



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

MARJORIE LANDA
DEPUTY COMPTROLLER FOR
AUDIT

BUREAU OF AUDIT

January 31, 2019

By Electronic Mail and USPS

Nicholas Siclari, Board Chair
Staten Island Community Board #1
1 Edgewater Plaza, Room 217
Staten Island, NY 10305

Dana T. Magee, Board Chair
Staten Island Community Board #2
900 South Avenue, Suite 28
Staten Island, NY 10314

Frank Morano, Board Chair
Staten Island Community Board #3
1243 Woodrow Road, 2nd Floor
Staten Island, NY 10309

Re: Letter Report on the Office Equipment Inventory Practices at the Three Staten Island Community Boards, Audit Number SR19-076AL

Dear Board Chairs Siclari, Magee, and Morano:

This Letter Report presents the results of the New York City Comptroller's audit to determine whether the three Staten Island Community Boards comply with certain inventory procedures for office equipment as set forth in the Department of Investigation's *Standards for Inventory Control and Management* (the DOI Standards) and are maintaining effective controls over equipment as required by Comptroller's Directive #1, *Principles of Internal Control*.

Background

New York City is divided into 59 administrative districts, each served by a Community Board, which is a local representative body authorized by the New York City Charter to advocate for the residents and needs of its district. Community Boards have various responsibilities, which include assessing the neighborhoods' needs, addressing community concerns, and vetting land use and zoning proposals. Each Board has up to 50 non-salaried members appointed by the Borough President of the borough in which the Community Board is located. Board members must reside, work, or have significant interests in their districts.

While Community Board members serve unpaid two-year terms, Community Boards'

operations are paid for with City funds. With these funds, each Board hires a District Manager as its chief executive officer whose responsibilities include assisting the Board in hiring administrative staff, supervising the staff, and managing the daily operations of the district office. Each Borough President's Office provides administrative assistance to the Community Boards.

Staten Island has three Community Boards, numbered 1 through 3, that collectively cover the entire borough. Each of the Staten Island Community Boards has a District Manager and at least one full-time clerical staff person. The salaries of these individuals are covered by the Community Boards' Personal Services budgets. In addition, the Community Boards are provided with City funds to cover other types of expenses, known as Other Than Personal Service (OTPS), a category that includes purchases of computer and office equipment. The total OTPS expenditures for the three Staten Island Community Boards for Fiscal Year 2018 totaled \$52,943.

The three Community Boards identified 87 items of office equipment (computers, monitors, printers, laptops, cameras, fax machines, and televisions) on their inventory lists. According to Comptroller's Directive #1, inventory items, such as electronic equipment and other office equipment, require strong controls to ensure accurate recordkeeping and good security. Further, the DOI Standards establish controls the Boards must follow. Each of the three Staten Island Community Boards maintains an inventory of office equipment such as desktops, laptops, tablets, monitors, printers, scanners, fax machines, and televisions.

Audit Findings

The audit found that the three Community Boards were in compliance with the DOI Standards and Comptroller's Directive #1. We reviewed and observed that all 87 office equipment items (including computers, monitors, printers, laptops, cameras, fax machines, and televisions) listed on the Community Boards' inventory records were present at each Community Board office. The Community Boards maintained complete and accurate inventory records of their office equipment as mandated by Section 28 of the DOI Standards, which requires that "[p]ermanent 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."¹

We also found that the three Community Boards used correct object codes to categorize the expenses vouchered for the 14 office equipment items purchased during our audit period. We reviewed a total of 13 payment vouchers for the 14 office equipment items purchased totaling \$10,445. The Community Boards vouchered their expenses correctly as mandated by Comptroller's Directive #24, §6.0, which states, "Payment Voucher approvers must ensure that the appropriate accounting and budget codes are being charged. This includes charging the correct unit of appropriation and correct object code within that unit of appropriation."

¹ An agency control number is a unique sequential number affixed to equipment and used on the inventory list which aides in the taking of physical inventory and provides an accurate method of identifying individual assets, current user, and location.

Recommendations

The Community Boards should continue to maintain complete and accurate inventory records of all office equipment in accordance with the DOI Standards and Comptroller's Directive #1. The Community Boards should also continue to charge office equipment purchases to the correct object codes in accordance with Comptroller's Directive #24, *Agency Purchasing Procedures and Controls*.

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 audit covered the period of July 1, 2017, through November 30, 2018.

To obtain an understanding of the inventory procedures and regulations with which the Community Boards are required to comply, we reviewed relevant provisions of the DOI Standards and Comptroller's Directives #1 and #24. We interviewed staff at each Community Board to obtain an understanding of the inventory procedures in use and to determine how physical assets are safeguarded.

We reviewed and physically observed whether all 87 office equipment items (including computers, monitors, printers, scanners, laptops, fax machines, and televisions) listed on the Community Boards' most current inventory records dated November 2018 were present at each Community Board's office.

During our physical observations of the inventory, which we conducted from November 15, 2018 through November 29, 2018, we verified whether all items examined were properly tagged as "Property of the City of New York" and determined whether the items were accurately recorded on the Community Boards' inventory records. Specifically, we verified whether the inventory lists included the type of equipment, serial number, agency control number, and location. We reviewed the Boards' purchase documents for Fiscal Year 2018 and the first five months of Fiscal Year 2019 (July 1, 2018 through November 29, 2018) to determine whether they purchased office equipment and whether the expense was for an appropriate business purpose. We then ascertained whether all 14 office equipment items purchased totaling \$10,445 were present at the Boards' offices, were properly recorded on their inventory lists, and were purchased using correct object codes.

The findings in this letter report were discussed with officials of the three Staten Island Community Boards during and at the conclusion of this audit. A preliminary draft letter report was sent to officials at each of the three Community Boards and was discussed at an exit conference held on January 9, 2019. The discussions with officials of the three Staten Island Community Boards were considered in preparation of this draft letter report. On January 10, 2019 we submitted a draft letter report to the three Community Boards with a request for their comments. We received written responses from the three Community Boards on January 25, 2019. In their responses, the three

Board Chairs Siclari, Magee, and Morano

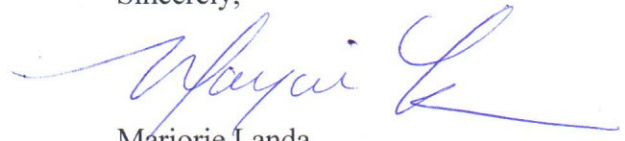
January 31, 2019

Page 4 of 4

Community Boards agreed with the report's findings and recommendations and each stated that their Community Board will continue to comply with DOI Standards and Comptroller's Directives #1 and # 24.

The full text of the three Community Boards response is included as an addendum to this letter report.

Sincerely,



Marjorie Landa

c: James Oddo, Borough President
Joseph Carroll, District Manager
Debra Derrico, District Manager
Charlene Wagner, District Manager

City of New York
Community Board No. 1

January 24, 2019

Ms. Majorie Landa
City of New York
Office of the Comptroller
Municipal Building
1 Centre Street Rm. 1100
New York, New York 10007

Re: Community Board #1 response to the Office Equipment Inventory Practices, Audit Number SR19-076AL

Dear Ms. Landa:

Community Board #1, Staten Island will continue to follow and maintain effective controls over all office equipment as required by the Comptroller's Directive #1, Principles of Internal Control.

In addition, Community Board #1 will continue to comply with the Department of Investigation Standards and Comptroller's Directive #24 to comply with all inventory procedures.

Community Board #1 will continue to properly record all items purchased on the inventory list and use the correct object codes.

Lastly, Community Board #1 appreciates your professionalism, helpful and courteous interaction during this audit.

If you need any further information or have any questions, please do not hesitate to call or e-mail.

Sincerely,



Nicholas Siclari
Chairman

NS:lc



DANA T. MAGEE
CHAIR

DEBRA A. DERRICO
DISTRICT MANAGER

THE CITY OF NEW YORK
Community Board 2
BOROUGH OF STATEN ISLAND

900 SOUTH AVENUE, SUITE 28
STATEN ISLAND, NEW YORK 10314
PHONE: 718-568-3581
FAX #: 718-568-3595

January 11, 2019

Marjorie Landa
Deputy Comptroller for Audit
Office of the New York City Comptroller, Bureau of Audit
Municipal Building
1 Centre Street, Room 1101
New York, New York 10007

Dear Deputy Comptroller Landa:

I am in receipt of your draft letter report on the office equipment inventory practices at the three Staten Island Community Boards, Audit Number SR19-076AL.

Community Board 2 is pleased that we were in compliance with the DOI Standards and Comptroller's Directives. Please be assured that we are committed to continue to observe all rules and regulations set forth by the New York City Office of the Comptroller.

Thank you for your comments and best wishes for a happy and healthy New Year.

Very truly yours,

A handwritten signature in cursive script that reads "Dana T. Magee".

Dana T. Magee
Chair



**BOROUGH OF STATEN ISLAND
COMMUNITY BOARD #3**

1243 Woodrow Road - 2nd Floor

Staten Island, NY 10309

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

Website: www.nyc.gov/sicb3

January 25, 2019

Office of the NYC Comptroller, Scott M. Stringer
1 Centre Street, 11th Floor South
New York, NY 10007

Re: Audit Number SR19-076AL Office Equipment Practices

Dear Comptroller Stringer:

We are in receipt of the Draft Letter Report for the above referenced audit. We gave read the report and have no comments at this time.

Rest assured we will continue to maintain complete and accurate inventory records of all office equipment in accordance with DOI Standards and Comptroller's Directives #1 and #24.

Sincerely,

Frank Morano
Chairman of the Board

Charlene Wagner
District Manger