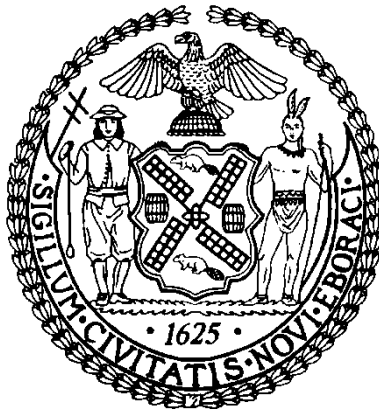


**CITY OF NEW YORK
OFFICE OF THE COMPTROLLER**

**John C. Liu
COMPTROLLER**

FINANCIAL AUDIT

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



**Audit Report on the Other Than Personal
Service Expenditures of the
Office of Administrative Tax Appeals**

FL10-097A

February 28, 2011



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

John C. Liu
COMPTROLLER

February 28, 2011

To the Residents of the City of New York:

My office audited the Other Than Personal Service (OTPS) expenditures of the New York City Office of Administrative Tax Appeals (OATA) for the period July 1, 2008, through June 30, 2009—Fiscal Year 2009. We audit City agencies such as these to ensure that they comply with applicable procedures and use City funds appropriately and in the best interest of the public.

All OATA purchases reviewed were for proper business purposes and properly authorized and approved. The purchased goods were received and the services rendered. However, OATA had problems with its equipment inventory. It has no written policies and procedures for recording, reporting, and safeguarding its equipment, and it did not maintain complete and accurate inventory records for its equipment. As a result, OATA did not record 130 of 401 (32 percent) equipment items on its inventory records and could not account for six items: two laser printers, two monitors, a postage machine, and a VCR, with a replacement cost of \$3,579. For 258 pieces of equipment recorded on inventory, OATA's inventory records lacked or had incorrect critical information such as descriptions of the items, model numbers, ID tag numbers, and office locations for the items listed. Moreover, the OATA does not always update its inventory records to reflect relocated equipment. Consequently, these weaknesses increase the risk that equipment, including computer equipment, may be stolen and that theft may go undetected. There were also some instances of noncompliance with Comptroller's Directives concerning parking violations, sales tax, encumbrance documents, and reimbursements.

The audit recommendations addressed the weaknesses identified in the report and, if implemented, will result in a complete and accurate inventory control system and compliance with Comptroller's Directives.

The results of the audit have been discussed with OATA 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,


John C. Liu

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

**Audit Report on the Other Than
Personal Service Expenditures of the
Office of Administrative Tax Appeals**

FL10-097A

AUDIT REPORT IN BRIEF

The New York City Office of Administrative Tax Appeals (OATA) was established by Local Law 57 of 2007. The law merged two City agencies: the Tax Appeals Tribunal, responsible for hearing appeals of Department of Finance income and excise tax determinations, and the Tax Commission, responsible for hearing protests of property tax assessments. OATA's mission is to provide a single venue for fair, independent, efficient, City-administered hearings of tax appeals.

We conducted an audit of the Other Than Personal Service (OTPS) expenditures of OATA for the period July 1, 2008, through June 30, 2009—Fiscal Year 2009. The OTPS expenditures during Fiscal Year 2009 totaled \$287,419.

Audit Findings and Conclusions

The audit found that generally, all the purchases reviewed were for proper business purposes, properly authorized and approved, and the purchased goods were received and the services rendered. However, OATA had problems with its equipment inventory. It has no written policies and procedures for recording, reporting, and safeguarding its equipment, and it did not maintain complete and accurate inventory records for its equipment. As a result, OATA did not record 130 of 401 (32 percent) equipment items on its inventory records and could not account for six items: two laser printers, two monitors, a postage machine, and a VCR, with a replacement cost of \$3,579. For 258 pieces of equipment recorded on inventory, OATA's inventory records lacked or had incorrect critical information such as descriptions of the items, model numbers, ID tag numbers, and office locations for the items listed. Moreover, the OATA does not always update its inventory records to reflect relocated equipment. Consequently, these weaknesses increase the risk that equipment, including computer equipment, may be stolen and that theft may go undetected.

There were some instances of noncompliance with Comptroller's Directives concerning parking violations, sales tax, encumbrance documents, and reimbursements.

Audit Recommendations

The audit makes five recommendations. OATA should:

- Develop inventory policies and procedures to ensure that the inventory control system is: (1) accurate (all equipment is recorded on its inventory records and accounted for), and (2) timely (records are adjusted to immediately reflect receipts, transfers, and relinquishments).
- Ensure that it does not pay for parking violations and towing fees issued on its City-owned vehicles and seek reimbursement from the offending drivers.
- Ensure that it does not pay any sales tax on any item or service that it purchases on behalf of the City for official business purposes.
- Ensure that it processes requisitions when a purchase exceeds the micro-purchase limits.
- Reimburse employees only when they submit original receipts as required by Directive #6.

OATA Response

In his response, OATA's president generally agreed with the audit's recommendations. However, OATA's president took exception with several of the audit's findings. The specific comments raised by OATA's president and our rebuttals are contained in the relevant sections of this report.

INTRODUCTION

Background

OATA was established by Local Law 57 of 2007. The law merged two City agencies: the Tax Appeals Tribunal, responsible for hearing appeals of Department of Finance income and excise tax determinations, and the Tax Commission, responsible for hearing protests of property tax assessments. OATA's mission is to provide a single venue for fair, independent, efficient, City-administered hearings of tax appeals.

We conducted an audit of the OTPS expenditures of OATA for the period July 1, 2008, through June 30, 2009—Fiscal Year 2009. The OTPS expenditures during Fiscal Year 2009 totaled \$287,419.

Objectives

The audit's objectives were to determine whether the OATA complied with certain purchasing and inventory procedures for OTPS expenditures of the New York City Comptroller's Internal Control and Accountability Directives (Comptroller's Directives); Procurement Policy Board (PPB) rules; City Financial Management System (FMS) accounting policies, procedures, and related bulletins; the Comptroller's "Fiscal Year-End Closing Instructions" for June 30, 2009; and other applicable OTPS and inventory guidelines.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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 performed 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 scope covered the period July 1, 2008, through June 30, 2009 (Fiscal Year 2009). We reviewed the following documents to obtain an understanding of the procedures and regulations with which OATA is required to comply for the purposes of this audit:

- Comptroller's Directive #6, "Travel, Meals, Lodging and Miscellaneous Agency Expenses"
- Comptroller's Directive #24, "Agency Purchasing Procedures and Controls"
- PPB rules
- FMS accounting policies, procedures, and related bulletins
- Comptroller's "Fiscal Year-End Closing Instructions" for June 30, 2007
- Department of Investigation's *Standards for Inventory Control and Management*

- City of New York *Regulations for City Vehicle Drivers*, and
- Other applicable OTPS and inventory guidelines.

To obtain an understanding of OATA's purchasing procedures and the safeguarding of physical assets, we conducted walk-throughs of the purchasing process on December 3, 2009, and of the inventory procedures on March 3, 2010. We interviewed appropriate personnel and documented our understanding of these processes through narratives and flowcharts.

We reviewed, analyzed, and compared the City's FMS printouts to OATA's payment vouchers and related small Purchase Documents (PDs) to determine the completeness and accuracy of the documentation provided. We also reviewed OATA's documentation for miscellaneous payment vouchers in accordance with the tests noted below.

Tests of Compliance with Comptroller's Directives #6 and #24, and PPB Rules

To determine whether OATA complied with PPB rules and Comptroller's Directives #6 and #24 for traveling, purchasing, procuring, and vouchering, we selected 72 payment vouchers and related purchase documents including 87 invoices, totaling \$81,698, from 258 payment vouchers totaling \$247,094, which represents 33 percent of the total dollar amount paid. Specifically, we randomly selected 50 vouchers for purchases from external vendors, totaling \$76,528, and we judgmentally selected an additional 10 of the highest dollar amount vouchers paid to individuals, totaling \$4,659. We also selected all eight miscellaneous payment vouchers and related documents, totaling \$511. Finally, we selected the two cancelled payment vouchers, and the two payment vouchers that were allowed to lapse.

The total of 72 vouchers in the sample reviewed contained 89 transactions.

We reviewed each payment voucher, FMS purchase or contract document, internal purchase order, invoice, and corresponding documentation to determine whether they had the required authorizations, approvals, and signatures. We also sought evidence that the transactions were for proper business purposes and were supported by adequate documentation, such as contract awards and order specifications. We also determined whether the purchases were charged to the correct object codes, had the proper encumbrance type, and were properly pre-encumbered when the dollar value exceeded \$5,000.

We determined whether the required number of bids was solicited, whether sole source procurements exceeding \$2,500 were justified, whether purchases could have been made through available storehouse or City requirement contracts, and whether procurements made under New York State contracts contained the written determination that prices were lower than prevailing market prices. In addition, we determined whether contracts were registered with the Comptroller's Office of Contract Administration and registered before their effective contract dates as required under the PPB rules. Further, we determined whether miscellaneous payment vouchers were processed in compliance with Comptroller's Directive #24.

In addition, we determined whether goods were received and services rendered, whether the details on the vouchers matched the purchase documents (ordered goods, prices, quantities, etc.), whether invoices were properly paid, whether rebates and discounts were obtained from vendors, whether New York sales taxes were paid for expenditures of more than \$25, and whether the proper voucher type was used. To determine whether voucher amounts were correctly calculated, we traced the amounts on supporting documents, vendor invoices, and personal expense forms to the amounts on the vouchers and recalculated the totals. We then determined whether expenses incurred during Fiscal Year 2009 were charged to the correct fiscal year, receiving reports and invoices contained the stamped clock-in time or were otherwise annotated with the date upon receipt, FMS documents contained the goods descriptions, and FMS invoice information was accurate.

Additionally, we determined whether OATA made payments to vendors within 30 days after the Invoice Received or Acceptance Date (IRA Date) in accordance with §4-06(c)(2) of the PPB rules. In that regard, we compared the IRA dates plus 30 days to the FMS voucher acceptance/sign-off dates for all purchases under review when possible.

Finally, to determine whether there was adequate segregation of duties over the purchase and payment functions, we reviewed OATA's list of individuals and their corresponding assigned FMS authorization levels. We determined whether the employees who prepared the purchase and contract documents and payment vouchers were employees other than those who authorized them.

Although the results of the above tests cannot be projected to the entire population of purchases for the fiscal year, they provided us a reasonable basis to assess OATA compliance with the above-mentioned City purchasing guidelines.

Tests of Inventory Records

We conducted a physical inventory of all OATA's equipment between May 25, 2010, and June 14, 2010. We compared the results of our physical inventory to OATA's equipment inventory list to determine whether all equipment was recorded on OATA's inventory records with manufacturer's names, models, and serial numbers, and whether any equipment listed on OATA's inventory records was unaccounted for. We also checked whether each piece of equipment had an OATA identification tag on it and whether the tag number was recorded on its inventory list.

Discussion of Audit Results

The matters covered in this report were discussed with OATA officials during and at the conclusion of this audit. A preliminary draft report was sent to OATA officials on September 22, 2010, and was discussed at an exit conference held on October 27, 2010. On November 17, 2010, we submitted a draft report to OATA officials with a request for comments. We received a written response from OATA's official on December 3, 2010.

In his response, OATA's president generally agreed with the audit's recommendations. However, OATA's president took exception with several of the audit's findings. The specific

comments raised by OATA's president and our rebuttals are contained in the relevant sections of this report.

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

FINDINGS AND RECOMMENDATIONS

Generally, all the purchases reviewed were for proper business purposes, properly authorized and approved, and the purchased goods were received and the services rendered. However, OATA had problems with its equipment inventory. It has no written policies and procedures for recording, reporting, and safeguarding its equipment, and it did not maintain complete and accurate inventory records for its equipment. As a result, OATA did not record 130 of 401 (32 percent) equipment items on its inventory records and could not account for six items: two laser printers, two monitors, a postage machine, and a VCR, with a replacement cost of \$3,579. For 258 pieces of equipment recorded on inventory, OATA's inventory records lacked or had incorrect critical information such as descriptions of the items, model numbers, ID tag numbers, and office locations for the items listed. Moreover, the OATA does not always update its inventory records to reflect relocated equipment. Consequently, these weaknesses increase the risk that equipment, including computer equipment, may be stolen and that theft may go undetected.

There were some instances of noncompliance with Comptroller's Directives concerning parking violations, sales tax, encumbrance documents, and reimbursements.

These issues are discussed in the following sections of this report.

Inventory System Weaknesses

The following weaknesses in the OATA inventory system increase the risk that equipment, including computer equipment, may be stolen and that the theft may go undetected.

Lack of Written Policies and Procedures for Equipment Inventory

OATA does not have written policies and procedures for recording, reporting, and safeguarding its equipment.

The New York City Department of Investigation's (DOI) *Standards of Inventory Control and Management* states,

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. Lack of procedures renders it more difficult to hold individuals accountable for their actions or failures to act.

OATA Response: "This finding is correct. However, OATA is currently using the written policies and procedures for equipment inventory prepared by the New York City Department of Investigation, entitled 'Standards for Inventory Control and Management.'"

Incomplete or Inaccurate Equipment Inventory Records

OATA did not record 130 of 401 (32 percent) equipment items on its inventory records nor could it account for six equipment items. We conducted a physical inventory count of all OATA equipment between May 25, 2010, and June 14, 2010, and observed 401 items that should be on its inventory records. Equipment items include computers, monitors, printers, and air purifiers. For 258 pieces of equipment recorded on inventory, OATA's inventory records lacked or had incorrect critical information, such as descriptions of the items, model numbers, ID tag numbers, and office locations for the items listed. Moreover, OATA does not update its inventory records to reflect equipment that has been relocated.

An additional 65 pieces of broken and salvaged equipment were not included on the inventory records, and OATA did not compile a relinquishment list.

Overall, OATA's inventory practices do not comply with DOI's *Standards for Inventory Control and Management*, which states: "Records present a complete picture of the 'who, what, when and why' of a transaction from initiation through completion. Records demonstrating less than this are not adequate."

OATA Response: "Our 'Incomplete or Inaccurate Equipment Inventory Records' included 130 equipment items not listed. Most of those items were either non-IT, such as cell phones, shredders, TV/VCR, etc., or items purchased for the Tax Appeals Tribunal by the Department of Finance before the Tribunal and the Tax Commission merged. Prior to the merge, Finance purchased the Tribunal's equipment as part of Finance's budget. All items have now been included in OATA's inventory. The Comptroller's Preliminary Draft also cited nine items as unaccounted for. The draft of the Financial of November 17, 2010 cites six items. All but one item were shown to be accounted for. That single item was inadvertently omitted from a salvage list."

Auditor Comment: Contrary to OATA's response, the six items remain unaccounted for. OATA contends that the six pieces of equipment—two printers, two monitors, a VCR, and a postage meter were incorrectly recorded on OATA's inventory records. However, OATA did not provide us with sufficient documentation to support this contention.

Recommendation

1. OATA should develop inventory policies and procedures to ensure that the inventory control system is: (1) accurate (all equipment is recorded on its inventory records and accounted for) and (2) timely (records are adjusted to immediately reflect receipts, transfers, and relinquishments).

OATA Response: "OATA has developed inventory practices to ensure that its records are accurate and updated timely. We are now using the written policies and procedures for inventory prepared by the New York City Department of Investigation, entitled 'Standards for Inventory Control and Management.'"

Auditor Comment: Contrary to OATA’s response, DOI’s *Standards for Inventory Control and Management* are not inventory policies and procedures. DOI’s *Standards for Inventory Control and Management*, are overall standards that should be included when OATA prepares its own inventory policies and procedures. Therefore, we reiterate that OATA should develop its own inventory policies and procedures.

Paid Parking Violations

OATA paid \$300 for a parking ticket and towing for one of its City vehicles in violation of Comptroller’s Directive #6 and the Mayor’s Office of Operations “Regulations for City Vehicle Drivers, Accident Reporting and Loss Control.” According to Comptroller’s Directive #6:

Parking 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, Long Distance or Overnight Travel destination.

In addition, the Mayor’s Office of Operations “Regulations for City Vehicle Drivers, Accident Reporting and Loss Control,” §3.4, states,

A driver, including an operator of an emergency vehicle, is responsible for all summonses, fines, and penalties issued as a result of his/her operation of a vehicle in the course of City business.

OATA Response: “With permit displayed in the windshield, our Agency car was briefly parked on Chambers Street, across from our office at 1 Centre Street to be loaded with documents to be taken to outer borough offices. We believe that Addendum 3.4 addresses the issue of a reimbursement for a parking ticket and towing fee.

“According to the current version of the City Vehicle Driver Handbook.pdf; city Vehicle Driver Handbook Addendum 1.pdf:

“3.4 PARKING SUMMONS – A driver, including an operator of an emergency vehicle, is responsible for all summonses, fines and penalties issued as a result of his/her operation of a vehicle in the course of City business. Parking with a permit in contradiction to posted signs is permitted only for the minimum time necessary to perform official agency business. The permits themselves contain certain restrictions that apply to their use and users are expected to familiarize themselves with permit restrictions. Such permits are required to be displayed so they are visible through the windshield.”

Auditor Comment: Contrary to OATA’s response, Addendum 3.4 does not address the issue of reimbursement for a parking ticket and towing fee. Moreover, the New York

City Department of Transportation parking permits do not allow or authorize parking in lower Manhattan, below Canal Street, or in downtown Brooklyn.

Recommendation

2. OATA should ensure that it does not pay for parking violations and towing fees issued on its City-owned vehicles and should seek reimbursement from the offending drivers.

OATA Response: “OATA will ensure that it does not pay for or reimburse for parking violations and towing fees outside of the current City regulation.”

Paid Sales Tax

OATA paid sales tax, totaling \$139, on 42 reimbursement claims—processed through five vouchers—for parking fees, totaling \$1,340, in violation of Comptroller’s Directive #6. According to Directive #6 §2.7:

Agencies and employees should not pay sales taxes on any item or service purchased in the State of New York on behalf of the City for official business purposes. Employees must obtain and present a Sales Tax Exemption Certificate or exemption request on agency letterhead at the time of purchase.

Directive #6 further states, “In no case may sales taxes be paid or reimbursed for an expenditure of \$25.00 or more.”

Forty-one of the 42 reimbursements exceeded the \$25 limitation. Furthermore, all 42 reimbursements were made to the same parking garage on Reade Street.

Recommendation

3. OATA should ensure that it does not pay any sales tax on any item or service that it purchases on behalf of the City for official business purposes.

OATA Response: “OATA will not pay sales tax in the future on any item or service purchased in the State of New York on behalf of the City for official business purposes.”

Other Procurement-Related Matters

Purchase Documents for More Than \$5,000 Lacked Pre-Encumbrances

Two purchases, totaling \$15,504, were processed without a requisition as required by Comptroller’s Directive #24. Comptroller Directive #24 states: “Requisitions are required when

a purchase is expected to exceed the micro-purchase limits, currently set at \$5,000, or when a contract will be used for the purchase.”

Requisitions are needed to pre-encumber funds and record estimated liabilities. The recording of estimated liabilities ensures that the City’s financial records reflect planned expenditures, provides cash control and accountability, and facilitates management of the City’s financial resources.

Recommendation

4. OATA should ensure that it processes requisitions when a purchase exceeds the micro-purchase limits.

OATA Response: “OATA will process requisitions when purchases exceed the micro-purchase limits in the future.”

Reimbursement without Original Receipts

A reimbursement for two taxicab rides, totaling \$65, was made without submission of the original receipt. Instead, OATA accepted a hand-written note to process the reimbursements. Comptroller’s Directive #6, §4.1, states, “Original receipts are required for transportation fares, parking fee, gasoline, minor repairs of City-owned vehicles, taxicabs, tolls and rental vehicle costs.”

OATA Response: “The finding is incorrect as original receipts were submitted for both rides and the reimbursement was appropriate. Several high level staff members traveled to a conference in Nashville, TN. The cab transporting them to the hotel was paid and a receipt was obtained that stated date, trip start and end, and charge. They also obtained a proper receipt for the trip back to the airport at the conclusion of the conference.”

Auditor Comment: Contrary to OATA response, the Director of its Hearing Bureau was reimbursed four cab rides, totaling \$137, for this conference as follows:

- Cab from his home to LaGuardia Airport on September 24, 2008, totaling \$42;
- Cab from Nashville International Airport to the Downtown Sheraton, Nashville, on September 24, 2008, totaling \$30;
- Cab from Downtown Sheraton, Nashville, to Nashville International Airport on September 27, 2008, totaling \$30; and,
- Cab from LaGuardia Airport to his home on September 27, 2008, totaling \$35.

The Director submitted original receipts for the two cab rides on September 24, 2008, totaling \$72. However, for the two cab rides on September 27, 2008, totaling, \$65, the Director submitted and OATA accepted, a hand-written note to process the reimbursements.

Recommendation

5. OATA should reimburse employees only when they submit original receipts as required by Directive #6.

OATA Response: “OATA will reimburse employees only when original receipts are submitted.”



GLENN NEWMAN
President

THE CITY OF NEW YORK
TAX COMMISSION

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December 2, 2010

Hon. H. Tina Kim
Deputy Comptroller
Office of the Comptroller
1 Centre Street, Room 1100
New York, NY 10007

Re: Audit Report on OTPS Expenditures of the
Office of Administrative Tax Appeals
Audit # FL10-097A

Dear Deputy Comptroller Kim:

The Office of Administrative Tax Appeals respectfully submits its response to the captioned draft audit report.

We feel that our responses to the five recommendations have been addressed.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Glenn Newman".

Glenn Newman

Attachment

c: Mayor's Office of Operations

**RESPONSE TO AUDIT REPORT ON OTPS EXPENDITURES OF
THE OFFICE OF ADMINISTRATIVE TAX APPEALS AUDIT
FL10-097A**

- 1) The draft audit found that "OATA does not have written policies and procedures for recording, reporting, and safeguarding its equipment."

Response: This finding is correct. However, OATA is currently using the written policies and procedures for equipment inventory prepared by the New York City Department of Investigation, entitled "Standards for Inventory Control and Management".

The draft audit found that OATA's equipment inventory records were incomplete or inaccurate.

Response: Our "Incomplete or Inaccurate Equipment Inventory Records" included 130 equipment items not listed. Most of those items were either non-IT, such as cell phones, shredders, TV/VCR, etc., or items purchased for the Tax Appeals Tribunal by the Department of Finance before the Tribunal and the Tax Commission merged. Prior to the merge, Finance purchased the Tribunal's equipment as part of Finance's budget. All items have now been included in OATA's inventory.

The Comptroller's Preliminary Draft also cited nine items as unaccounted for. The draft of the Financial of November 17, 2010 cites six items. All but one item were shown to be accounted for. That single item was inadvertently omitted from a salvage list.

Agency Implementation Plan: OATA has developed inventory practices to ensure that its records are accurate and updated timely. We are now using the written policies and procedures for inventory prepared by the New York City Department of Investigation, entitled "Standards for Inventory Control and Management".

- 2) The draft audit found that OATA paid \$300 for a parking ticket and towing in violation of a Comptroller's Directive and a regulation of the Mayor's Office of Operations.

Response: With permit displayed in the windshield, our Agency car was briefly parked on Chambers Street, across from our office at 1 Centre Street to be loaded with documents to be taken to outer borough offices. We believe that Addendum 3.4 addresses the issue of a reimbursement for a parking ticket and towing fee.

According to the current version of the City Vehicle Driver Handbook.pdf; city Vehicle Driver Handbook Addendum 1.pdf:

3.4 PARKING SUMMONS - A driver, including an operator of an emergency vehicle, is responsible for all summonses, fines and penalties issued as a result of his/her operation of a vehicle in the course of City business. Parking with a permit in contradiction to posted signs is permitted only for the minimum time necessary to perform official agency business. The permits themselves contain certain restrictions

that apply to their use and users are expected to familiarize themselves with permit restrictions. Such permits are required to be displayed so they are visible through the windshield.

Agency Implementation Plan: OATA will ensure that it does not pay for or reimburse for parking violations and towing fees outside of the current City regulation.

- 3) The draft audit found that OATA mistakenly paid sales tax in the amount of \$139.

Response: The finding is correct.

Agency Implementation Plan: OATA will not pay sales tax in the future on any item or service purchased in the State of New York on behalf of the City for official business purposes.

- 4) The draft audit found that two purchases, at amounts over the micro-purchase limit, were processed without a requisition.

Response: The finding is correct

Agency Implementation Plan: OATA will process requisitions when purchases exceed the micro-purchase limits in the future.

- 5) The draft audit found that \$65 was reimbursed for two taxicab rides without the original receipt.

Response: The finding is incorrect as original receipts were submitted for both rides and the reimbursement was appropriate. Several high level staff members traveled to a conference in Nashville, TN. The cab transporting them to the hotel was paid and a receipt was obtained that stated date, trip start and end, and charge. They also obtained a proper receipt for the trip back to the airport at the conclusion of the conference.

Agency Implementation Plan: OATA will reimburse employees only when original receipts are submitted.