



City of New York

OFFICE OF THE COMPTROLLER

Scott M. Stringer
COMPTROLLER



FINANCIAL AUDIT

Marjorie Landa

Deputy Comptroller for Audit

Audit Report on the Purchasing
Practices of the Board of Correction

FN19-056A

June 18, 2019

<http://comptroller.nyc.gov>



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

June 18, 2019

To the Residents of the City of New York:

My office has audited the Board of Correction (BOC) to determine whether the BOC maintained adequate financial controls over its purchasing practices for Other Than Personal Service (OTPS) expenditures as required by Comptroller's Directives, Department of Citywide Administrative Services (DCAS) purchasing guidelines, and BOC's policies and procedures. We audit entities such as the BOC as a means of increasing accountability and ensuring that City resources are used effectively, efficiently, and in the best interest of the public.

The audit found that the BOC generally maintained adequate controls over its purchasing practices. However, the audit found that the BOC did not maintain adequate controls over its Imprest Fund. In addition, the BOC was not in compliance with the *Policies and Procedures for DCAS Cardholders* when using its P-cards for purchases. Further, the audit found that the BOC did not record two expenses in the correct fiscal year and did not properly document its approval and post-review procedures for out-of-town travel.

The audit makes seven recommendations, including that the BOC should: strengthen its controls over its Imprest Fund; cease using its P-cards to pay for non-permissible items; utilize transaction logs and conduct timely reconciliation of P-card purchases and statements; create and maintain receiving reports for all goods received at BOC locations; ensure that all OTPS purchases are recorded in the correct fiscal year in accordance with delivery and service dates; and enhance controls over employee travel.

The results of the audit has been discussed with the BOC, and its comments have been considered in preparing this report. The BOC's complete written response is attached to this report.

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

Sincerely,

A handwritten signature in blue ink, reading "Scott M. Stringer".

Scott M. Stringer

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THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER FINANCIAL AUDIT

Audit Report on the Purchasing Practices of the Board of Correction

FN19-056A

EXECUTIVE SUMMARY

The Board of Correction (BOC) is a non-judicial board tasked with regulating, monitoring, and inspecting Department of Correction (DOC) facilities. Pursuant to Chapter 25, §626 of the New York City Charter, the BOC is required to: establish and ensure compliance with minimum standards “for the care, custody, correction, treatment, supervision, and discipline of all persons held or confined under the jurisdiction of the Department of Correction;” investigate any matters within the DOC’s jurisdiction; review grievances from inmates and staff; evaluate the DOC’s performance; and make recommendations on key areas of correctional planning.

The BOC incurred Other Than Personal Service (OTPS) expenditures of \$108,038 and \$184,374 in Fiscal Years 2017 and 2018, respectively.

We conducted this audit to determine whether the BOC maintained adequate financial controls over its purchasing practices for OTPS expenditures as required by Comptroller’s Directives, Department of Citywide Administrative Services’ (DCAS’) purchasing guidelines, and BOC’s policies and procedures.

Audit Findings and Conclusions

Although the BOC generally maintained adequate controls over its purchasing practices, we found several weaknesses in the BOC’s financial controls. Specifically, we found that the BOC: (1) had inadequate controls over its Imprest Fund account; (2) was not in compliance with the *Policies and Procedures for DCAS Cardholders* when using BOC’s agency P-cards for purchases; (3) did not record two expenses in the correct fiscal year; and (4) did not properly document its approval and post-review procedures for out-of-town travel.

Audit Recommendations

To address these issues, we make seven recommendations to the BOC.

Specifically, the BOC should:

- Strengthen its controls over its Imprest Fund by:
 - Ensuring that Imprest Fund payments are made only where permitted by and only in accordance with the governing rules and regulations;
 - Maintaining proper documentation to support its Imprest Fund transactions, including Reimbursement Forms with proper signatures and approvals, and receipts or invoices;
 - Properly coding all travel expenditures in the City's Financial Management System (FMS) to ensure the data entered is consistent with the nature of the expense; and
 - Including a void period on the Imprest Fund checks, requiring dual signature authorizations on Imprest Fund check payments, and following up to void or resolve the status of outstanding checks issued from the Imprest Fund in a timely manner;
- Cease using its P-cards to pay for non-permissible items;
- Maintain documentation to ensure and show that all City requirement contracts and other city resources were reviewed and considered prior to using its P-cards for purchases;
- Utilize transaction logs and conduct timely reconciliations of P-card purchases and statements to ensure that all such purchases that resulted in the BOC's receipt of goods and services were properly authorized;
- Create and maintain receiving reports for all goods received at BOC locations;
- Ensure that all OTPS purchases are recorded in the correct fiscal year in accordance with delivery and service dates; and
- Enhance controls over employee travel to include formal pre-approval of potential expenses and that the staff members who travel at the City's expense timely submit the required post-travel synopses of the conferences they attended or the activities they engaged in and that those submissions are adequately and timely reviewed and are retained as required to show the benefits that the agency received as a result of the expenditure.

Agency's Response

The BOC agreed with all of the audit's recommendations. In its response, the BOC stated,

The Board also acknowledges that the audit found areas for improvement. While the Board had previously identified and resolved nearly all concerns identified in the Comptroller's May 2019 report, the agency welcomes and accepts all seven (7) Comptroller recommendations set forth in the Draft Audit Report (FN 19-056A) dated May 24, 2019.

AUDIT REPORT

Background

The BOC is a nine-person, non-judicial board tasked with the oversight of New York City's correctional facilities. Its overarching responsibilities include regulating, monitoring, and inspecting DOC facilities. Pursuant to Chapter 25, § 626 of the New York City Charter, the BOC is required to: establish and ensure compliance with minimum standards “for the care, custody, correction, treatment, supervision, and discipline of all persons held or confined under the jurisdiction of the Department of Correction;” investigate any matters within the DOC’s jurisdiction; review grievances from inmates and staff; evaluate the DOC’s performance; and make recommendations on key areas of correctional planning.

The BOC incurred OTPS expenditures of \$108,038 and \$184,374 in Fiscal Years 2017 and 2018, respectively.

Objective

The objective of this audit was to determine whether the BOC maintained adequate financial controls over its purchasing practices for OTPS expenditures as required by Comptroller’s Directives, DCAS’ purchasing guidelines, and BOC’s policies and procedures.

Scope and Methodology Statement

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objective. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope of this audit was Fiscal Years 2017 and 2018 (July 1, 2016 through June 30, 2018). Please refer to the Detailed Scope and Methodology section at the end of this report for the specific audit procedures and detailed tests conducted during the course of this audit.

Discussion of Audit Results

The matters covered in this report were discussed with BOC officials during and at the conclusion of this audit. A preliminary draft report was sent to BOC officials and was discussed at an exit conference held on May 15, 2019. On May 24, 2019, we submitted a draft report to BOC officials with a request for written comments. We received a written response from BOC officials on June 14, 2019.

In their response, BOC officials agreed to implement all of the audit’s recommendations and stated,

The Board also acknowledges that the audit found areas for improvement. While the Board had previously identified and resolved nearly all concerns identified in

the Comptroller's May 2019 report, the agency welcomes and accepts all seven (7) Comptroller recommendations set forth in the Draft Audit Report (FN 19-056A) dated May 24, 2019 ("Draft Report").

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

FINDINGS

The BOC generally maintained adequate controls over its purchasing practices. Specifically, the BOC adhered to the vendor solicitation requirements as stated in the Procurement Policy Board Rules (PPB Rules), maintained procedures with sufficient segregation of duties, and recorded all its purchases made in FMS. However, we found several weaknesses in the BOC's financial controls. Specifically, we found that the BOC: (1) had inadequate controls over its Imprest Fund account; (2) was not in compliance with the *Policies and Procedures for DCAS Cardholders* when using BOC's agency P-cards for purchases; (3) did not record two expenses in the correct fiscal year; and (4) did not properly document its approval and post-review procedures for out-of-town travel.

Control Weaknesses Identified in Imprest Fund Practices

The BOC lacked the sufficient controls needed to provide adequate oversight over its Imprest Fund transactions. During Fiscal Years 2017 and 2018, the BOC recorded a total of 38 Imprest Fund reimbursement transactions, totaling \$1,131. Our review found that the BOC failed to consistently comply with its own procedures and with Comptroller's Directives #3, #6, and #11 in processing, supporting, and handling its Imprest Fund account and related transactions. Specifically, we found that the BOC:

- Paid \$95 for a parking violation that was non-reimbursable according to Comptroller's Directive #6. The directive, at Section 14.11, provides that "[p]arking tickets and motor vehicle violations incurred during the conduct of City business are never reimbursable, regardless of whether obtained in connection with the operation of a City-owned, personal, or rental vehicle at a Local or Long-Distance Travel destination."
- Did not maintain proper documentation to support its approval of a total of \$396 in Imprest Fund reimbursements. Specifically, the BOC did not maintain its standard Imprest Fund Reimbursement Forms for two reimbursements, and five of the Imprest Fund Reimbursement Forms it did maintain lacked the required signature of the General Counsel.¹
- Did not maintain receipts or invoices to support eight Imprest Fund reimbursements, totaling \$188. According to Section 4.2 of Comptroller's Directive #3, "Agencies must ensure that adequate files exist in full support of each Imprest Fund transaction."
- Did not ensure that the travel expenses reimbursed through the Imprest Fund were charged to the correct object code. According to Section 19.2 of Comptroller's Directive #6, "[a]ll travel expenditures must be charged to the correct budget and object codes." Contrary to the Directive, we found that the BOC charged all its local travel expenditures, totaling \$323, to object code 100 for "General Expenditures" rather than the correct object code 451, for "Non-Overnight Travel Expenditures."

¹ The BOC requires its employees to use its Imprest Fund Reimbursement Form when they seek reimbursement for out-of-pocket, agency-related expenses (mileage, tolls, and miscellaneous office expenses) incurred as a result of carrying out their job duties. An employee requesting reimbursement for such out-of-pocket expenses must complete the reimbursement form, sign it, and submit it along with supporting documentation (e.g., vendor receipts or mileage record). In addition, the BOC's General Counsel must sign the form attesting to her review and approval of the employees' reimbursement request.

- Does not require that all checks drawn on its Imprest Fund be signed by two authorized signatories as required by Comptroller's Directive #3, which states, "[w]here practical, all checks should be signed by two authorized signatories."
- Does not include a void period imprinted on the face of its checks. According to Section 4.1 of Comptroller's Directive #3, "checks should state on their face that they are void after a specified period. . . . When checks, regardless of dollar amount, remain outstanding more than sixty days, agencies must commence a follow-up." Comptroller's Directive #11 further states that the void period "should not extend more than 180 days from the date of issue." However, we found that the BOC did not include a void period on its checks and we identified three checks drawn on the Imprest Fund Account that were outstanding for 142 days, 175 days, and 329 days, respectively, before the BOC voided and issued replacement checks.

The failure to ensure that regulations are followed and that proper controls are in place over expenditures results in a lack of accountability for the goods and services procured and inadequate cash management over payments made through the Imprest Fund account. As a consequence of the abovementioned control weaknesses, the BOC cannot be assured that its Imprest Fund payments are appropriate and made solely to support agency operations as intended.

P-Card Purchasing Practices Were Non-Compliant

The BOC did not always comply with the DCAS *Policies and Procedures for DCAS Cardholders* when using the agency P-cards for purchases.² Specifically, we found that the BOC:

- Purchased items such as calendars, binder clips, and batteries from sources other than those designated through the City Requirement Contracts and/or through the Central Storehouse. According to DCAS' *Policies and Procedures for DCAS Cardholders*, "Cardholders are responsible for ensuring that P-card purchases are not on the prohibited card transaction list." The DCAS policy also lists the goods and/or services that should not be acquired using a P-card, including "[p]urchases of goods available from the Central Storehouse [and] [p]urchases of goods available on Requirement Contracts." In using its P-cards to purchase items in violation of the DCAS policy, the BOC may have paid higher prices than those available through Requirement Contracts or the Central Storehouse.
- Did not maintain monthly transaction logs and receiving reports for goods purchased with P-cards as required by DCAS' *Policies and Procedures for DCAS Cardholders*, which states, "P-card monthly submission packages must include: completed Transaction Logs . . . Cardholders must provide a completed agency Receiving Report to document the receipt of goods for each transaction." Without maintaining proper documentation, the BOC has no means to reconcile goods received with those charged (and paid) on the monthly P-card statement. Consequently, there is no assurance that only permissible, appropriate goods and services solely intended and used for the purpose of the agency's operations are paid for with P-cards.

As a result of its failure to comply with Comptroller's Directives and maintain the appropriate documentation for its P-Card usages, the BOC could not provide reasonable assurance that its purchases of goods and services with P-cards were prudent and consistent with its mission.

² According to DCAS' *Policies and Procedures for DCAS Cardholders*, "A Purchasing Card, or 'P-card,' is an Agency issued credit card that allows Agencies to make micro-purchases, those up to \$20,000, of needed goods and services quickly without the steps required by the City's traditional procurement process."

The BOC Recorded Some Expenditures in the Wrong Fiscal Year

We found that the BOC did not consistently record expenditures in the correct fiscal year. Comptroller's Directive #24 states, "[f]or an agency to charge an expenditure to the current fiscal year, goods or services must be received and/or delivered by June 30." However, we found that the BOC inappropriately recorded two invoices with service dates of June 19, 2017 and June 30, 2017, totaling \$662, in Fiscal Year 2018 rather than Fiscal Year 2017, when the service was rendered. Consequently, the BOC's reported OTPS expenditures were understated in Fiscal Year 2017 and overstated in Fiscal Year 2018 by the aforementioned amounts. Recording expenditures in the wrong fiscal year can compromise management's ability to plan future budgets.

The BOC Did Not Properly Document Its Approval and Post-Review Procedures for Its Travel Expenditures

The BOC was unable to furnish documentation to substantiate that it: (1) properly reviewed a staff member's travel request prior to the travel expenses being incurred; and (2) completed the required post-travel review and documentation procedures after the staff member return from the trip.³ Section 16 of Comptroller's Directive #6 stipulates that "requests for travel Approval must include information such as the nature and purpose of the trip, dates of travel, and an estimate of costs." However, the approval document provided by the BOC lacked the estimated costs and purpose of the meeting.⁴ As a result of its failure to review the estimated cost, the BOC's travel payment exceeded the maximum allowable rate established in Comptroller's Directive #6, Section 5.6.3, which references the federal per diem rate, by a total of \$120, without the required justification of the overage.

We also found that the staff member who attended the conference from September 10 to 14, 2017, failed to include the required detailed information, such as the specific purpose of the travel and the accounting codes charged, in her Consolidated Long-Distance Travel Report (Travel Report). The Travel report should be prepared after the trip as required by Section 19.1 of Comptroller's Directive #6, which states, "[t]he report should clearly specify the dates and purpose of the travel, the accounting codes charged, the employee's name, a brief description of each of the trip's cost elements, and, where practicable, the payee names and payee TINs." We also noted that the Travel Report was dated August 23, 2017, which predated the related conference and travel dates.

Lastly, the staff member did not prepare a synopsis of the relevant subject matter covered at the conference. According to Comptroller's Directive #6, Section 7.5, "[a] brief synopsis of the relevant subject matter covered at the Conference must be submitted to the Agency Head or Designee within 14 business days of the employee's return, and it must be available for the Comptroller's audit."

Without ensuring compliance with the rules that apply to employee travel and related reimbursements, the BOC lacks the appropriate level of oversight and accountability for such

³ The sampled payment at issue totaling \$1,716, included lodging, round-trip flights, conference registration, and meal expenses.

⁴ The BOC provided emails that contained the estimated travel cost. However, the emails detailing estimated costs were not approved by the Executive Director.

transactions and incurs an increased risk that it may have erroneously paid out higher amounts than it should have expended.

RECOMMENDATIONS

The BOC should:

- 1) Strengthen its controls over its Imprest Fund by:
 - Ensuring that Imprest Fund payments are made only where permitted by and only in accordance with the governing rules and regulations;
 - Maintaining proper documentation to support its Imprest Fund transactions, including Reimbursement Forms with proper signatures and approvals, and receipts or invoices;
 - Properly coding all travel expenditures in FMS to ensure the data entered is consistent with the nature of the expense; and
 - Including a void period on the Imprest Fund checks, requiring dual signature authorizations on Imprest Fund check payments, and following up to void or resolve the status of outstanding checks issued from the Imprest Fund in a timely manner;

The BOC's Response: "The Board only uses the Imprest Fund for permissible reimbursements, and regularly instructs staff that proper documentation and expenditure coding is necessary prior to any reimbursement. As a result of this audit, the Board again reminded staff of these procedures. The Board has asked the Department of Finance for assistance in adding and enforcing a void period to Imprest Fund checks and requiring dual signature authorization."

- 2) Cease using its P-cards to pay for non-permissible items;
- 3) Maintain documentation to ensure and show that all City requirement contracts and other city resources were reviewed and considered prior to using its P-cards for purchases;

The BOC's Response to Recommendations #2 and #3: "While BOC had already checked requirement contracts for items prior to purchasing, agency staff was not aware of the Central Storehouse. Going forward, Board staff will check requirements contracts and Central Storehouse prior to ordering supplies. BOC will document this search in its procurement records."

- 4) Utilize transaction logs and conduct timely reconciliations of P-card purchases and statements to ensure that all such purchases that resulted in the BOC's receipt of goods and services were properly authorized;

The BOC's Response: "Beginning in March 2019, the Board began maintaining monthly transaction logs and receiving reports. FMS Level 3 and 5 approvals are not given without completed logs and reports."

- 5) Create and maintain receiving reports for all goods received at BOC locations;

The BOC's Response: "Beginning in March 2019, the Board began maintaining monthly transaction logs and receiving reports. FMS Level 3 and 5 approvals are not given without completed logs and reports."

- 6) Ensure that all OTPS purchases are recorded in the correct fiscal year in accordance with delivery and service dates; and

The BOC's Response: "The error on which this recommendation is based resulted from the receipt of late invoices at the end of the fiscal year. Board staff now understand the appropriate process for handling this unusual occurrence."

- 7) Enhance controls over employee travel to include formal pre-approval of potential expenses and that the staff members who travel at the City's expense timely submit the required post-travel synopses of the conferences they attended or the activities they engaged in and that those submissions are adequately and timely reviewed and are retained as required to show the benefits that the agency received as a result of the expenditure.

The BOC's Response: "While the Board had received and reviewed expenses in advance during this audit period, BOC has now standardized this process using the (1) Comptroller's Personal Expense Reimbursement Request; and (2) Approval Request for Out-of-City Trips form. Additionally, Board staff present post-travel synopsis of the conference at a full-staff meeting, and BOC requires each person who travels to provide a written synopsis, which are saved with the reimbursement forms."

DETAILED SCOPE AND METHODOLOGY

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit 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.

The scope of this audit covered Fiscal Years 2017 and 2018 (July 1, 2016 through June 30, 2018). To accomplish our objective, we performed the following procedures.

To gain a general understanding of the BOC's OTPS expenditures for the period under audit, we reviewed and summarized vendor payment information downloaded from the City Comptroller's Checkbook NYC application. We then cross-checked the Checkbook data to FMS data received from the BOC to assess the completeness and accuracy of the information.

To gain an understanding of the BOC's purchasing practices and its internal controls, we conducted a walk-through of the agency's purchasing operations. We flowcharted the BOC's purchasing practices to document our understanding of them and to assess the agency's internal controls. Further, we determined whether BOC's processes adhered to key requirements of Comptroller's Directive #1, *Principles of Internal Controls*; Comptroller's Directive #3, *Administration of Imprest Funds*; Comptroller's Directive #6, *Travel, Meals, Lodging and Miscellaneous Agency Expenses*; Comptroller's Directive #11, *Cash Accountability and Control*; Comptroller's Directive #24, *Agency Purchasing Procedures and Controls*; Comptroller's Memorandum 01-1, *Guidelines for Use of Procurement/Purchasing Cards*; Comptroller's Memorandum 14-1, *Updates to Comptroller's Memorandum 01-01 – Guidelines for Use of Procurement/Purchasing Cards*; and DCAS *Policies & Guidelines for DCAS Cardholders*. These aforementioned regulations formed the basis of our audit criteria.

We obtained and reviewed supporting documentation related to the Imprest Fund (e.g., Reimbursement Forms, Invoices, etc.) from June 2018 to determine whether transactions were appropriate and received proper approval. Based on the results of the limited testing on the Imprest Fund, we decided to expand our sample to include all 38 Imprest Fund transactions, totaling \$1,131, in Fiscal Years 2017 and 2018. Per our review of Fiscal Year 2018 Imprest Fund documentation, we determined whether all transactions were adequately recorded, approved and supported by proper documentation.

To determine whether the Imprest fund was replenished in a timely and appropriate manner, we reviewed all replenishments against the requirements in Comptroller Directive #3.

We randomly sampled two of the 24 P-card payments made during Fiscal Years 2017 and 2018. The 24 payments totaled \$7,114. We selected October 2017 and February 2018 payments totaling \$624 for further testing. From this sample, we requested and reviewed the supporting documentation to determine whether P-cards were being used by authorized personnel, transactions were reviewed and approved, taxes were not charged, and expenditures adhered to DCAS' *Policies and Procedures for DCAS Cardholders*.

To determine whether the OTPS expenditures are properly supported and complied with the Comptroller's Directives and the City's PPB Rules, we randomly selected a 10 percent (19

transactions, totaling \$8,764) of the \$156,654 Fiscal Year 2018 OTPS expenditures after removing the P-card, Imprest Fund, and zero balance transactions. We also determined whether the 19 sampled transactions and payments were reviewed and approved by the appropriate personnel, excluded sales taxes, and complied with Comptroller's Directives and PPB Rules.

The results of our tests, while not projectable to their respective populations, provided a reasonable basis to support our findings and conclusions within the context of our audit objectives.



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Martha W. King
Executive Director

June 14, 2019

Marjorie Landa
Deputy Comptroller for Audit
Office of the Comptroller
1 Centre Street, Room 1100
New York, NY 10007

Re: BOC Response to Draft Financial Audit Report # FN 19-056A

Dear Deputy Comptroller Landa:

The Board of Correction ("BOC" or "the Board") thanks the Comptroller for its diligent and helpful audit of the agency's financial controls over purchasing practices for OTPS expenditures. The Board appreciates the Comptroller's finding that the agency, "generally maintained adequate controls over its purchasing practices. Specifically, the BOC adhered to the vendor solicitation requirements as stated in the Procurement Policy Board Rules (PPB Rules), maintained procedures with sufficient segregation of duties, and recorded all of its purchases made in the City's Financial Management System (FMS)." The Board maintains its commitment to responsible accounting and effective financial controls.

The Board also acknowledges that the audit found areas for improvement. While the Board had previously identified and resolved nearly all concerns identified in the Comptroller's May 2019 report, the agency welcomes and accepts all seven (7) Comptroller recommendations set forth in the Draft Audit Report (FN 19-056A) dated May 24, 2019 ("Draft Report"). The Board's response to each Comptroller recommendation is attached.

Sincerely,

A handwritten signature in blue ink, appearing to read "Martha W. King", with a horizontal line extending to the right.

Martha W. King
Executive Director

Comptroller Recommendation # 1: Strengthen BOC's controls over its Imprest Fund by taking the five (5) recommended actions enumerated in the Draft Report (p. 2).

Board of Correction Response: The Board only uses the Imprest Fund for permissible reimbursements, and regularly instructs staff that proper documentation and expenditure coding is necessary prior to any reimbursement. As a result of this audit, the Board again reminded staff of these procedures. The Board has asked the Department of Finance for assistance in adding and enforcing a void period to Imprest Fund checks and requiring dual signature authorization.

Comptroller Recommendation #2: Cease using the P-Card to pay for non-permissible items.

Comptroller Recommendation # 3: Maintain documentation to ensure that all City requirement contracts and other city resources were reviewed and considered prior to using its P-cards for purchases.

Board of Correction Response: DCAS Central Storehouse registered BOC as users on March 21, 2019. The Board processed its first order of office supplies on April 2, 2019. While BOC had already checked requirements contracts for items prior to purchasing, agency staff was not aware of the Central Storehouse. Going forward, Board staff will check requirements contracts and Central Storehouse prior to ordering supplies. BOC will document this search in its procurement records.

Comptroller Recommendation # 4: Utilizes transaction logs and conduct timely reconciliation of P-Card purchases and statements to ensure that all such practices that resulted in the BOC's receipt of goods and services were properly authorized.

Comptroller Recommendation # 5: Create and maintain receiving reports for all goods received at BOC locations.

Board of Correction Response: Beginning in March 2019, the Board began maintaining monthly transaction logs and receiving reports. FMS Level 3 and 5 approvals are not given without completed logs and reports.

Comptroller Recommendation # 6: Ensure that all OTPS purchases are recorded in the correct fiscal year in accordance with delivery and service dates.

Board of Correction Response: The error on which this recommendation is based resulted from the receipt of late invoices at the end of the fiscal year. Board staff now understand the appropriate process for handling this unusual occurrence.

Comptroller Recommendation # 7: Enhance controls over employee travel to include formal pre-approval of potential expenses and that the staff members who travel at the City's expense timely submit the required post-travel synopses of the conference they attended or the activities they engaged in and that those submissions are adequately and timely reviewed and are retained as required to show the benefits that the agency received as a result of the expenditures.

Board of Correction Response: While the Board had received and reviewed expenses in advance during this audit period, BOC has now standardized this process using the (1) Comptroller's Personal Expense Reimbursement Request; and (2) Approval Request for Out-of-City Trips form. Additionally, Board staff present post-travel synopsis of the conference at a full-staff meeting, and BOC requires each person who travels to provide a written synopsis, which are saved with the reimbursement forms.