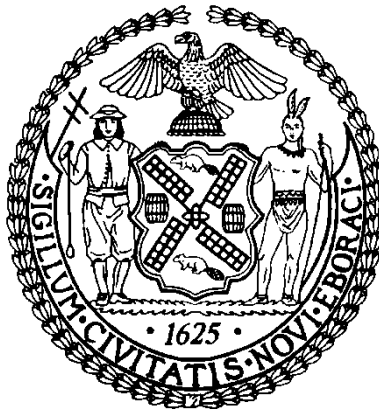


**CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER**

**John C. Liu  
COMPTROLLER**

**MANAGEMENT AUDIT**

**Tina Kim  
Deputy Comptroller for Audit**



**Audit Report on the Brooklyn Borough  
President's Office's Cash Controls over  
Transactions from the Topographical Bureau**

*MD11-140A*

**December 30, 2011**



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

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John C. Liu  
COMPTROLLER

December 30, 2011

**To the Residents of the City of New York:**

My office has audited the compliance of the Brooklyn Borough President's Office with the cash control procedures as set forth in the Comptroller's Directive #11, "Cash Accountability and Control" for its Topographical Bureau sales. We audit City entities such as this as a means of ensuring that they operate efficiently and are accountable for the resources and revenues in their charge.

The BBPO Topographical Bureau supplies the public with street maps, grade studies, and certificates related to building and development and issues house numbers. In Fiscal Year 2011, the BBPO had revenue from the Topographical Bureau sales of \$217,400.

The audit found that the BBPO generally complied with the cash control provisions over its Topographical Bureau sales as set forth in the Comptroller's Directive #11, except for the provision regarding the daily depositing of cash receipts. The BBPO did not ensure that cash receipts were deposited on a daily basis as required. To address this issue, the audit made two recommendations. The BBPO should, to the extent feasible, ensure that cash receipts are deposited on a daily basis. Additionally, the BBPO should establish a dollar-value threshold for the maximum amount of cash receipts allowed to be maintained on site and ensure that the threshold is not exceeded.

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](mailto:audit@comptroller.nyc.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "JCL", followed by a period.

John C. Liu

*Table of Contents*

**AUDIT REPORT IN BRIEF ..... 1**

Audit Findings and Conclusions ..... 1

Audit Recommendations ..... 1

Agency Response ..... 2

**INTRODUCTION..... 3**

Background ..... 3

Objective ..... 3

Scope and Methodology Statement ..... 3

Discussion of Audit Results ..... 4

**FINDINGS AND RECOMMENDATIONS ..... 5**

Recommendations ..... 5

**DETAILED SCOPE AND METHODOLOGY..... 7**

**ADDENDUM**      Brooklyn Borough President’s Office’s Response

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

**Audit Report on the Brooklyn Borough President's Office's  
Cash Controls over Transactions from the Topographical  
Bureau**

**MD11-140A**

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**AUDIT REPORT IN BRIEF**

This audit determined whether the Brooklyn Borough President's Office (BBPO) is complying with the cash control procedures as set forth in the Comptroller's Directive #11, "Cash Accountability and Control" for its Topographical Bureau sales.

The Borough Presidents are the executive officials of each borough and are elected by the people of each of the five New York City boroughs for a term of four years. The BBPO has a Topographical Bureau that supplies the public with street maps, grade studies, and certificates related to building and development and issues house numbers. The BBPO accepts currency, certified checks, and money orders as payment for the fees it charges for these services.

In Fiscal Year 2011, the City of New York Comprehensive Annual Financial Report (CAFR) prepared by the Comptroller's Office reported that the BBPO had revenue from Sundries Sales (sales from the Topographical Bureau) of \$217,400, which matched the amount recorded as deposited in the City's Financial Management System (FMS).

**Audit Findings and Conclusions**

The BBPO generally complied with the cash control provisions over its Topographical Bureau sales as set forth in the Comptroller's Directive #11, "Cash Accountability and Control," except for the provision regarding the daily depositing of cash receipts. The BBPO did not ensure that cash receipts were deposited on a daily basis as required. Comptroller's Directive #11, §3.4 states that, "the inordinate accumulation of in-office cash receipts is not acceptable and, generally, all funds received must be deposited in the bank on at least a daily basis." The BBPO, however, deposits its cash receipts on a weekly rather than daily basis.

**Audit Recommendations**

Based on our findings, we make two recommendations. The BBPO should, to the extent feasible, ensure that cash receipts are deposited on a daily basis. Additionally, the BBPO should establish a dollar-value threshold for the maximum amount of cash receipts allowed to be maintained on site and ensure that the threshold is not exceeded.

**Agency Response**

In their response, BBPO officials stated that due to a shortage of staff, they are unable to implement the recommendation to ensure that cash receipts are deposited on a daily basis, but agreed to establish a dollar-value threshold for the maximum amount of cash receipts to be maintained on site.

## **INTRODUCTION**

### **Background**

The Borough Presidents are the executive officials of each borough and are elected by the people of each of the five New York City boroughs for a term of four years. It is a Borough President's responsibility to: prepare and review budget proposals; recommend capital projects; hold public hearings on matters of public interest; consult with the Mayor and the City Council on the preparation of the executive and capital budgets; review and recommend applications and proposals for the use, development, or improvement of land in the borough; prepare environmental analyses required by law; provide technical assistance to the borough community boards; monitor and make recommendations regarding the performance of contractual services in the borough; and propose legislation to be introduced in the City Council.

The BBPO has a Topographical Bureau that supplies the public with street maps, grade studies, and certificates related to building and development and issues house numbers. The BBPO accepts currency, certified checks, and money orders as payment for the fees it charges for these services.

In Fiscal Year 2011, the City's CAFR prepared by the Comptroller's Office reported that the BBPO had revenue from Sundries Sales (sales from the Topographical Bureau) of \$217,400. According to the City's FMS, the BBPO deposited a total of \$217,400 from the Topographical Bureau transactions during Fiscal Year 2011.

### **Objective**

The objective of the audit was to determine whether the BBPO is complying with the cash control procedures as set forth in the Comptroller's Directive #11, "Cash Accountability and Control" for Topographical Bureau sales.

### **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.

The audit scope was Fiscal Year 2011. 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 and discussed at an exit conference held on November 29, 2011. On December 1, 2011, we submitted a draft report to BBPO officials with a request for comments. We received a written response from BBPO officials on December 16, 2011. In their response, BBPO officials stated that due to a shortage of staff, they are unable to implement the recommendation to ensure that cash receipts are deposited on a daily basis, but agreed to establish a dollar-value threshold for the maximum amount of cash receipts to be maintained on site.

The full text of the BBPO response is included as an addendum to this report.

## FINDINGS AND RECOMMENDATIONS

The BBPO generally complied with the cash control provisions over its Topographical Bureau sales as set forth in the Comptroller's Directive #11, "Cash Accountability and Control," except for the provision regarding the daily depositing of cash receipts.

The BBPO has adequate internal controls over the Topographical Bureau sales and adequate segregation of duties with the various cash handling processes. The BBPO's weekly closeout and reconciliation of the cash receipts collected from the Topographical Bureau sales found that all cash receipts were accounted for and included in the weekly tally of daily receipts. Additionally, the BBPO uses pre-printed and pre-numbered receipts to document the Topographical Bureau sales, as required by Comptroller's Directive #11. Our review of supporting documentation for the sampled non-map sale requests, such as a street number application or verification, revealed no material discrepancies; each non-map sale request agreed with the type of request indicated on the receipts and the correct fee was also indicated on the receipts.

However, as noted above, the BBPO did not ensure that cash receipts were deposited on a daily basis.

Comptroller's Directive #11, §3.4 states that, "the inordinate accumulation of in-office cash receipts is not acceptable and, generally, all funds received must be deposited in the bank on at least a daily basis." The BBPO, however, deposits its cash receipts on a weekly rather than daily basis.

The BBPO cited the amount of daily cash receipts collected and a shortage of staff as the reasons that cash receipts are not deposited daily. (Cash receipts collected during each week, which may include currency, are kept in a safe until they are deposited the following week.) As stated in Directive #11, "since cash is the asset most susceptible to misappropriation and loss, agencies must exercise the utmost of care in handling cash." During Fiscal Year 2011, the BBPO weekly deposits averaged \$4,263, ranging from \$1,802 to \$8,953. In the event that daily deposits are not feasible, the BBPO should at a minimum establish a dollar threshold for the maximum amount of cash allowed to be maintained on site.

### **Recommendations**

The BBPO:

1. Should, to the extent feasible, ensure that cash receipts are deposited on a daily basis.

***BBPO Response:*** "Due to limited staff resources cash receipts cannot be made on a daily basis, but are done on a weekly basis."

2. Should establish a dollar-value threshold for the maximum amount of cash receipts allowed to be maintained on site and ensure that the threshold is not exceeded.



***BBPO Response:*** “We have established a dollar-value threshold for the maximum amount of cash receipts allowed to be maintained on site and ensure that this threshold will not be exceeded in the amount of \$5,000.00, as per your recommendation. Upon reaching this threshold an immediate bank deposit will be made.”

## 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 audit scope was Fiscal Year 2011.

We reviewed the New York City Green Book to obtain a general understanding of what the BBPO does and reviewed the Comptroller's CAFR for Fiscal Years 2010 and 2011 to determine how much it typically collects from the sales in the Topographical Bureau. We also obtained and reviewed a prior audit report issued by the City Comptroller's Office on May 21, 2008, entitled, *Audit Report on the Financial and Operating Practices of the Office of the Brooklyn Borough President* (Audit # MG07-114A), to determine whether there were any significant findings relating to the sales and cash receipts collected from the Topographical Bureau transactions. In addition, we reviewed and used as criteria Comptroller's Directive #11, "Cash Accountability and Control."

To obtain an understanding of the policies and procedures governing the Topographical Bureau transactions and to identify the personnel and the units involved with the transactions, we interviewed the Director and Deputy Director of Administration and the Office Manager of the Topographical Bureau. In addition, to obtain a further understanding of the Topographical Bureau transactions, we performed a walk-through of the transaction process with the Office Manager and with the Deputy Director of Administration as it related to the collection of payment. We also observed Topographical Bureau personnel process applicants' requests for records and observed the collection of payments by the Administration Unit.

To determine the total amount of cash receipts deposited for Fiscal Year 2011 Topographical Bureau transactions, we obtained a report from FMS listing the BBPO's daily deposits. According to the FMS report, the BBPO made 51 deposits, totaling \$217,400, during Fiscal Year 2011 that were related to the Topographical Bureau transactions.

To determine whether all transactions from the Topographical Bureau were properly accounted for, deposited in a timely manner, and accurately recorded as revenue in FMS, we randomly selected five of the 51 deposits made during Fiscal Year 2011 as reflected in FMS. The five sampled deposits totaled \$21,499, representing 9.9 percent of the \$217,400 in total deposits relating to the Topographical Bureau sales. The five sampled deposits (in order of selection) are shown in Table I on the following page.

**Table I**  
List of the Five Sampled Deposits

Sample #	Deposit Date	Deposit Amount
1	1/18/2011	4,407.50
2	10/25/2010	4,282.40
3	9/13/2010	1,801.50
4	8/16/2011	5,803.00
5	12/13/2010	\$ 5,204.50
<b>Total</b>		<b>\$ 21,498.90</b>

For each sampled deposit, we examined and compared the corresponding receipts, the manual log of the daily transactions (according to receipt numbers), and the weekly tallies of the daily transactions maintained by the Administration Unit, and the bank deposit slips and the bank-generated receipts relating to each of the five sampled deposits. We also verified whether the appropriate fee was charged and collected by comparing the amounts recorded on each cash receipt reviewed with the appropriate fee listed on the BBPO's price sheet for map sales and in *Title 45 of the Rules of the City of New York* for non-map sale transactions. In addition, we reviewed the supporting documentation (applications and request forms) for all non-map sale transactions associated with the January 18, 2011 deposit to determine whether the correct transaction was recorded on the cash receipt and the correct fee amount was indicated, and to verify that payment was made prior to providing services.

We also determined whether the receipts issued were pre-printed, pre-numbered, and used in sequential order and whether all of the sales receipts covering the five sampled deposits were accounted for. For any receipt number that was voided, we attempted to determine the reason for the void, whether the void was adequately reviewed and approved, and whether all copies of the triplicate receipts could be located.

We observed the daily cash closeout by the Administration Unit on two days (August 17, 2011, and August 19, 2011) and the weekly closeout and reconciliation of cash receipts performed at the close of business on August 19, 2011, of the cash receipts collected from August 15, 2011, through August 19, 2011.

To determine whether the BBPO maintains proper controls over its supply of blank receipt books used for the Topographical Bureau sales, we interviewed the Topographical Bureau Office Manager and observed the inventory of blank receipt books. We obtained a copy of the most recent purchase order for receipt books and determined whether all receipt books were accounted for and that the receipt books are being used in sequential order.

To determine whether any vanity addresses were issued for which revenue was not collected or deposited into the City's treasury account, we obtained an independent list of all Brooklyn vanity addresses from the Department of City Planning (DCP). We compared the list obtained from the DCP with the list maintained by the BBPO. Although the DCP list of vanity

addresses did not have the dates the addresses were assigned, none appeared to have been issued during our scope period.

The results of our tests, while not projected to the population of Topographical Bureau transactions from which the samples were drawn, provided a reasonable basis for us to determine whether the BBPO is complying with the cash control procedures as set forth in the Comptroller's Directive #11 for Topographical Bureau sales.



OFFICE OF THE BROOKLYN BOROUGH PRESIDENT

December 16, 2011

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

Re: Brooklyn Borough President's Office  
Cash Controls over Transactions from  
the Topographical Bureau  
MD11-140A

Dear Ms. Kim:

In response to the draft Audit report on the Brooklyn Borough President's Office's Cash Controls over Transactions from the Topographical Bureau draft provided to our office we are providing the following responses to each recommendation:

Due to limited staff resources cash receipts cannot be made on a daily basis, but are done on a weekly basis. However, we have established a dollar-value threshold for the maximum amount of cash receipts allowed to be maintained on site and ensure that this threshold will not be exceeded in the amount of \$5,000.00, as per your recommendation. Upon reaching this threshold an immediate bank deposit will be made.

Thank you for your recommendations.

Sincerely,

A handwritten signature in black ink that reads 'Melody Ruiz'. The signature is written in a cursive, flowing style.

Melody Ruiz  
Director of Human Resources & Administration