuing monthly expenditures” are not allowable imprest fund purchases. We also found improper purchases of a printer and office furniture. After a purchase

document is issued to encumber the funds, the proper payment for these expenditures is made on the Payment Voucher (PVE).

Board 3 issued seven checks that lacked the inscription “void after 90 days.” Board 3 officials stated that when they reordered new checks they did not notice that the checks lacked the inscription. Directive #3, §5.1.3, states, “Checks must be imprinted ‘void after 90 days.’”

Boards 1 and 2 charged incorrect object codes for four purchases. For example, for payment of a subscription, Board 1 used object code 100, “Supplies and Materials-General.” However, the Chart of Accounts indicates that a more specific object code, 337, “Books-Other,” should be used to pay for subscriptions. In another example, for payment of coffee and donuts Board 2 used object code 451, “Local Travel Expenditures-General.” However, the Chart of Accounts indicates that a more specific object code 110, “Food and Forage Supplies,” should be used to pay for food.

The use of incorrect object codes prevents agencies from accurately categorizing the types and amounts of particular item expenses during a fiscal year, which can compromise management’s ability to plan future budgets.

We found four instances at Board 2 in which purchases were split to circumvent the \$250 expenditure limitation. On April 28, 2009, Board 2 purchased business supplies from the same vendor totaling \$369.26. However, Board 2 received three separate invoices (all consecutively numbered) and paid with three separate imprest fund checks, thereby circumventing the \$250 limitation. On another occasion, Board 2 charged \$399.70 for equipment and supplies, but paid only \$250, leaving a balance due of \$149.70. Directive #3, §2.0, states, “Purchases must not be split to circumvent the \$250 expenditure limitation.”

We found four instances at Board 3 in which imprest fund checks were signed by an unauthorized individual, the custodian of the imprest fund account. Directive #3, §4.3, states, “The custodian is responsible for maintaining the imprest fund checking and petty cash account including making deposits. The custodian should not be assigned any other duties within the imprest fund function.”

Recommendations

1. The Boards should ensure that all imprest fund expenditures comply with the provisions of Directive #3.

Board 1 Response: “Since the Audit CB#1 is marking all our agency purchases with the following, requested by and designated by agency head to authorize the purchases.”

Board 2 Response: “The Board will ensure that all imprest fund expenditures comply with the provisions of Directive #3.”

Board 3 Response: “We will ensure that all imprest expenditures comply with provisions of Directive #3. All checks will be signed by authorized individuals.”

2. Board 3 should purchase a “void after 90 days” stamp and stamp each check with this inscription. In addition, when new checks are ordered ensure that the checks are inscribed “void after 90 days.”

Board 3 Response: “All future checks will be stamped “Void After 90 days”, and we will make certain that new checks are properly inscribed.”

3. Boards 1 and 2 should ensure that all payments are charged to the correct object codes.

Board 1 Response: “CB#1 ensures that all payments will be charged to the correct object code.”

Board 2 Response: “Board 2 will ensure that all payments are charged to the correct object codes.”

Imprest Fund Account Not Reconciled on a Monthly Basis

Board 2 did not reconcile the imprest fund account on a monthly basis, as required by Comptroller’s Directive #11. We reviewed three sampled months of the imprest fund account bank statements, canceled checks, and check registers. We determined that Board 2 did not perform any bank reconciliations during those months.

To determine the correct balance in the imprest fund account, we performed bank reconciliations for three months September 2008, November 2009, and December 2009 (November and December were the two most current months available). We found that the bank account balance and the checkbook balance reconciled for September. However, the account was understated by \$64.39 for the months of November and December 2009. Board 2 representatives stated that they were aware of this issue and are currently researching this issue. By not performing bank reconciliations, Board 2 is unaware of the imprest fund account book balance, which could result in additional bank fees if the account were overdrawn.

Directive #11, §6.1, states, “Monthly bank reconciliations must be maintained with the cancelled checks and bank statements.”

Recommendation

4. Board 2 should ensure that the imprest fund bank account is reconciled monthly to comply with the provisions of Directive #11.

Board 2 Response: “Board 2 will ensure that the imprest fund bank account is reconciled monthly to comply with the provisions of Directive #11.”

Unallowable Use of Miscellaneous Vouchers

Three purchases totaling \$2,162, for Board 2, were improperly processed using miscellaneous vouchers. Two of these purchases totaling \$1,517, were for a postage machine rental and an ink cartridge, and one purchase totaling \$645 was for a computer and a monitor. Directive #24, §6.3, states, “Miscellaneous Payment Vouchers (PVMs) may be used only when estimated or actual future liability is not determinable, or a contract or a Purchase Document is not required or applicable.” The proper type of payment voucher for those expenditures is the PVE. Improper use of miscellaneous vouchers contributes to the distortion of the City’s books of account by misstating the City’s outstanding obligations.

Recommendation

5. Board 2 should ensure that miscellaneous vouchers are used only for purposes that are allowed by Directive #24.

Board 2 Response: “Board 2 will ensure that miscellaneous vouchers are used only for purposes that are allowed by Directive #24.”

Use of Incorrect Purchase Document for the Purchase of Furniture

Board 2 made eight purchases of office furniture using incorrect purchase documents. These purchases were made from a vendor that has a requirements contract with the City. Board 2 issued three PDs (Micro Purchase Documents) and five POs (Purchase Order Documents) to this vendor. The appropriate purchase document for a requirements contract purchase is the Requirements Contract Release Order (PG). By not using the correct purchasing documents to encumber funds for the purchase of goods and services, Board 2 is not properly representing their payment activities on the City’s Financial Management System.

Directive #24, §4.5, states, “If the City has a Requirements Contract, it is not permissible to use Purchase Documents for the acquisition . . . If the Requirements Contract is for goods, the Requirements Contract Release Order (PG) . . . must be used to encumber funds for vendor payment.”

Recommendation

6. Board 2 should ensure that appropriate purchasing documents are used for vendors that have a requirements contract and comply with the provisions of Directive #24.

Board 2 Response: “Board 2 will ensure that appropriate purchasing documents are used for vendors that have a requirements contract and comply with the provisions of Directive #24.”

Insufficient Documentation

Board 1 did not have sufficient documentation to support 10 rental payments, totaling \$1,000, that it made to a local church for space to conduct its monthly Board meetings. One payment did not include an invoice to support the payment. The other nine payments had invoices for meetings that were held in prior years. For example, the invoice dated July 1, 2008, indicated that the rent was for September 2005 through June 2006; however, the meetings were actually conducted from September 2008 through June 2009. Board officials stated that they prepared invoices for the church; however, they forgot to change some of the dates listed within the invoice details. By maintaining insufficient documentation, Board 1 may inadvertently make duplicate payments. (We noted no duplicate payments during our review.) We obtained copies of the Board meeting minutes to substantiate that the meetings were actually held from September 2008 through June 2009.

Directive #24, §6.0, states, “Based on their knowledge of agency operations, approvers verify that the expenditure is necessary and reasonable, that the payment request and its supporting documentation are accurate, and that the goods or services were received.”

Recommendation

7. Board 1 should ensure that sufficient supporting documentation is maintained and comply with the provisions of Directive #24.

Board 1 Response: “CB#1 has corrected the insufficient documentation to support rental payments, for All Saint’s Church for space to conduct our monthly board meetings. As noted no duplicate payments were made during this time.”

Inventory Control Weaknesses

Our review of the inventory records maintained by the Boards found that the inventory lists of computer and electronic equipment were not complete and accurate. Board 2’s inventory list did not include the location of each piece of equipment, as required by the DOI *Standards for Inventory Control and Management*. Board 3’s inventory list had incorrect agency tag control numbers for five items. In addition, Board 2 did not properly identify all of their pieces of equipment. Fifteen agency property identification tags did not include sequential internal control numbers.

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.”

Section 28 also requires that “Readable, sturdy property identification tags (reading ‘Property of the City of New York’) with a sequential internal control number are assigned and affixed to valuable items. An inventory log containing the internal control number assignments .

. . is maintained.” Properly listed equipment items enhance the chance of an item’s recovery in case of theft.

Recommendations

8. Boards 2 and 3 should ensure that complete and accurate records of all pieces of equipment are maintained.

Board 2 Response: “Board 2 will ensure that the complete and accurate records of all pieces of equipment are maintained.”

Board 3 Response: “Our inventory list of computer and electronic equipment will be amended; we were unaware of clerical errors contained in the list.”

9. Board 2 should ensure that agency property identification tags include sequential internal control numbers.

Board 2 Response: “Board 2 will ensure that agency property identification tags include sequential internal control numbers.”

No Written Policies and Procedures for Inventory Control

Boards 1 and 2 did not maintain written policies and procedures for inventory control. Section 6 of the DOI *Standards for Inventory Control and Management* states, “Agency management is responsible for ensuring that there are policies and procedures and that these are updated to include the requirements established in these Standards. . . .The absence of clearly written policies and procedures that define limits of authority can result in staff being allowed excessive discretion that can provide opportunities for undetected thefts and other dishonest activities.” A lack of procedures makes it difficult to hold individuals accountable for their actions.

Recommendation

10. Boards 1 and 2 should establish written policies and procedures for their inventory controls over equipment.

Board 1 Response: “CB#1 has established written policies and procedures for their inventory controls over equipment.”

Board 2 Response: “Board 2 will establish written policies and procedures for their inventory controls over equipment.”

City of New York

1 Edgewater Plaza, Suite 217 • Staten Island, New York 10305
Tel: 718-981-6900 Fax: 718-720-1342

Community Board No. 1

June 4, 2010

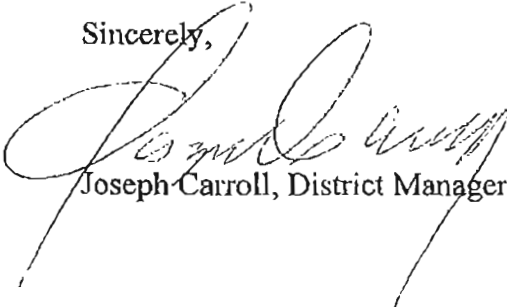
Ms. Tina Kim
Deputy Comptroller for Audit
1 Centre Street, (Room 1100)
New York, N.Y. 10007-2341

Dear Ms. Kim:

Community Board No.1 is hereby responding to your request for a status report detailing our implementation of the recommendations contained in the audit of FY'10, FP10-106A.

1. Since the Audit CB#1 is marking all our agency purchases with the following, requested by and designated by agency head to authorize the purchases.
2. CB#1 ensures that all payments will be charged to the correct object code.
3. CB#1 has established written policies and procedures for their inventory controls over equipment.
4. CB#1 has corrected the insufficient documentation to support rental payments, for All Saint's Church for space to conduct our monthly board meetings. As noted no duplicate payments were made during this time.

Sincerely,



Joseph Carroll, District Manager



THE CITY OF NEW YORK
Community Board Two
BOROUGH OF STATEN ISLAND

460 BRIELLE AVENUE
STATEN ISLAND, NEW YORK 10314
718-817-3235
FAX: 718-817-3251

DANA T. NABEE
CHAIR

DEBRA A. DERRICO
DISTRICT MANAGER

June 16, 2010

H. Tina Kim
Deputy Comptroller for Audit
City of New York Office of the Comptroller
One Centre Street
New York, New York 10007

Dear Ms. Kim:

Thank you for the copy of the Audit Report on the Financial and Operating Practices of Staten Island Community Boards 1, 2, and 3 (FP10-106A).

My office has reviewed the findings and recommendations stated within the Audit and the steps to ensure compliance with the Comptroller's recommendations. They are as follows:

1. The Board will ensure that all imprest fund expenditures comply with the provisions of Directive #3.
2. Board 2 will ensure that all payments are charged to the correct object codes.
3. Board 2 will ensure that the imprest fund bank account is reconciled monthly to comply with the provisions of Directive #11.
4. Board 2 will ensure that miscellaneous vouchers are used only for purposes that are allowed by Directive #24.
5. Board 2 will ensure that appropriate purchasing documents are used for vendors that have a requirements contract and comply with the provisions of Directive #24.
6. Board 2 will ensure that the complete and accurate records of all pieces of equipment are maintained.
7. Board 2 will ensure that agency property identification tags include sequential internal control numbers.
8. Board 2 will establish written policies and procedures for their inventory controls over equipment.

I hope the above guidelines for compliance meet your approval.

Yours truly,
Debra A. Derrico
Debra Derrico
District Manager



BOROUGH OF STATEN ISLAND
COMMUNITY BOARD 3

655-218 Rossville Avenue, Staten Island, N.Y. 10309

Telephone: (718) 356-7900 Fax (718) 966-9013

Website: www.nyc.gov/sicb3

June 14, 2010

Tina Kim, Deputy Comptroller for Audits
Office of the Comptroller
1 Centre Street, Room 1100
New York, New York 10007-2341

Re: Audit Report "Financial & Operating Practices
of the Three Staten Island Community Boards
June 3, 2010

Dear Ms. Kim:

We have reviewed the findings and recommendations contained in the above referenced Audit Report and submit the following Agency Implementation Plan "AIP".

1. We will ensure that all imprest expenditures comply with provisions of Directive #3.
2. Our inventory list of computer and electronic equipment will be amended; we were unaware of clerical errors contained in the list.
3. All future checks will be stamped "Void After 90 days", and we will make certain that new checks are property inscribed.
4. All checks will be signed by authorized individuals.

We anticipate that by implementing the above measures we will meet the Comptroller's directives.

Very truly yours,

Handwritten signature of Charlene Wagner in cursive.

Charlene Wagner
District Manager

Handwritten signature of Frank Morano in cursive.

Frank Morano
Chairman of the Board

CW/FM:js

cc: Borough President James P. Molinaro