



City of New York

OFFICE OF THE COMPTROLLER

Scott M. Stringer
COMPTROLLER



FINANCIAL AUDIT

Marjorie Landa

Deputy Comptroller for Audit

Audit Report on the Bronx Borough
President's Office's Cash Controls over
Receipts from Minor Sales

FM15-076A

April 28, 2015

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
1 CENTRE STREET
NEW YORK, NY 10007

SCOTT M. STRINGER
COMPTROLLER

April 28, 2015

To the Residents of the City of New York:

My office has audited the Bronx Borough President's Office's (BBPO) Cash Controls over Receipts from Minor Sales. We audit City agencies such as the BBPO as a means of ensuring they operate efficiently and are accountable for resources and revenues in their charge.

The BBPO has a Topographical Unit that, for a fee, supplies the public with street maps, grade studies and certifications related to building and development, and issues new or alternative street addresses. In Fiscal Year 2014, the BBPO collected \$42,275 in revenue in connection with the operation of this unit.

The audit found that the BBPO generally complied with Comptroller's Directive #11, *Cash Accountability and Control*, in connection with its receipt and handling of the revenue taken in by the Topographical Unit. The audit concluded that there was an adequate segregation of duties with the various cash handling processes. The BBPO ensured that the cash receipt amounts agreed with the amounts deposited into the corresponding bank accounts and deposits were entered in to the City's Financial Management System. All checks received were made payable to the Department of Finance and a rubber stamp endorsement was placed on the back of all checks. The BBPO also maintained copies of bank deposit slips as well as pre-numbered customer receipts. The daily cash receipts were stored in the agency safe when the deposits could not be made.

The BBPO only accepted certified checks and money orders for grade studies, certifications related to building and development and issuance of new or alternative street addresses. Additionally, the BBPO accepted cash for nominal fees charged for the reproductions of maps. Lastly, the BBPO deposited \$3,400 of the \$3,700 collected during November 2013 on the same day it was collected. The remaining \$300 was deposited the next day. Thus, the BBPO complied with Comptroller's Directive #11, which states, "generally, all funds received must be deposited in the bank on at least a daily basis."

The results of the audit have been discussed with BBPO officials, and their comments have been considered in preparing this report. Their 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, appearing to read "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 Bronx Borough President's Office's Cash Controls over Receipts from Minor Sales

FM15-076A

AUDIT REPORT

Background

The Borough Presidents are the executive officials of each of New York City's five boroughs. The City Charter grants each Borough President, elected to a term of four years, the power to prepare and review budget proposals for the City Council; 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; review and recommend applications and proposals for the use, development or improvement of land within the borough; prepare environmental analyses required by law; provide technical assistance to the borough's community boards; monitor and make recommendations regarding the performance of contractual services in the borough; and propose legislation in the City Council.

The Bronx Borough President's Office (BBPO) has a Topographical Unit that, for a fee, supplies the public with street maps, grade studies, and certifications related to building and development, and issues new or alternative street addresses. The BBPO accepts certified checks and money orders as payment for the fees it charges for these services. It only accepts cash for the reproduction of maps because those fees are nominal. According to the City's Financial Management System, the BBPO deposited a total of \$42,275 in revenue generated from sales made by the Topographical Unit during Fiscal Year 2014.

Objective

The objective of this audit was to determine whether the BBPO is in compliance with cash control procedures as set forth in Comptroller's Directive #11, *Cash Accountability and Control*.

Scope and Methodology Statement

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit 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 BBPO's cash collections for Fiscal Year 2014, from July 1, 2013, to June 30, 2014. Please refer to the Detailed Scope and Methodology at the end of this report for the specific procedures and tests that were conducted.

Discussion of Audit Results

The matters covered in this report were discussed with BBPO officials during and at the conclusion of this audit. A preliminary draft report was sent to BBPO officials on April 6, 2015. On April 8, 2015, we received written notice from BBPO officials waiving their right to an exit conference, and on April 9, 2015, we submitted a draft report to BBPO officials with a request for comments.

The BBPO submitted a written response to the draft report on April 22, 2015 in which it stated, "We are pleased to inform you that we do not have any comments since we agree with your findings. The lack of recommendations from your agency clearly support that this agency generally complies with the cash control procedures set forth in the Comptroller's Directive #11." The full text of the BBPO's response is included as an addendum to this report.

FINDINGS

The BBPO generally complied with the cash control procedures set forth in Comptroller's Directive #11 for its Topographical Unit sales. Our review found that the BBPO adequately segregated duties with the various cash handling processes. The BBPO ensured that the cash receipt amounts agreed with the amounts deposited in bank accounts and deposits were entered in to the City's Financial Management System. All checks received were made payable to the NYC Department of Finance and a rubber stamp endorsement was placed on the back of all checks. The BBPO also maintained copies of bank deposit slips as well as pre-numbered customer receipts. The daily cash receipts were stored in the agency safe when the deposits could not be made.

The BBPO only accepted certified checks and money orders for grade studies, certifications related to building and development and issuance of new or alternative street addresses. Additionally, the BBPO accepted cash for nominal fees charged for the reproductions of maps. Comptroller's Directive #11 states that "the acceptance of currency or other types of negotiable or bearer instruments should be avoided wherever practical." Lastly, the BBPO deposited \$3,400 of the \$3,700 collected during November 2013 on the same day it was collected. The remaining \$300 was deposited the next day. Thus, the BBPO complied with Comptroller's Directive #11, which states, "generally, all funds received must be deposited in the bank on at least a daily basis."

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.

This audit covered the period July 1, 2013, through June 30, 2014. To gain an understanding of the cash control procedures and regulations with which the BBPO is required to comply, we reviewed Comptroller's Directive #11, *Cash Accountability and Control*. We interviewed BBPO officials and staff to gain an understanding of the internal control process over cash receipts. We conducted a walk-through of the BBPO Topographical Unit to familiarize ourselves with its operations. In addition, we conducted observations of the BBPO cash receipt process for fees collected by the Topographical Unit. We observed that the checks received were made payable to the order of the City of New York or the BBPO and were rubber stamp-endorsed and deposited into the bank on the same day.

We randomly selected the month of November 2013 and reviewed all transactions, which included 7 receipts totaling \$3,700, to determine whether the processing of the receipts was in accordance with Comptroller's Directive #11. We also examined all of the corresponding receipts to determine if they were pre-printed and in sequential order. We then traced all of the sales receipts amounts to the daily deposit slips to determine if the amounts agreed with the amounts deposited into the bank account. We examined all received checks to ensure that they were made payable to the order of the City of New York or the BBPO. We also reviewed whether all sales were properly recorded and all revenue collected was deposited the same or the following day in to the Treasury Collection Account as required by Comptroller's Directive #11. Finally, we checked to see if the deposits were entered in to the City's Financial Management System.



BRONX BOROUGH PRESIDENT RUBEN DIAZ, JR.

April 22, 2015

Ms. Marjorie Landa
Deputy Comptroller for Audit
Municipal Building
1 Centre Street, Room 1100
New York, NY 10007

Re: **Audit Report on this agency's
Cash Controls over Receipts from Sales,
FM15-076A**

Dear Ms. Landa:

This agency is in receipt of the draft report for the above stated audit. We are pleased to inform you that we do not have any comments since we agree with your findings.

The lack of recommendations from your agency clearly support that this agency generally complies with the cash control procedures set forth in the Comptroller's Directive No. 11.

Sincerely,

Ruben Diaz Jr.

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