



City of New York

OFFICE OF THE COMPTROLLER

Brad Lander
COMPTROLLER



MANAGEMENT AUDIT

Maura Hayes-Chaffe

Deputy Comptroller for Audit

Audit Report on the New York County
District Attorney's Office's Inventory
Practices over Its Office Equipment

MJ20-073A

June 29, 2022

<http://comptroller.nyc.gov>



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

June 29, 2022

To the Residents of the City of New York:

My office has audited the District Attorney for New York County (DANY) to determine whether it had adequate controls over its inventory of office equipment in compliance with applicable rules and regulations. We audit City operations such as this as a means of ensuring that agencies are accountable for City resources.

The audit identified weaknesses in DANY's oversight of its office equipment inventory. Specifically, DANY performed periodic counts of only those items purchased with federal funds rather than its entire inventory, did not consistently assign its asset tags in sequential order, and did not ensure that all tagged assets were recorded in its inventory records. Auditors also conducted an inventory count of DANY's office equipment and were generally able to account for the sampled items, although some items observed by auditors were not recorded in its inventory records. After sharing these matters with DANY during the audit, DANY took several corrective actions addressing the identified weaknesses.

The audit makes five recommendations, four of which DANY agreed to implement and one it did not directly address. We appreciate DANY's efforts to strengthen oversight of the assets entrusted to it.

The results of the audit have been discussed with DANY 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 black ink, appearing to read "B. Lander".

Brad Lander
New York City Comptroller

TABLE OF CONTENTS

- EXECUTIVE SUMMARY 1**
 - Audit Findings and Conclusion 1
 - Audit Recommendations..... 2
 - Agency Response 2

- AUDIT REPORT 3**
 - Background 3
 - Objective..... 3
 - Scope and Methodology Statement..... 3
 - Discussion of Audit Results with DANY 4

- FINDINGS AND RECOMMENDATIONS 5**
 - Annual Inventory Counts Did Not Account for All Office Equipment in DANY’s Custody 5
 - Sampled Items Were Generally Accounted for 6
 - Recommendations 8
 - Property Tag Protocols Were Not Consistently Followed 8
 - Recommendations 9

- DETAILED SCOPE AND METHODOLOGY 10**

- ADDENDUM**

THE CITY OF NEW YORK OFFICE OF THE COMPTROLLER MANAGEMENT AUDIT

Audit Report on the New York County District Attorney's Office's Inventory Practices over Its Office Equipment

MJ20-073A

EXECUTIVE SUMMARY

The objective of this audit was to determine whether the District Attorney for New York County (DANY) has adequate controls over its inventory of office equipment. DANY is one of New York City's (the City's) five District Attorneys who are responsible for enforcing the penal law and other criminal statutes in their respective counties.

DANY's Procurement and Contracts Management Unit and its Information Technology Procurement Unit are responsible for the maintenance and inventory of all office equipment that is purchased and maintained by DANY. DANY uses an asset management system called WiseTrack to maintain and track its inventory.

DANY's actual spending for Fiscal Year 2021 was \$132 million, of which \$12.8 million was spent on Other Than Personal Services (OTPS). The inventory listing obtained from DANY on August 13, 2021, contained 21,391 office equipment items with a purchase price totaling \$13.1 million.

This audit was suspended on October 30, 2020, due to restrictions that were in effect to reduce the impact of COVID-19. Prior to that suspension, a management letter that contained a summary of the audit's preliminary findings up to that point was sent to DANY. The audit was resumed on July 12, 2021.

Audit Findings and Conclusion

Weaknesses were identified in DANY's oversight of its office equipment inventory. Specifically, DANY performed periodic counts of only those items purchased with federal funds rather than its entire inventory, did not consistently assign its asset tags in sequential order, and did not ensure that all tagged assets were recorded in its inventory records.

After sharing these matters with DANY in the above-referenced management letter, the agency took corrective action. The agency developed protocols for annual counts of its entire inventory and completed one in August 2021. Auditors also conducted an inventory count of DANY's office equipment and were generally able to account for the sampled items, although some items observed by auditors were not recorded in WiseTrack. DANY has also updated its asset tagging

procedures and formalized the requirement that tags are to be ordered and distributed in sequential order.

Audit Recommendations

The audit makes several recommendations that will improve DANY's controls over its office equipment inventory. These appear in the body of this report.

Agency Response

DANY agreed with four of the audit's recommendations and did not directly address one recommendation.

AUDIT REPORT

Background

New York City's five District Attorneys are each publicly elected to terms of four years and are responsible for protecting the public by investigating and prosecuting criminal conduct in their respective counties and by enforcing the provisions of the penal law and all other criminal statutes. DANY primarily operates out of three locations: Lower Manhattan (its main offices),¹ Harlem, and Washington Heights.

DANY's Procurement and Contracts Management Unit (PCMU) and its Information Technology (IT) Procurement Unit are responsible for the maintenance and inventory of all office equipment that is purchased and maintained by DANY. For the purposes of this audit, office equipment consists of the following items: computers and computer-related equipment (e.g., tablets, monitors, printers, scanners, IP telephones, and external hard drives); forensic equipment (e.g., forensic field kits and forensic lights); audio and visual equipment (e.g., cameras, televisions, speakers, headphones, and wireless microphones); and other electronic equipment (e.g., facsimile machines, DVD/CD duplicators, laminator machines, and stenographs). DANY uses an asset management system called WiseTrack² to maintain and track its inventory.

DANY's actual spending for Fiscal Year 2021 was \$132 million, of which \$12.8 million was spent on OTPS. The inventory listing obtained from DANY on August 13, 2021 contained 21,391 office equipment items with a purchase price totaling \$13.1 million.

Objective

The objective of this audit was to determine whether DANY has adequate controls over its inventory of office equipment.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective, except for the inventory items that DANY redacted from the provided inventory list, and items identified as located in DANY's Data Center. 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.

DANY did not provide us with the equipment information and locations of 203 items and did not grant us access to these items or to the 189 computers and computer-related equipment that were identified as located in its Data Center. DANY officials stated that the redacted items—some of which were located at off-site locations that are used for ongoing investigations, including electronic surveillance equipment—and the equipment located at DANY's Data Center are considered highly sensitive, confidential items and locations. Accordingly, DANY's redacted

¹ As of May 2022, DANY's Lower Manhattan main offices are located at three addresses—One Hogan Place, 80 Centre Street, and 40 Worth Street.

² WiseTrack is an off-the-shelf asset tracking system developed by TVL Inc.

equipment and its computers and computer-related items located at the Data Center were not reviewed during this audit.

The audit scope was July 1, 2019 through April 12, 2022. Please refer to the Detailed Scope and Methodology at the end of this report for the specific procedures and tests that were conducted.

This audit was suspended on October 30, 2020, due to restrictions that were in effect to reduce the impact of COVID-19. Prior to the audit suspension and as a result of delays in completing certain aspects of the fieldwork portion of the audit, a management letter was sent to DANY on June 2, 2020, that contained a summary of the audit's preliminary findings as of that date. This was done to enable DANY to review and, to the extent possible, address the issues raised prior to the completion of the full audit. The audit was resumed on July 12, 2021.

Discussion of Audit Results with DANY

The matters covered in this report were discussed with DANY officials during and at the conclusion of this audit. A preliminary draft report was sent to DANY and discussed with DANY officials at an exit conference held on May 20, 2022. On May 31, 2022, we submitted a draft report to DANY with a request for written comments. We received a written response from DANY on June 27, 2022. In its response, DANY agreed with four of the audit's recommendations and did not directly address one recommendation. It also stated that it "appreciates the thoroughness and guidance provided in this report."

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

FINDINGS AND RECOMMENDATIONS

Certain weaknesses in DANY's oversight of its office equipment inventory were identified. DANY did not perform periodic counts of its entire inventory, instead counting only those items purchased with federal funds. Additionally, DANY did not consistently assign its asset tags in sequential order in accordance with its policy or ensure that all tagged assets were recorded in its inventory records.

After sharing these matters with DANY in a management letter sent to the agency in June 2020, the agency took corrective action. The agency developed protocols for annual counts of its entire inventory, and reportedly conducted a count that was completed in August 2021. DANY has also updated its asset tagging procedures and formalized the requirement that tags are to be ordered and distributed in sequential order. DANY has also delegated central oversight of the tags to its IT Procurement department.

In addition, during an inventory count of DANY's office equipment, auditors were able to account for sampled items, with limited exceptions. Additionally, some of the items observed by auditors were not recorded in the agency's inventory tracking system.

The details of the audit's findings are discussed in the following sections of this report.

Annual Inventory Counts Did Not Account for All Office Equipment in DANY's Custody

DANY's *Asset Management Policy and Procedures* states that the completeness and accuracy of inventory records shall be maintained and reconciled through physical counts and other processes. Per those procedures, each unit is required to conduct a physical count of its inventory on an annual basis.

DANY did not perform an inventory count of its entire inventory of office equipment during Fiscal Years 2017 through 2020. Instead, according to DANY officials, the agency conducted partial inventory counts of equipment purchased with federal funds as part of Federal Equitable Sharing Program audits.

Regarding counts of its entire inventory, DANY officials explained that DANY's Fiscal Year 2017 agency-wide upgrade of all their computer equipment took the place of an office-wide inventory count for Fiscal Year 2017. In addition, according to DANY officials, the agency has been in the middle of several large-scale construction projects over the past four years, which caused many units, along with office equipment, to be moved between buildings and floors on a rotating basis, making the conduct of a complete inventory count challenging.

Regarding the partial counts, DANY officials provided the results of the Fiscal Year 2020 perpetual inventory counts of federally funded items. An analysis of those results revealed that 1,079 items purchased with federal funds were counted, having a total purchase price of \$2.6 million. Of the 1,079 items, 1,011 were office equipment, having a total purchase price of approximately \$2.5 million.

Performing periodic inventory counts under management review is an essential control in ensuring that variances and inaccuracies in inventory records are identified and can help reduce the risk of misappropriation or loss of equipment.

The absence of inventory counts of the entire inventory was addressed in the management letter sent to DANY officials in June 2020. As noted above, DANY officials stated that they updated the agency's inventory policy as of July 1, 2021, in which partial counts would be conducted in several phases to facilitate a count of its entire inventory. Officials further stated that the agency began a count of its full inventory beginning in April 2021 and anticipated completing the count in August 2021, with a 45-day reconciliation period to follow.³

Following the exit conference for this audit, officials provided auditors with an interoffice memorandum dated November 1, 2021 summarizing the count results, along with supporting schedules. DANY's full inventory consisted of 10,486 items valued at \$11.6 million. According to the memorandum, DANY reported that it was able to account for all but 133 items—consisting of 66 monitors, 62 desktops, 3 access points, and 2 USB software dongles, with a total cost of \$70,999. Officials stated that it appears that some of these missing items were brought off-site without official approval during the COVID-19 pandemic and have not yet been returned to the office. DANY is working with the executive staff to issue an office-wide notice with the assurance of no penalties for the identification and return of such equipment. In addition, DANY has plans to update its Employee Handbook concerning the movement and removal of IT office equipment, and to change its Office Computer Use Agreement (signed when a DANY user is given access to the network) to include a section on the care and movement of office equipment.

Sampled Items Were Generally Accounted for

With some exceptions, DANY was able to account for the sampled items selected for physical inspection by auditors. However, some of the items observed were not recorded in WiseTrack.

Auditors were provided with DANY's inventory list as of August 13, 2021. As of that date, DANY reportedly had 10,361⁴ items the auditors determined to be office equipment with a per item replacement value of \$250 or more in its custody, valued at \$8.2 million in total. Auditors selected a sample of 200 office equipment items, valued at \$261,817, and performed physical inventory counts on various dates between December 10, 2021 and March 18, 2022. In addition, auditors also selected 41 items that were seen at the sampled DANY locations and determined whether they were accounted for in DANY's inventory records.

Auditors were able to confirm the location of 194 (or 97%) of the 200 sampled items. The detailed results of the count are shown in Table I.

³ DANY officials planned for an extended timeline for the inventory count in order to reduce the impact of COVID-19 and due to the limited staff working on-site. Therefore, the count was conducted in multiple phases.

⁴ Out of the total population of 21,391 office equipment items, the following categories of items were omitted: items with a replacement value less than \$250 (10,611 items); items that were redacted by DANY officials citing these items were considered highly sensitive and confidential equipment (203 items); items that were reportedly located at DANY's Data Center (189 items); and additional items auditors later determined were not office equipment (27 items).

Table I

Inventory Count Results

Item Description (as categorized by DANY)	Number Reported on DANY's Master Inventory List	Number Found by Auditors	Number Unable to Locate
199-96: Data Processing Equipment & Parts	3	3	0
300-96: Video & Audio Equipment	27	27	0
302-02: Facsimile Machines	1	1	0
302-04: Telephones	26	26	0
315: Office Equipment	1	1	0
332-01: Computers – Desktops	30	30	0
332-02: Computers – Laptops (and other mobile devices)	57	53	4
332-03: Monitors	44	42	2
332-97: Other Network Equipment	8	8	0
332-99: Other Data Processing Equipment	3	3	0
Totals	200	194	6

Of the 194 items located:

- 181 were observed on site.
- 13 were either off-site (e.g., at employees' homes) or located by DANY after the auditors' count—for these items, auditors received a photo image of the equipment that captured the devices' serial numbers, and the agency's asset tag number/barcode.

Regarding the six remaining items, DANY officials stated that four were laptops (with total reported value of \$4,588) given to staff, but they have not been able to obtain verification from the staff regarding the whereabouts of these items. The remaining two items were monitors (with a total reported value of \$576) that could not be located by DANY.

Regarding the 41 additional items observed during the audit's inventory counts, only 33 of them had been recorded in DANY's inventory records. The 8 items that were not recorded consisted of the following: 2 desktop computers, 1 monitor, 1 printer, 1 tablet controller, 1 router, 1 flat panel television, and 1 cross-shredder. Two of these items—a desktop computer and router—also lacked an asset tag. According to a DANY official, these 8 items are "legacy" items—items purchased prior to Fiscal Year 2016, which is when the agency implemented its current inventory policies. According to the official, the agency's inventory list was created when the current policies

were implemented and generally includes only those items purchased since that implementation. The official stated that when legacy items are identified, WiseTrack is updated accordingly.

Recommendations

1. DANY should ensure that an annual physical inventory count covering its entire office equipment inventory is conducted in accordance with the agency's policies.

DANY Response: DANY agreed with this recommendation.

2. DANY should continue with its investigation on the whereabouts of those items that could not be accounted for during both DANY's and the auditors' inventory counts, and report any unresolved discrepancies to the appropriate investigative authorities (e.g., the City's Department of Investigation).

DANY Response: DANY agreed with this recommendation.

3. DANY should conduct a search for any legacy equipment not recorded in its inventory records and ensure that all such items—including the eight identified during this audit—are recorded in WiseTrack.

DANY Response: DANY agreed with this recommendation.

Property Tag Protocols Were Not Consistently Followed

As stated in DANY's *Asset Management Policy and Guidelines - Receiving Capital Assets*, "Once assets are reconciled against the corresponding purchase order, the asset must be tagged with a DANY generated barcode. After tags are affixed to asset, it is delivered to the Custodian/Inventory Coordinator or Asset User/End User and recorded in the inventory system. Donated equipment meeting the criteria ... shall be tagged and recorded in the inventory system, if applicable."

As defined in those procedures, capital assets that should be tagged include certain office equipment (e.g., computers, telephones, and audio/visual equipment).⁵ Additionally, according to § 6.3 of the Department of Information Technology and Telecommunication's (DoITT's) *Operational Handbook for Asset Management*, "All hardware IT assets ... with a cost of \$200 or more ... and an estimated useful life of more than two (2) years are required to be tagged with a unique barcoded number." DANY officials also stated it is the agency's policy to tag certain lower priced items that can be easily misplaced, such as USB keys, to stress to staff the importance of properly tracking these items. This also allows DANY to identify the employee that the item belongs to if it is lost and later found or returned to DANY.

DANY uses three different series of tag numbers on its assets—(1) DANY's usual property tags that are 7-digit numbers; (2) vendor-created tags starting with "NYCDA-" followed by a 7-digit number, which were affixed by the vendor to DANY's Fiscal Year 2017 agency-wide upgrade of its computer equipment; and (3) special property tags starting with "SA" followed by a 7-digit control number that were used on items for a special DANY project.

⁵ Under "Definition of Capital Assets," property that is subject to inventory control should meet the following requirements: have an acquisition value of \$5,000 or greater (or audio/visual equipment, telephones, and mobile computers valued at \$500 or greater); be moveable (not permanently affixed); and have an expected useful life of one year or greater.

DANY's general practice is to use property tags that have unique sequential numbers and to record the assets and affixed tag numbers in its inventory records. Sequentially numbered asset tags facilitate the prompt identification of devices that are unaccounted for based on gaps in tag number sequences.

A review of DANY's centralized inventory records in WiseTrack revealed that an asset tag number was recorded for all items requiring such tags. However, DANY did not consistently assign its tags in sequential order in accordance with its policy or ensure that all tagged assets were recorded in WiseTrack. The review revealed 194 gaps, leaving 6,448 asset tag numbers unaccounted for. Of these, DANY officials identified 936 asset tags (comprising approximately 3% of the 28,327 tags in use by the agency) that were assigned to equipment that was not recorded in WiseTrack. DANY officials explained that one reason for the gaps in the sequential numbering is that more than one roll of tags could be used at the same time. For example, equipment accepted by two receivers at two different locations at the same time would result in two different rolls of tags being used—the current roll in use and the next roll in the numbering sequence. In addition, officials explained that with the exception of computer-related equipment, which DANY's IT unit generally maintains and records into WiseTrack for the entire agency, there is no central oversight of other equipment in DANY's custody. Each individual unit is responsible for recording the equipment along with the affixed asset tag number into WiseTrack.

After auditors notified DANY of their concerns in the June 2020 management letter, DANY officials informed the auditors that they had updated their procedures, effective July 1, 2021. The updated procedures state that all asset tags are to be maintained by the IT Procurement department, and they formalize the requirement that tags are to be ordered and distributed in sequential order. In addition, tags distributed to any other unit will now be required to be signed for and tracked by the IT unit.

Auditors subsequently conducted a limited review of DANY's asset tag usage, covering all office equipment purchases as recorded in the City's Financial Management System for the agency during the period July 1, 2021 through August 13, 2021. All 580 items purchased were recorded in WiseTrack and were assigned an asset tag in sequential tag number order.

Recommendations

4. DANY should determine whether any of the unaccounted-for asset tag numbers belong to assets in DANY's possession and record those items in WiseTrack as needed.

DANY Response: "DANY implemented a new procedure for the dissemination and tracking of asset tags during the audit which was verified to be successful by the Comptroller audit team and as such, will continue the procedure moving forward."

Auditor Comment: In addition to the above procedure, it would also be helpful for DANY to review the unaccounted-for tag numbers identified by this audit and record any items found with those tag numbers into WiseTrack.

5. DANY should affix asset tags to equipment and enter equipment information in WiseTrack immediately upon receipt. This responsibility should be assigned to a central oversight body (e.g., IT Procurement department).

DANY Response: DANY agreed with this recommendation.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective, except for the inventory items that DANY redacted from the provided inventory list citing the items as confidential in nature, and those computer and computer-related items identified as being located in DANY's Data Center. We were denied the item descriptions for the confidential items and physical access to these items as well as those items located in DANY's Data Center as noted in the subsequent paragraph. 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.

DANY did not provide us with the equipment information and locations of 203 items and did not grant us access to these items, as well as to an additional 189 computers and computer-related equipment that were identified on the inventory records as being located in its Data Center. DANY officials stated that the redacted items, some of which were located in off-site locations that are used for ongoing investigations, including electronic surveillance equipment, and the equipment located at DANY's Data Center are considered highly sensitive, confidential items and locations. Accordingly, DANY's redacted equipment and its computers and computer-related items located at the Data Center were not reviewed during this audit.

The audit scope was Fiscal Year 2019 through April 12, 2022. To accomplish the objective, auditors performed the audit procedures detailed below.

To obtain an understanding of DANY's internal control procedures over its office equipment, auditors reviewed:

- DANY's *Asset Management Policy and Procedures* for Fiscal Years 2020 and 2021;
- DANY's List of Unit Roles; and
- PowerPoint slides detailing DANY's Purchasing and Inventory Processes.

In addition to DANY's *Asset Management Policy and Procedures*, the following materials were reviewed and, where appropriate, used as criteria:

- Comptroller's Directive #1, *Principles of Internal Control*;
- DANY's Calendar Year 2020 response to Comptroller's Directive #1;
- Comptroller's Directive #30, *Capital Assets*; and
- DoITT's *Operational Handbook for Asset Management*.

To assess DANY's internal controls over its office equipment inventory, auditors interviewed key agency officials, conducted walkthroughs of DANY's equipment procurement and inventory processes, along with equipment recordkeeping and related functions. A DANY-supplied flowchart of its inventory operations was reviewed to obtain an understanding of the agency's purchasing and inventory processes.

To determine whether DANY performed regular inventory counts, auditors requested documentation on their last inventory count. The audit included the examination of inventory controls and records.

DANY's master inventory listing of all items in its inventory as of October 9, 2019, was reviewed to assess reliability (i.e., contained no duplicate entries, errors (e.g., dates in the future and mismatched data fields), or missing information (e.g., equipment make and model number)). In addition, asset tag numbers were reviewed to determine whether the numbering sequence was consecutive and discrepancies were investigated. Due to COVID-19 restrictions, the audit was officially suspended from October 30, 2020 through July 11, 2021. Subsequent to the resumption of the audit, DANY provided an updated inventory list in August 2021, which was reviewed to assess reliability.

Auditors conducted a limited review of DANY's office equipment purchases made during the period July 1, 2021 through August 13, 2021, and determined whether the identified items were recorded in DANY's updated inventory list, whether asset tag numbers were assigned, and whether they were assigned in sequential order.

To assess the completeness of the master inventory listing, auditors requested supporting documentation for DANY's recent office equipment purchase orders, including its Fiscal Year 2017 agency-wide upgrade of its computers and computer-related equipment. Using the serial numbers from the purchase documentation, when available, each item was traced to the inventory listing. Auditors also reviewed the FMS payment reports covering July 1, 2019 to June 30, 2021, and identified 23 additional purchases of computers and computer-related equipment, totaling \$1.7 million, and determined whether the purchased items were recorded in DANY's inventory records.

To conduct physical inspections of DANY's inventory, DANY's inventory list as of August 13, 2021 was reviewed and the following categories of items were excluded from the test population: non-office equipment (e.g. refrigerators, coffee machines, vacuums, window air conditioners, and furniture); items with a replacement value less than \$250; all confidential items identified by DANY for which the item's description, model number, serial number, and location were redacted by DANY because the items were considered highly sensitive and/or were located at confidential sites; and all items located at DANY's confidential data center. In total, auditors identified 10,361 non-confidential office equipment items valued at \$250 or more, having a total value of \$8.2 million. From this population, auditors selected a sample of 200 items, valued at \$261,817. The associated populations and sample selections are shown in Table II below.

Table II
Sample Selection

	Sample Category	Audit Population		Sample Selection		
		Total # of Items	Total Value	# of Items Sampled	Total Purchase Price of Sampled Items	Sample Method
1	Items with a defined location (those having an address with a floor number and room and/or workstation number)	10,144	\$8,010,650	127	\$120,725	Randomly selected 25 of the 1,451 defined locations and reviewed all 127 items identified on the inventory list at the assigned locations
2	Items without a defined location (only a unit name was identified)	217	\$215,791	26	\$21,707	Judgmentally selected the three units with the largest number of assigned items as per the inventory list, and randomly selected items proportionately from the total number of items within each unit
3	Items purchased after March 2020 (when the COVID-19 pandemic was declared) through August 2021	423	\$944,123	47	\$119,385	(1) Randomly selected 43 items, totaling \$115,939; and (2) Judgmentally selected 4 items (iPads), totaling \$3,446
	TOTALS	10,361 ^a	\$8,226,441 ^a	200	\$261,817	

^a The population from Sample 3 included items already reported in the populations of Samples 1 and 3; therefore, to avoid duplication in the population totals, Sample 3 population were excluded from the population totals.

Physical inventory counts of the sampled items were conducted at the sampled locations and units as identified in DANY's inventory records on various dates during the period December 10, 2021 through March 18, 2022 to locate the 200 sampled items.⁶ Auditors also identified 41 items during the conduct of their count and determined whether these items were appropriately tagged and included in DANY's inventory records. Auditors' counts were performed in the presence of DANY personnel, who were sent a list of any discrepancies identified at the completion of each day's count for further investigation.

Although the results of our sampling tests were not projectable to their respective populations, the results of all the tests done provide sufficient, competent evidence to support the audit's findings and conclusions regarding DANY's controls over its inventory of office equipment.

⁶ The 200 sampled items were located at DANY's Lower Manhattan offices located at One Hogan Place, 80 Centre Street, and 40 Worth Street.



ALVIN L. BRAGG, JR.
DISTRICT ATTORNEY

June 25, 2022

Maura Hayes-Chaffe
Deputy Comptroller for Audit
Office of the New York City Comptroller
1 Centre Street
New York, New York 10007

**Re: Audit Resort on the New York County District Attorney's Office's
Inventory Practices over Its Office Equipment MJ20-073A**

Dear Ms. Hayes-Chaffe:

The New York County District Attorney's Office (DANY) is in receipt of the draft report issued on May 31, 2022. We have reviewed the recommendations of your Office, presented in the Draft report, and are pleased to note that the corrective actions taken by DANY after the receipt of the Management letter were recognized by your Office. In reference to the recommendations outlined in the report, we respectfully submit the following comments:

Recommendation 1: DANY will continue to ensure that an annual physical inventory count covering our entire office equipment inventory is conducted according to agency policies.

Recommendation 2: DANY will continue its investigation on the whereabouts of any items not accounted for and will take appropriate action to report any unresolved discrepancies.

Recommendation 3: DANY will record legacy equipment into WiseTrack, our Office inventory system, when such items are discovered.

Recommendation 4: DANY implemented a new procedure for the dissemination and tracking of asset tags during the audit which was verified to be successful by the Comptroller audit team and as such, will continue the procedure moving forward.

Recommendation 5: The IT Inventory Analysts have oversight over the immediate tagging and entry of equipment in the WiseTrack system.

We thank you and the Audit team for your time and expertise, DANY appreciates the thoroughness and guidance provided in this report.

Sincerely,

Pamela DiStefano

Pamela DiStefano
Director, IT Services