

# AUDIT REPORT

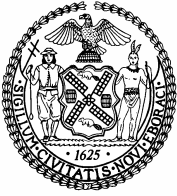


CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF FINANCIAL AUDIT  
**WILLIAM C. THOMPSON, JR., COMPTROLLER**

## **Audit Report on the Financial and Operating Practices of The 14 Queens Community Boards**

*FP07-093A*

**June 13, 2007**



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

WILLIAM C. THOMPSON, JR.  
COMPTROLLER

**To the Citizens of the City of New York**

Ladies and Gentlemen:

In accordance with the Comptroller's responsibilities contained in Chapter 5, §93, of the New York City Charter, my office has audited the compliance of the Queens Community Boards with certain purchasing and inventory procedures.

There are Community Boards for each of the 59 Community Districts throughout the five boroughs of New York City. The borough of Queens has 14 Community Boards. Each Community Board is headed by a Chairperson and employs a District Manager to manage the day-to-day operations of the Board. We audit agencies such as these to ensure that they comply with City procurement rules and are accountable for the use of funds.

The results of our audit, which are presented in this report, have been discussed with officials of Boards as well as the Queens Borough President's Office, and their comments have been considered in preparing this report. Their complete written responses are attached to this report.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at [audit@Comptroller.nyc.gov](mailto:audit@Comptroller.nyc.gov) or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in cursive script that reads 'William C. Thompson, Jr.'.

William C. Thompson, Jr.

WCT/fh

**Report: FP07-093A**  
**Filed: June 13, 2007**

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

**Audit Report on the  
Financial and Operating Practices of the  
14 Queens Community Boards**

**FP07-093A**

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**AUDIT REPORT IN BRIEF**

This audit determined whether the 14 Queens Community Boards (Boards) complied with certain purchasing and inventory procedures as set forth in the New York City Comptroller's *Internal Control and Accountability Directives* (Comptroller's Directives) #3, #6, and #24; applicable Procurement Policy Board (PPB) rules; the *Procedural Guidelines for Community Boards*; and the Department of Investigation *Standards for Inventory Control and Management*; and if the Boards received funding from non-City sources, whether they accounted for the receipt and disbursement of those funds.

**Audit Findings and Conclusions**

The 14 Boards generally adhered to Comptroller's Directive #3, #6 and #24; applicable Procurement Policy Board (PPB) rules; the *Procedural Guidelines for Community Boards*; and the Department of Investigation *Standards for Inventory Control and Management*.

In addition imprest fund purchases did not exceed \$250; imprest fund checks had the required authorized signatures, designated specified payees, and bore the inscription "void after 90 days"; imprest fund bank accounts were appropriately reconciled; and all major equipment items were on hand.

Lastly, except for \$642 in expenses related to non-official functions, our examination of the Boards' Other Than Personal Service expenditures disclosed no instances in which moneys were improperly used. However, there were minor instances in which the Boards did not comply with certain purchasing and inventory procedures, which are summarized in Table I, below:

**Table I**  
Findings of Noncompliance with  
Purchasing and Inventory Procedures

<b>Audit Finding</b>	<b>Noted at</b>
Duplicate payments totaling \$254 were made to vendors.	Board #6
Improper use of miscellaneous vouchers.	All Boards except for Board #12
A total of \$642 in City funds was used to pay for inappropriate expenditures.	Board #5 and #13
Imprest fund checks had only one signature.	Board #14
Incorrect object code charged.	All Boards except for Boards #3 and #6
Equipment items not on inventory list.	Boards #3 #12 and #13
Inventory list lacked complete information.	Board #2 and #13

**Audit Recommendations**

We make the following seven recommendations to those Boards that had weaknesses found during the audit.

- Board #6 should obtain a refund of the duplicate payments or receive a credit for future services, if applicable.
- All Boards should ensure that miscellaneous vouchers are used only for purposes that are allowable by Comptroller’s Directive #24.
- Board #5 and #13 should cease making inappropriate payments.
- Board #14 should ensure that all checks issued from its imprest fund have two authorized signatures as required by Comptroller’s Directive #3.
- Boards should ensure that all payments are charged to the correct object code.
- Boards #2, #3, #12, and #13 should ensure that complete and accurate records are maintained for equipment.
- Boards #2, #3, #12, and #13 should tag equipment as property of the specific community board.

## INTRODUCTION

### Background

There are Community Boards for each of the 59 Community Districts throughout the five boroughs of New York City. Each Community Board (Board) has up to 50 non-salaried members who are appointed by their respective Borough Presidents. Board members reside, work, or have significant interests in their districts. Each Board has a Chairperson and hires a District Manager as its chief executive officer. The District Manager's responsibilities include assisting the Board in hiring the administrative staff, supervising the staff, and managing the daily operations of the district office. Each Borough President's Office provides administrative assistance to its Boards.

There are 14 Queens Boards—Boards 1 through 14. Each Board has a District Manager and at least one full-time clerical staff person.

Table II, below, lists each Board's Other Than Personal Service expenditures for Fiscal Year 2006.

**Table II**  
Summary of Expenditures for the 14 Queens Boards  
Fiscal Year 2006

	<b>Other Than Personal Services</b>
Board 1	\$38,309
Board 2	66,874
Board 3	70,441
Board 4	32,358
Board 5	68,166
Board 6	63,947
Board 7	49,249
Board 8	91,791
Board 9	23,594
Board 10	80,597
Board 11	56,594
Board 12	49,037
Board 13	55,261
Board 14	52,114
<b>Total</b>	<b>\$798,332</b>

## **Objective**

The objectives of this audit were to determine whether the 14 Queens Community Boards (Boards) are complying with certain purchasing and inventory procedures as set forth in the New York City Comptroller's *Internal Control and Accountability Directives* (Comptroller's Directives) #3, #6, and #24; applicable Procurement Policy Board (PPB) rules; the *Procedural Guidelines for Community Boards*; and the Department of Investigation *Standards for Inventory Control and Management*; and if the Boards received funding from non-City sources, whether they accounted for the receipt and disbursement of those funds.

## **Scope and Methodology**

This audit covered the period July 1, 2005, through June 30, 2006.

To obtain an understanding of the purchasing and inventory procedures and regulations with which the Boards are required to comply, we reviewed relevant provisions of: Comptroller's Directives #3, "Procedures for the Administration of Imprest Funds"; #6, "Travel, Meals, Lodging and Miscellaneous Agency Expenses"; and #24, "Agency Purchasing Procedures and Controls"; applicable Procurement Policy Board (PPB) rules; the *Procedural Guidelines for Community Boards*; and the Department of Investigation *Standards for Inventory Control and Management*. We interviewed staff at the Boards to obtain an understanding of the purchasing procedures, to determine how physical assets are safeguarded, and to determine the controls over funding received from non-City sources.

### **Tests of Compliance with Comptroller's Directive #3, #6, #24, and PPB Rules**

We examined all 283 purchase documents issued by the Boards during our audit period (25 purchase orders; 22 contracts; 235 micro purchase documents for purchases of \$5,000 or less; and 1 requirement contract release order) and their 965 corresponding vouchers. We also examined all 155 miscellaneous vouchers and all 22 imprest fund vouchers for the period. Each purchase document and voucher was examined for the requisite approvals and authorizations; for evidence that the transactions were for proper business purposes; and for adequate documentation. It was also determined whether the proper purchase document was used to initiate the purchase of goods or services. Each of the 1,142 total vouchers was examined to ascertain whether: it was properly coded; an authorized purchase document was on file; sales and excise taxes, if applicable, were properly excluded from payments; and bids were obtained when required by PPB rules. For the 155 miscellaneous vouchers and 22 imprest fund vouchers, we also determined whether the vouchers were issued for only allowable purposes.

To determine whether the Boards were in compliance with imprest fund procedures specified in Comptroller's Directive #3, we selected all bank statements for the imprest funds for Fiscal Year 2006. All canceled checks listed on the bank statements were examined for the presence of: two authorized signatures; a specific payee (as opposed to "bearer" or "cash"); an endorsement; and a "void after 90 days" inscription. We also determined whether appropriate

bank reconciliations were performed and whether individual imprest fund expenditures were within the \$250 allowable amount specified in Comptroller's Directive #3.

### **Test of Records for Funding from Non-City Sources**

Based on our interviews with staff at the Boards, we determined that Board #1 received funds from one fundraising event, a non-City source. To assess the controls over the bank account for this fund, we obtained and reviewed all available canceled checks and the corresponding invoices for Fiscal Year 2006. In addition, we attempted to determine whether all donations and moneys from the fundraiser were properly recorded and deposited.

### **Tests of Inventory Records**

We selected all major equipment items (including computers, monitors, printers, scanners, laptops, fax machines, and televisions) listed on each Board's most current inventory records and determined whether they were on hand at each Board's office. We also checked whether all items observed were properly tagged as property of the Board. Finally, we ascertained whether major equipment items purchased during our audit period were properly recorded on the Boards' inventory listings.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. 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.

### **Discussion of Audit Results**

The matters covered in this report were discussed with officials of the 14 Queens Community Boards and the Queens Borough President's Office during and at the conclusion of this audit. A preliminary draft report was sent to Board officials and the Queens Borough President's Office and was discussed at an exit conference held on March 27, 2007. On April 17, 2007, we submitted a draft report to Board officials and the Queens Borough President's Office with a request for comments. We received written comments from each of the Boards and Borough President's Office.

In their responses, all 14 Boards and the Borough President's Office described the steps they have taken or will take to implement the report's recommendations. The full texts of the comments are included as addenda to this report.



## FINDINGS AND RECOMMENDATIONS

The 14 Boards generally adhered to Comptroller's Directives #3, #6, and #24; applicable Procurement Policy Board (PPB) rules; the Procedural Guidelines for Community Boards; and the Department of Investigation *Standards for Inventory Control and Management*. In that regard:

- Imprest fund purchases did not exceed \$250;
- Imprest fund checks had the required authorized signatures, designated specified payees, and bore the inscription "void after 90 days";
- Imprest fund bank accounts were appropriately reconciled; and
- All major equipment items were on hand.

In addition, except for \$642 in expenses related to non-official functions, our examination of the Boards' Other Than Personal Service expenditures disclosed no instances in which moneys were improperly used. However, there were minor instances in which the Boards did not comply with certain purchasing and inventory procedures, which are discussed in detail in the following sections of this report.

### **Duplicate Payment to Vendors**

Our review of payment vouchers revealed that vendors were paid twice at Board #6. Specifically, in 2 of the 76 vouchers issued, vendors were paid a total of \$254 for invoices that had been previously paid. These duplicate payments were to two different vendors. One vendor provided office cleaning services and the other vendor provided window cleaning services. Board #6 was billed twice and issued duplicate payments. We informed Board # 6 about the duplicate payments, of which they were unaware.

### **Recommendation**

1. Board #6 should obtain a refund of the duplicate payments or receive a credit for future services, if applicable.

**Board 6 Response:** "Please be advised that we have read the draft report and will obtain the necessary credits from our vendors."

### **Improper Use of Miscellaneous Vouchers**

Except Board #12, the Boards used 42 of the 149 miscellaneous vouchers for purposes that are not allowable according to Comptroller's Directive #24. These vouchers were issued for purposes such as postage or rent. Directive #24 states, "Miscellaneous Payment Vouchers (PVMs) may be used only when estimated or actual future liability is not determinable, or a contract or a Purchase Document is not required or applicable." The Directive also states that miscellaneous vouchers should not be used for payments for postal services. Recurring monthly

expenditures, such as rent expense, for which the future liability is determinable should not be paid with miscellaneous vouchers. Improper use of miscellaneous vouchers contributes to the distortion of the City's books of account by misstating the City's outstanding obligations.

### **Recommendation**

2. All Boards should ensure that miscellaneous vouchers are used only for purposes that are allowable by Comptroller's Directive #24.

**Board 1 Response:** "Our office is in receipt of your agency's report following our audit and we agree to make the necessary changes as they relate to our office."

**Board 2 Response:** The Board's response did not address this recommendation.

**Board 3 Response:** The Board's response did not address this recommendation.

**Board 4 Response:** "In response to the findings of the Draft Audit Report dated April 17, 2007, Community Board #4Q has read the report and will ensure that the following changes are implemented: Miscellaneous payment vouchers are used only for purposes that are allowable by Comptroller's Directive #24."

**Board 5 Response:** "We have read the draft report on the Financial and Operating Practices for Community Boards, and will make the necessary changes as follows: Postage payments will not be processed through a Miscellaneous Voucher."

**Board 6 Response:** The Board's response did not address this recommendation.

**Board 7 Response:** "We have read the **draft report** on the Financial and Operating Practices for Community Boards, and will make the necessary changes as it relates to postage."

**Board 8 Response:** "In the future, Community Board 8 will ensure that miscellaneous vouchers are used only for purposes that are allowable by Comptroller's Directive #24."

**Board 9 Response:** "We have corrected the inaccurate use of a PVM for postage by issuing a PD and making payments via PVE'S."

**Board 10 Response:** "In response to the findings of the Audit Report on the Financial and Operating Practices of the Community Boards, we at Queens Community Board 10 will ensure: miscellaneous payment vouchers are used only for purposes that are allowable by Comptroller's Directive #24."

**Board 11 Response:** "In response to the findings of the Audit Report, Queens Community Board 11 will *not* use Miscellaneous Vouchers for purposes that are not allowable by Comptroller's Directive #24."

**Board 13 Response:** “We have read the draft report on the Financial and Operating Practices for Community Boards, and will make the necessary changes as it relates to postage and in the future all postage will be processed using a P.O. and PVE, as indicated in the Comptroller’s Directive #24.”

**Board 14 Response:** The Board’s response did not address this recommendation.

**Borough President’s Response:** “Several of the Boards were cited for using miscellaneous payment vouchers (PVM). The recommendation is that purchase orders (PO) and payment voucher’s (PVE) be used instead. We must point out that it was not until the postage was inappropriately purchased on a miscellaneous payment voucher and the auditors cited that postage should not be on a PVM that the appropriate voucher document was determined. Only after we contacted John Goddard, Deputy Director, Office of Contract Administration, was it determined that postage should be purchased with a purchase order regardless of the amount. The Audit Division was unable to provide us with the mechanism document—we initiated the decision to use purchase orders. This information should be shared with all city agencies in order to use the appropriate document when purchasing postage.

“It should further be noted that our office was instructed by DCAS, DRESS [Division of Real Estate Services] to use PVMs when paying taxes when we assumed responsibility for registering lease agreements negotiated by DCAS on behalf of the Boards. Again, we contacted DRESS after the auditors noted the misuse of PVMs and DCAS indicated we should ‘now’ use PVE’s.”

**Auditor Comment:** All City agencies, including Borough Presidents’ Offices and Community Boards, are required to follow the Comptroller’s Directives. Comptroller’s Directive #24, issued April 15, 2004, clearly indicates on page 17 that one of the inappropriate uses of PVMs is for payments to postal and phone service providers and that these payments should be made using PVEs. Funds for a PVE purchase have to be encumbered either by a Purchase Order or a Purchase Document. The Comptroller’s Bureau of Accountancy has disseminated this information to all City agencies, including the Borough Presidents’ Offices. Moreover, this information is on the Comptroller’s Web site. We believe it is the responsibility of City agencies, including the Borough Presidents’ Offices and Community Boards, to review the Comptroller’s Directives and to comply with them in their daily operations.

In regard to paying taxes, the Comptroller’s Directives clearly indicate the contact person in the Bureau of Accountancy who will answer any questions concerning the use of purchase documents. Again this information was disseminated to all City agencies and is available on the Comptroller’s Web site.

### **Inappropriate Use of City Funds**

Board #13 and Board #5 used a total of \$642 in City funds to pay for inappropriate expenditures. Specifically, Board #13 used four miscellaneous vouchers and one micro purchase document, and Board #5 used an imprest fund check to pay for flower arrangements sent to funerals of deceased Board members, a fruit basket, and a plaque. Directive #6 states that expenses incurred for such functions are considered inappropriate City expenditures.

#### **Recommendation**

3. Board #5 and #13 should cease making inappropriate payments.

**Board 5 Response:** “We have read the draft report on the Financial and Operating Practices for Community Boards, and will make the necessary changes as follows: Sympathy Baskets for deceased Board Members will no longer be paid through our Imprest Fund.”

**Board 13 Response:** “With regard to the findings specific to our community board as it relates to directive #6 there will be no more expense incurred that are considered inappropriate City expenditures.”

### **Imprest Fund Checks Lacking Proper Signatures**

All 11 checks, totaling \$967, issued from the Board #14 imprest fund account had only one signature. According to Comptroller’s Directive #3, “all checks should be signed by two authorized signatories.”

#### **Recommendation**

4. Board #14 should ensure that all checks issued from its imprest fund have two authorized signatures as required by Comptroller’s Directive #3.

**Board 14 Response:** “In the future, we agree to get two signatures on all imprest checks.”

### **Incorrect Object Codes Charged**

Except for Boards #3 and #6, the Boards charged the wrong object code for some of the vouchers issued during our audit period. Of the 1,142 voucher packages we reviewed, 88 were charged to the wrong object code. Using incorrect object codes renders agencies incapable of accurately categorizing the type and amount of a particular expense item during the fiscal year. This can compromise management’s ability to plan future budgets.

#### **Recommendation**

5. Boards should ensure that all payments are charged to the correct object code.

**Board 1 Response:** “Our office is in receipt of your agency’s report following our audit and we agree to make the necessary changes as they relate to our office.”

**Board 2 Response:** The Board’s response did not address this recommendation.

**Board 4 Response:** “In response to the findings of the Draft Audit Report dated April 17, 2007, Community Board #4Q has read the report and will ensure that the following changes are implemented: All payments are charged to the correct object code.”

**Board 5 Response:** “We have read the draft report on the Financial and Operating Practices for Community Boards, and will make the necessary changes as follows: Charges incurred for expenses related to purchasing water for the Office will be applied to Budget Code 110 beginning FY 2008.”

**Board 7 Response:** The Board’s response did not address this recommendation.

**Board 8 Response:** The Board’s response did not address this recommendation.

**Board 9 Response:** “We no longer use code 400 for water; we use code 110 as advised by the auditors.”

**Board 10 Response:** “In response to the findings of the Audit Report on the Financial and Operating Practices for Community Boards, we at Queens Community Board 10 will ensure: all payments are charged to the correct object code.”

**Board 11 Response:** The Board’s response did not address this recommendation.

**Board 12 Response:** The Board’s response did not address this recommendation.

**Board 13 Response:** The Board’s response did not address this recommendation.

**Board 14 Response:** The Board’s response did not address this recommendation.

### **Inventory Control Weaknesses**

Our review of Board inventory controls revealed weaknesses at Boards #3, #12, and #13. Specifically, a total of nine major equipment items that we observed were not included on the inventory lists at these Boards.

We also determined that the inventory lists for Boards #2 and #13 did not contain information that fully identified all the items listed. Specifically, for 56 items, the inventory lists at these Boards include only the type of item (e.g., computer, monitor, fax machine) and the number of each item in the office. No identifying information, including serial number was indicated on the inventory lists. The Department of Investigation *Standards for Inventory*

*Control and Management* states that as part of the minimum requirements for the physical inventory, records should include: type of equipment, manufacturer, serial number, and location.

Additionally, Boards #2, #3, #12, and #13 had equipment items that were not either tagged or etched as property of the Community Board.

### **Recommendations**

6. Boards #2, #3, #12, and #13 should ensure that complete and accurate records are maintained for equipment.
7. Boards #2, #3, #12, and #13 should tag equipment as property of the specific community board.

***Board 2 Response:*** “It was noted that CB2 did *not have complete inventory records*. Please be advised that the inventory was marked and the auditor may not have noticed. However, the inventory records have been updated and a copy is enclosed. In addition, the 108<sup>th</sup> Precinct etched all of our new equipment with the identification number.”

***Board 3 Response:*** “Your report indicates that a calculator and fax machine were not tagged. Further, a personal shredder and IBM typewriter were not on our inventory list. Please kindly note that we were misinformed that the focus of our inventory list should be electronic/computerized equipment. Kindly further note, however, that when the untagged items were brought to our attention, we immediately tagged the equipment and amended our inventory list to include the aforementioned equipment.”

***Board 12 Response:*** “In response to the findings of the Audit Report on the Financial and Operating Practices of the Community Boards, we at Queens Community Board 12 will ensure: Complete and accurate records are maintained for equipment included in our inventory lists at the board. Tag all equipment as property of Community Board 12.”

***Board 13 Response:*** “Community Board 13Q will implement procedures to ensure that complete and accurate records are maintained for equipment and that all equipment is tagged as property of Community Board 13Q.”



**City of New York**  
**Community Board #1, Queens**  
American Museum of Moving Image  
36-01 35<sup>th</sup> Avenue  
Astoria, N.Y. 11106  
Tel: 718-786-3335, Fax: 718-786-3368

Helen Marshall,  
*President, Queens*  
Karen Koslowitz,  
*Deputy Borough President*  
Vinicio Donato,  
*Chairperson*  
George Delis,  
*District Manager*  
Lucille T. Hartmann,  
*Asst. District Manager*

EXECUTIVE BOARD

Vinicio Donato  
Chairperson  
Joseph Guarino  
First Vice Chairperson  
George L. Stamatides  
Second Vice Chairperson  
Norma Nieves-Bias  
Third Vice Chairperson  
John A. Scourakis  
Executive Secretary  
Peter Pallos  
Sergeant-at-Arms

COMMITTEES & CHAIRPERSONS

*Airport Access*  
Rosamaria Poveromo  
*Capable Disabled*  
Daniel Aliberti  
*Consumer Affairs*  
Joseph Risi Jr.  
*Education*  
Linda Ferno  
*Environmental Protection*  
Joan Asselin  
*Health & Social Services/ Senior*  
Anna Kril  
*Housing*  
Mary O'Hara  
*Industrial/Commercial*  
Julian Wager  
*Parks & Recreation/ Cultural Affairs/OTB*  
Paul Vallone  
*Public Safety*  
Antonio Meloni  
*Transportation*  
Robert Piazza  
*Youth*  
Jose Batista  
*Zoning & Variance*  
John Carusone

May 7, 2007

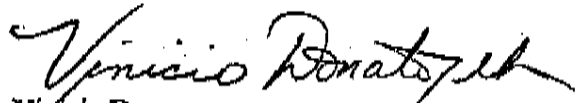
Mr. John Graham  
Deputy Comptroller  
Office of Audits Accountancy & Contracts  
Office of the Comptroller  
1 Centre Street.  
New York, NY 10007-2341

Dear Mr. Graham:

RE; Audit Report on the Financial and Operating Practices of the 14 Queens Community Boards

Our office is in receipt of your agency's report following our audit and we agree to make the necessary changes as they relate to our office.

Sincerely,

  
Vinicio Donato

cc: Mr. Lawrence Welgrin, OMB



## Community Board No. 2

43-22 50th Street  
Woodside, New York 11377  
(718) 533-8773  
Fax (718) 533-8777

*Joseph Conley*  
Chairman

*Debra Markell-Kleinert*  
District Manager

April 26, 2007

Mr. John Graham  
The City of New York  
Office of the Comptroller  
Executive Offices  
1 Centre Street  
New York, New York 10007-2341

RE: Audit Report on the Financial and Operating Practices  
Of Community Board 2 Queens / FP07-093A

Dear Mr. Graham:

Community Board 2 attended the Exit Conference at Queens Borough Hall to discuss the preliminary draft report on the noted matter.

It was noted that CB2 did *not have complete inventory records*. Please be advised that the inventory was marked and the auditor may not have noticed. However, the inventory records have been updated and a copy is enclosed. In



addition, the 108<sup>th</sup> Precinct etched all of our new equipment with the identification number.

Thank you for your attention to this matter.

Sincerely yours,



Debra Markell Kleinert

District Manager

cc: Hon. Helen Marshall, President, Borough of Queens

Hon. Karen Koslowitz, Deputy Borough President, Borough of Queens

Carol Ricci, Agency Chief Contracting Officer, Queens Borough Hall

Suzanne Marchetti, Queens Borough Hall Personnel Department

Christine Ward McKee, Queens Borough Hall Fiscal Office

Joseph Conley, Chairperson, CB2

Diane Ballek, Treasurer, CB2

Audit fy 2007 exit conf.70

April 25, 2007

Office Contents

Area in Front of Mary

- 1 desk black
- 1 side arm chair brown
- 4 magazine racks
- 1 clock

Mary

- 1 desk black
- 1 side arm chair blue
- 1 secretary chair
- 1 Dell monitor Serial # 9259762
- 1 Dell Hard Drive Product ID # 09000-OEM-0001015-01119
- 1 telephone
- 2 rolodex
- 1 garbage can
- 1 bulletin board

Cheryl

- 1 desk black
- 1 side arm chair blue
- 1 secretary chair
- 1 computer station
- 1 HP LaserJet 6L printer
- 1 Dell Monitor CN OCC388-71618-72D-AD04
- 1 Dell Hard Drive Serial # 8NZRSC1
- 1 Sanyo memo-scriber
- 1 telephone
- 1 garbage can

Maryann

- 1 work table
- 1 secretary chair
- 1 4-drawer file black
- 1 side arm chair blue
- 1 right arm desk
- 1 Dell monitor CN ODC323-71618-683-AHUL
- 1 Dell Hard Drive Serial # 91QR2C1
- 1 Dell Monitor
- 1 Dell Hard Drive JH3CC-QCFXD-HVQ72-7007E-HDMKI
- 1 Lexmark printer
- 1 space heater
- 1 telephone

- 1 computer station
- 1 HP LaserJet 1320 Printer SN-CNRC6981T0
- 1 Panasonic tape recorder Serial # WH4FA002274
- 1 Motorola Codex Model 3500 SN-003512942
- 1 Garbage can
- 1 bulletin board blue

Margie

- 3 4-drawer file black
- 1 4-drawer file putty
- 1 secretary chair
- 1 desk left arm black
- 1 Dell monitor CN-04P121-47804-33T-C7FN
- 1 Dell Hard Drive Product ID# BJ7MG-B3WQV-CC9K8-24397-72PG5
- 1 telephone
- 3 shovels
- 1 small space heater
- 1 garbage can
- 1 rolodex

AT&T

- 1 answering machine
- 2 bookshelves

Printing/Filing Area

- 8 4-drawer file putty
- 1 4-drawer file black
- 1 5-drawer file putty
- 1 Konica Minolta copy machine Serial # 311713475
- 1 Pitney Bowes Postage Machine Model DM500 Rental Serial # 0023592
- 1 Hunt Boston pencil sharpener
- 1 recycling bin
- 2 bulletin boards

Citynet Area/Priscilla

- 2 desks black
- 1 metal chair
- 1 4-drawer file putty
- 1 Lateral file 5 drawer black
- 1 Dell Monitor CN-OUH837-48220-68M-00M8
- 2 Secretary Chairs
- 1 Kyocera printer FS-1500A # ABP3372377
- 1 Minolta Model 2200 color printer SN 2730715964
- 1 telephone
- 1 Dell Hard Drive Serial # F493T21
- 1 RCA digital broadband router

- 1 Linksys wireless broadband router
- 1 garbage can
- 1 pair of speakers
- 1 cork board

#### Conference Room

- 31 metal chairs
- 1 Brother EM530 typewriter
- 1 storage closet black
- 1 storage table black
- 1 Hotpoint 16 cu. ft. refrigerator
- 1 Zenith 32" television
- 1 Samsung VCR
- 1 rolling table for TV/VCR
- 2 Shelving units
- 4 coffee pots
- 1 microwave oven
- 1 toaster oven
- 2 Olivetti typewriters
- 1 Fellowes paper shredder
- 1 Oasis water dispenser
- 1 HP LaserJet 2100 printer #USGZ146332
- 1 portable chalkboard
- 1 telephone
- 1 premier paper cutter
- 1 rapid electronic stapler
- 2 garbage cans
- 1 flagpole
- 1 Panasonic tape recorder

#### Storage Room

- 4 metal shelving units
- 2 Dell monitors
- 1 Olivetti typewriter
- 1 Panasonic Electronic Typewriter
- 2 HP Printers SN USGZ146332, SN USGZ146344
- 1 Dell Hard drive Product ID# 09000-OEM-0001015-01120
- 1 Muratec fax machine model F60 Serial# 90001180

#### District Managers Office

- 1 desk gray
- 1 computer station
- 1 4-drawer file putty
- 1 secretary chair
- 2 armchair green
- 1 bookcase

- 1 telephone
- 1 Dell Monitor CN-OUH837-48220-696-010V
- 1 Dell Hard drive Serial # C1QR2C1
- 1 2-drawer file black
- 1 credenza gray
- 1 credenza black
- 1 HP LaserJet 1320 SN-CNRC6B47ZS
- 1 desk fan
- 1 garbage can
- 2 bulletin boards
- 1 rolodex

Closet Area

- 1 garbage can
- coat rack
- 1 step stool

The  
City  
of  
New York



**COMMUNITY BOARD #3, Q.**  
82-11 37th Avenue, Suite 606  
Jackson Heights, N.Y. 11372

VASANTRAI M. GANDHI, Chairperson  
GIOVANNA A. REID, District Manager

Telephone: (718) 458-2707  
Fax: (718) 458-3316  
WWW.CB3QN.NYC.GOV  
CommunityBoard3@nyc.rr.com

HELEN MARSHALL, Borough President  
KAREN KOSLOWITZ, Deputy Borough President

Grace Lawrence  
First Vice Chairperson  
Norma Jimenez  
Second Vice Chairperson  
Arthur Teiler  
Treasurer  
Darryl D. Hoss  
Secretary  
Richard A. Cecere  
Immediate Past Chair

May 14, 2007

Mr. Lawrence Welgrin  
The City of New York  
Office of the Comptroller  
Executive Offices  
1 Centre Street  
New York, New York 10007

Dear Mr. Welgrin:

Community Board 3 is in receipt of the preliminary draft report FP07-093A outlining the findings of the audit. Please be advised that our Board has taken note of the weakness indicated in your report, namely, inventory control. Your report indicates that a calculator and fax machine were not tagged. Further, a personal shredder and IBM typewriter were not on our inventory list. Please kindly note that we were misinformed that the focus of our inventory list should be electronic / computerized equipment. Kindly further note, however, that when the untagged items were brought to our attention, we immediately tagged the equipment and amended our inventory list to include the aforementioned equipment. Thank you for bringing these issues and the results of your report to our attention.

Sincerely,

V.M. Gandhi  
Chairman  
Community Board 3

Giovanna A. Reid  
District Manager  
Community Board 3



**COMMUNITY BOARD # 4Q**

Serving: Corona, Corona Heights, and Elmhurst  
104-03 Corona Avenue, 2<sup>nd</sup> Floor  
Corona, New York 11368-2923  
Telephone: 718-760-3141 Fax: 718-760-5971  
e-mail: [communitybd4@nyc.ny.com](mailto:communitybd4@nyc.ny.com)

**Helen Marshall**  
Borough President

**Louis Walker**  
Chairperson

**Karen Koslowitz**  
Deputy Borough President  
Director of Community Boards

**Richard Italiano**  
District Manager

---

May 07, 2007

Mr. John Graham  
Deputy Comptroller  
Audits, Accountancy & Contracts  
NYC Office of the Comptroller  
1 Centre Street  
New York, NY 10007-2341

Re: Audit Report on the Financial and Operating Practices of the 14 Queens Community Boards  
FP07-093A

Dear Mr. Graham,

In response to the findings of the Draft Audit Report dated April 17, 2007, Community Board #4Q has read the report and will ensure that the following changes are implemented:

- 1 Miscellaneous payment vouchers are used only for purposes that are allowable by Comptroller's Directive #24.
- 2 All payments are charged to the correct object code.

Yours truly

Richard Italiano  
District Manager

cc: Hon. Helen H. Marshall, Queens Borough President  
Lawrence Welgrin  
Carol Ricci  
Christine Ward-McKee



# Community Board No. 5

Borough of Queens  
Ridgewood, Maspeth, Middle Village and Glendale  
61-23 Myrtle Avenue • Glendale, NY 11385  
(718) 366-1834  
E-mail: qnscb5@nyc.rr.com



Vincent Arcuri, Jr.  
Chairperson

Gary Giordano  
District Manager

April 26, 2007

Mr. John Graham  
Deputy Comptroller  
Audits, Accountancy & Contracts  
NYC Office of the Comptroller  
1 Centre Street  
New York, NY 10007-2341

Re: Audit Report

Dear Mr. Graham:

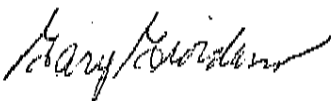
I am in receipt of your April 17, 2007 letter and copy of the Draft Report on Financial and Operating Practices for Community Boards.

We have read the draft report on the Financial and Operating Practices for Community Boards, and will make the necessary changes as follows:

- Sympathy Baskets for deceased Board Members will no longer be paid through our Imprest Fund.
- Charges incurred for expenses related to purchasing water for the Office will be applied to Budget Code 110 beginning FY2008.
- Postage payments will not be processed through a Miscellaneous Voucher.

Yours truly,

  
Vincent Arcuri, Jr.  
Chairman

  
Gary Giordano  
District Manager

Cc: Hon. Helen Marshall  
Lawrence Welgrin, Audit Manager, Office of the Comptroller  
Susan Marchetti, Borough President's Office





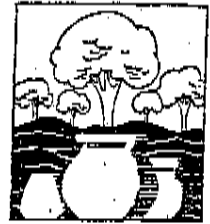
# Community Board 6, Queens

73-05 Yellowstone Boulevard ♦ Forest Hills, N.Y. 11375-4136

Tel.: (718) 263-9250 ♦ Fax: (718) 263-2211

E-mail: [cb6q@nyc.rr.com](mailto:cb6q@nyc.rr.com)

Website: [www.queenscb6.org](http://www.queenscb6.org)



Whitepot Settled 1653

Helen M. Marshall  
Queens Borough President

Karen Koslowitz  
Deputy Borough President

Joseph C. Hennessy  
Chairman

Frank P. Gulluscio  
District Manager

Gail M. Gordon  
1<sup>st</sup> Vice Chairwoman

Steven Goldberg  
2<sup>nd</sup> Vice Chairman

Elizabeth Anderson  
Vice Chairwoman - Secretary

Todd Reisman  
Vice Chairman - Finance

Norman Tepper, P.E.  
Vice Chairman - Land Use

Lynn C. Schulman  
Vice Chairwoman - Seeping

April 27, 2007

Mr. John Graham  
Deputy Comptroller  
Audits, Accountancy & Contracts  
New York City Office of the Comptroller  
1 Centre Street  
New York, NY 10007-2341

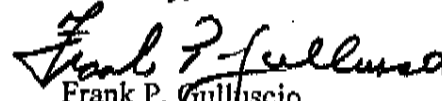
Dear Mr. Graham:

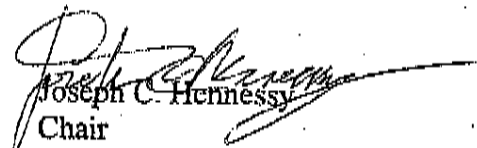
I hope this letter finds you well. I am in receipt of your April 17, 2007 letter and copy of the DRAFT REPORT on Financial and Operating Practices for Community Boards.

Please be advised that we have read the draft report and will obtain the necessary credits from our vendors, James Johnson and Ruby Window Cleaning totaling \$259.

Thank you for your cooperation and attention to this matter.

Sincerely,

  
Frank P. Gulluscio  
District Manager

  
Joseph C. Hennessy  
Chair

Cc: Queens Borough President Helen Marshall  
Carol Ricci, Queens Borough President's Office  
Susanne Marchetti, Queens Borough President's Office  
Christine Ward -- McKee, Queens Borough President's Office  
Mr. Lawrence Welgrin, Audit Manager



# Community Board 7

Borough of Queens  
Bay Terrace, College Point, Beechhurst, Flushing,  
Malba, Queensborough Hill and Whitestone

133-32 41<sup>ST</sup> ROAD • 3<sup>RD</sup> FLOOR • FLUSHING, NY 11355  
(718) 359-2800  
Fax: (718) 463-3891

Helen Marshall  
*Borough President*

Karen Koslowitz  
*Deputy Borough President/Community Boards*

Mr. John Graham  
Deputy Comptroller  
Audits, Accountancy & Contracts  
New York City office of the Comptroller  
Executive Offices  
1 Centre Street  
New York, N.Y. 10007-2341

April 24, 2007

Eugene T. Kelty, Jr.  
*Chairperson*

Marilyn Bitterman  
*District Manager*

**RE: Audit Report**

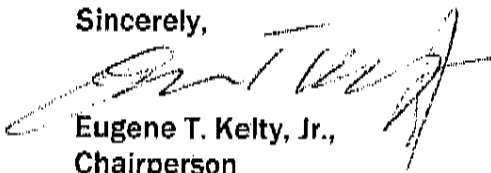
Dear Mr. Graham:

I am in receipt of your April 17, 2007 letter and copy of the Draft Report on Financial and Operating Practices for Community Boards.

We have read the draft report on the Financial and Operating Practices for Community Boards, and will make the necessary changes as it relates to postage.

In checking with Ms. Susan Cornwell, (ext.8216), in the future all postage will be processed using a P.O. and PVE. as indicated in the Comptroller's Directive.

Sincerely,



Eugene T. Kelty, Jr.,  
Chairperson



Marilyn Bitterman  
District Manager

c.c. Borough President Helen Marshall  
Lawrence Welgrin – Audit Manager  
Carol Ricci – BPO  
Chris Ward-McKee  
Queens Community Boards

Borough President, Helen Marshall



Chairman, Alvin Warshaviak

*The City of New York*  
*Borough of Queens*

Community Board 8

197-15 Hillside Avenue

Hollis, NY 11423-2126

Tel: (718) 264-7895

Fax: (718) 264-7910

E-mail: [qn08@cb.nyc.gov](mailto:qn08@cb.nyc.gov)

Website: [www.queenscb8.org](http://www.queenscb8.org)



District Manager

April 18, 2007

Honorable William C. Thompson, Jr.  
Comptroller  
City of New York  
Municipal Building, 5<sup>th</sup> Floor  
New York, New York 10007

Dear Honorable Comptroller Thompson:

This letter is in response to the Draft Audit Report on the Financial and Operating Practices of Community Board 8, Queens.

**Findings: Improper Use of Miscellaneous Vouchers (Directive #24)**

After reviewing Community Board 8's list of Miscellaneous Payment Vouchers for Fiscal Year 2006, there was a PVM made out to the landlord (Mr. Hartman). This expense was for past taxes due on the office rental. Please see the email sent to Community Board 8 directing us to prepare a Miscellaneous Payment Voucher for this cost.

Please note: Community Board 8 did not create a Miscellaneous Payment Voucher for any postage purchases for Fiscal Year 2006.

**Agency Implementation Plan**

In the future, Community Board 8 will ensure that miscellaneous vouchers are used only for purposes that are allowable by Comptroller's Directive #24.

If you have any questions or need additional information, please do not hesitate to call Barbara McKeon.

Very truly yours,

Alvin Warshaviak

Chairman

Community Board 8, Queens

AW/bm

cc: Lawrence Welgrin

John Graham

Boro President Helen Marshall

You replied on 7/8/2005 6:52 PM

The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

QN08@cb.nyc.gov

From: Christine Ward-McKee [CWARDMCKEE@queensbp.org]  
To: QN08@cb.nyc.gov  
Cc: Karen Koslowitz; Carol Ricci; Susanne Marchetti; Fiscal  
Subject: RE: Encumbrances  
Attachments:

Sent: Fri 7/8/2005 5:56 PM

Diane,

There is over \$8000 in the object code available for taxes. (Prepare a PVM - Miscellaneous Voucher for this). If these taxes are from fy2005 you need to speak to Micky Josephs and Randy Panetta about increasing the money in this code because if you use this year's money for "back" taxes you won't have enough for this year's taxes and they can't "fix" it if you don't let them know before January, 2006 (through an MN to the City Council).

I sent a copy of the letter from the landlord and emailed Micky Josephs about these taxes this year - she never got back to me. This needs to be addressed before you pay the landlord this money. We do not interpret leases - Corp Counsel and OMB tells us what we should pay. The fact that the money isn't there (for last fiscal year and this one) spells a problem to me. Just a suggestion.

Chris Ward-McKee  
Queens BP's Office

-----Original Message-----

From: QN08@cb.nyc.gov [mailto:QN08@cb.nyc.gov]  
Sent: Friday, July 08, 2005 5:04 PM  
To: Christine Ward-McKee  
Subject: RE: Encumbrances

VOUCHERED

We also have to pay Hartman \$5000 or so for back taxes.

Diane Cohen, District Manager  
[www.queenscb8.org](http://www.queenscb8.org)

VOUCHERED

City of New York



## COMMUNITY BOARD NO. 9

Queens Borough Hall

120-55 Queens Boulevard, Room 310-A

Kew Gardens, NY 11424

(718) 286-2686

Fax (718) 286-2685

Meeting Hotline (718) 286-2689

Andrea Crawford, Chairperson

Mary Ann Carey, District Manager

Helen Marshall, Borough President

May 7, 2007

Mr. John Graham  
Deputy Comptroller  
NYC Office of the Comptroller  
1 Centre Street, Room 1100N  
New York, NY 10007

Dear Mr. Graham:

The following is a progress report in regard to the two minor issues of noncompliance with the Audit conducted in April 2007:

1. Use of PVM incorrectly for Postage- Comptroller #24 Directive
2. Incorrect object code for water- use 110 instead of 400

We have corrected the inaccurate use of a PVM for postage by issuing a PD and making payments via PVE'S. In addition, we no longer use code 400 for water; we use code 110 as advised by the auditors.

If there are any questions please contact me at the above telephone number.

Sincerely,  
*Andrea Crawford*

Andrea Crawford  
Chairperson



ELIZABETH BRATON  
Chairperson

## COMMUNITY BOARD 10

CITY OF NEW YORK • BOROUGH OF QUEENS  
115-01 LEFFERTS BOULEVARD  
SOUTH OZONE PARK, N.Y. 11420  
TEL: (718) 843-4488  
FAX: (718) 738-1184  
E-MAIL: cb10qns@nyc.rr.com



KARYN PETERSEN  
District Manager

April 24, 2007

Mr. John Graham  
Deputy Comptroller  
Audits, Accountancy & Contracts  
NYC Office of the Comptroller  
1 Centre Street  
New York, NY 10007-2341

Re: Audit Report on the Financial and Operating Practices  
of the 14 Queens Community Boards FP07-093A

Dear Deputy Comptroller Graham:

In response to the findings of the Audit Report on the Financial and Operating Practices of the Community Boards, we at Queens Community Board 10 will ensure:

- all payments are charged to the correct object code
- miscellaneous payment vouchers are used only for purposes that are allowable by Comptroller's Directive #24

Very truly yours,

Karyn Petersen  
District Manager

KP/mcm

c: Lawrence Welgrin, Audit Manager  
Helen M. Marshall, Queens Borough President  
Carol Ricci, Director of Administration  
Christine Ward-McKee, Fiscal Officer

(718) 225-1054  
FAX (718) 225-4514

email: QN11@cb.nyc.gov  
website: www.cb11.org



## Community Board No. 11

46-21 Little Neck Parkway, Little Neck, New York 11362

Steven Newman  
Chair

Susan Seinfeld  
District Manager

Helen Marshall, President  
Borough of Queens

Karen Koslowitz, Deputy Borough President  
and Director of Community Boards

May 7, 2007

Mr. John Graham  
Deputy Comptroller  
Audits, Accountancy & Contracts  
NYC Office of the Comptroller  
One Centre Street  
New York, NY 10007

Re: Draft Audit Report on the Financial Operating Practices  
of the 14 Queens Community Boards

Dear Mr. Graham:

The Draft Audit Report was reviewed by this Board. In response to the findings of the Audit Report, Queens Community Board 11 will *not* use Miscellaneous Vouchers for purposes that are not allowable by Comptroller's Directive #24.

Sincerely,

Susan Seinfeld  
District Manager

cc: Carol Ricci, Budget Director/Queens Borough President



# Community Board 12

## The City of New York

### Borough of Queens

90-28 161st Street  
Jamaica, New York 11432-6187

(718) 658-3308  
Fax: (718) 739-6997

Helen Marshall  
BOROUGH PRESIDENT

Gloria R. Black, Ph.D  
CHAIRPERSON

Karen Koslowitz  
DEPUTY BOROUGH PRESIDENT  
COMMUNITY BOARDS QUEENS

Yvonne Reddick  
DISTRICT MANAGER

May 7, 2007

Mr. John Graham  
Audits, Accountancy & Contracts  
NYC Office of the Comptroller  
1 Centre Street  
New York, NY 10007-2341

**RE: Audit Report on the Financial and Operating Practices of the 14 Queens  
Community Boards FP07-093A**

Dear Deputy Comptroller Graham:

In response to the findings of the Audit Report on the Financial and Operating Practices of the Community Boards, we at Queens Community Board 12 will ensure:

Complete and accurate records are maintained for equipment included in our inventory lists at the board.

Tag all equipment as property of Community Board 12.

Sincerely,

A handwritten signature in cursive script that reads 'Yvonne Reddick'.

Yvonne Reddick  
District Manager  
Community Board 12, Q

cc: Laurence Welgrin, Audit Manager  
Helen Marshall, Queens Borough President  
Carol Ricci, Director of Administration  
Christine Ward-McKee, Fiscal Officer





**Queens Community Board 13**

219-41 Jamaica Ave.

Queens Village, NY 11428

Telephone: (718) 464-9700

Fax: (718) 264-2739

www.cb13q.org

Helen Marshall  
Borough President

Karen Koslowitz  
Deputy Borough President

Richard C. Hellenbrecht  
Chairman

Sally Martino-Fisher  
District Manager

May 7, 2007

Mr. John Graham, Deputy Comptroller  
New York City office of the Comptroller  
Executive Offices  
1 Centre Street  
New York, NY 10007-2341

Re: Audit Report

Dear Mr. Graham:

We are in receipt of your April 17, 2007 letter and a copy of the Draft Report on Financial and Operating Practices for Community Boards.

We have read the draft report on the Financial and Operating Practices for Community Boards, and will make the necessary changes as it relates to postage and in the future all postage will be processed using a P.O. and PVE, as indicated in the Comptroller's Directive #24.

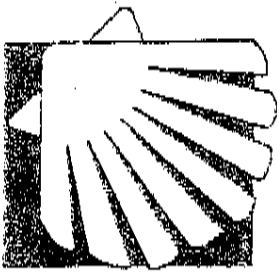
With regard to the findings specific to our community board as it relates to directive #6 there will be no more expenses incurred that are considered inappropriate City expenditures. On the issue of inventory control weaknesses as it relates to the Department of Investigation Standards for Inventory Control and Management, Community Board 13Q will implement procedures to ensure that complete and accurate records are maintained for equipment and that all equipment is tagged as property of Community Board 13Q.

Sincerely,

Richard Hellenbrecht  
Chairperson

Sally Martino-Fisher  
District Manager

cc: Borough President Helen Marshall, Lawrence Weigrin, Audit Manager, Carol Ricci, BPO, Chris Ward-McKee, Queens Community Boards



**COMMUNITY**  
**BOARD ♦ 14**

May 1, 2007

COMMUNITY BOARD 14  
City of New York  
Borough of Queens

DOLORES ORR  
Chairperson

JONATHAN L. GASKA  
District Manager

Mr. John Graham, Deputy Comptroller  
Audits, Accountancy & Contracts  
Office of the Comptroller of The City of New York  
Executive Offices  
One Centre Street  
New York, NY 10007

Re: Audit Report

Dear Mr. Graham:

We are in receipt of a copy of the draft report for FY 2007.

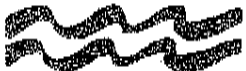
In the future, we agree to get two signatures on all imprest checks.

Sincerely,



Jonathan Gaska  
District Manager

JG:rm  
cc: Carol Ricci  
Chris Ward-McKee





HELEN M. MARSHALL  
PRESIDENT

(718) 286-3000  
TDD (718) 286-2656  
TELECOPIER (718) 286-2885

CITY OF NEW YORK  
OFFICE OF THE  
PRESIDENT OF THE BOROUGH OF QUEENS  
120-55 QUEENS BOULEVARD  
KEW GARDENS, NEW YORK 11424-1015

April 26, 2007

Mr. Lawrence Welgrin  
Audit Manager  
NYC Comptrollers Office  
Audit Bureau  
1 Centre Street  
New York, NY 10007

Dear Mr. Welgrin:

Thank you for providing us with the opportunity to respond to the draft report on the Financial and Operating Practices of the 14 Queens Community Boards. The findings and conclusions of the audits certainly are positive and reassuring.

As you know, we are responsible for providing some administrative support as well as actually effectuating some of the administrative responsibilities for the 14 Queens Community Boards. Along with this responsibility comes a great deal of professional pride in executing our duties. We follow the Comptroller Rules and Regulations as well as the Mayor's Procurement Policy Board guidelines.

There are two items which we would like to address:

Improper Use of Miscellaneous Vouchers

Several of the Boards were cited for using miscellaneous payment vouchers (PVM). The recommendation is that purchase orders (PO) and payment voucher's (PVE) be used instead. We must point out that it was not until the postage was inappropriately purchased on a miscellaneous payment voucher and the auditors cited that postage should not be on a PVM that the appropriate voucher document was determined. Only after we contacted John Goddard, Deputy Director, Office of Contract Administration, was it determined that postage should be purchased with a purchase order regardless of the amount. The Audit Division was unable to provide us with the mechanism document - - we initiated the decision to use purchase orders. This information should be shared with all city agencies in order to use the appropriate document when purchasing postage.

It should further be noted that our office was instructed by DCAS, DRESS to use PVMs when paying taxes when we assumed responsibility for registering lease agreements negotiated by DCAS on behalf of the Boards. Again, we contacted DRESS after the auditors noted the misuse of PVMs and DCAS indicated we should "now" use PVE's.

Inventory Control Weaknesses

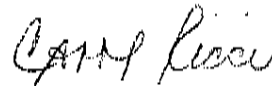
There were several Boards with items that did not match the inventory or had items that did not have tags. Although we have no issue with the inventory control review, we have issues with what items are considered "significant value" and what should or should not be inventoried. The Comptroller's Office deferred this decision to DOI. DOI issued a document, *Standards for Inventory Control and Management*. We have forwarded correspondence requesting clarification on what items comprise significant value and are awaiting their ruling.

We have noted the above things to explain that sometimes better communication between the oversight agencies and the line agencies would benefit all. Disseminating specific directives, instructions and information to fiscal and procurement offices could help agencies better follow directives. Overall, the audit findings were positive and we understand there are no major irregularities. However, we do strive to achieve perfection and felt we needed to bring this issue to your attention.

Please note that we have included copies of all of the responses we received to the Audit Report from the Boards for your consideration.

Thank you for your consideration and incorporation of this information in your final report.

Sincerely,



CAROL RICCI  
ACCO/Director of Management and Budget  
Borough Presidents Office of Queens

cc: Karen Koslowitz  
Alexandra Rosa  
Dan Andrews  
14 Queens Community Boards

HELEN M. MARSHALL  
PRESIDENT



CITY OF NEW YORK  
OFFICE OF THE  
PRESIDENT OF THE BOROUGH OF QUEENS  
120-55 QUEENS BOULEVARD  
KEW GARDENS, NEW YORK 11424-1015

(718) 286-3000  
TDD (718) 286-2656  
TELECOPIER (718) 286-2885

April 23, 2007

Vincent E. Green  
Asst. Commissioner  
Department of Investigation  
Administration Division  
Procurement, 16<sup>th</sup> Floor  
80 Maiden Lane  
New York, NY 10038

Dear Mr. Green:

The Office of the Queens Borough President has administrative responsibility for the 14 Queens Community Boards. These are small independent agencies with a District Manager as the primary staff person and perhaps one or two clerical staff. The total budget for each Board is \$194,895. The Boards are contiguous with Council Districts throughout the city. The agency head is the Chairperson, a non-paid position.

At the current time, both the Boards and our office are being audited by the Comptroller's Office. The audit includes a physical review of the equipment inventory for each office. The auditors have focused on what they consider "major items" including computers, monitors, fax machines and other types of office machinery.

We were informed that the inclusion of inventory is based upon the *Standards for Inventory Control and Management* released by the Department of Investigation as of July, 1992. On page 15, #28 states an inventory of durable goods must be maintained by each end-user. The second paragraph further states that, "a central administrative services office ordinarily responsible for maintaining inventory records and establishing property identification for items of significant value." We are requesting further clarification of the term "significant value."

In order to clarify significant value, we requested the Comptroller's Office provide a definition. They have deferred the definition to DOI. We then contacted your office and were unable to receive a clear definition of significant value. We have also discussed the issue with our attorneys who agreed that under the circumstances, there is no reason that the Office of the Queens Borough President could not determine what the significant value dollar amount was, providing we had sound reasoning.

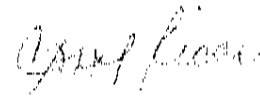
In accordance with the PPB Rules and the Comptroller's Directive # 24, procurement under \$5,000.00 does not require bidding. Therefore, \$5,000 and greater appears to signify a procurement of significant value. The Office of the Queens Borough President developed a policy for inventory control that an item valued under \$1,500.00 need not be inventoried. This was based upon the PPB rules and the Comptroller's rules. (Please see attached memorandum to file dated July 1, 2006.

At the onset of the audit by the Comptroller's Office, we met with the Audit Manager and discussed the policy. We were told that although the Comptroller's Office did not develop the Standards for Inventory Control and

Management, they were making the decision about which items would be audited. The Comptroller's Office indicated every item was subject to be inventoried if they so chose. However, the Comptroller's office decided they were focusing on computer equipment and other large items.

In light of this confusion, we would appreciate, in writing, clarification of the term *significant value* as soon as possible. If you would like to discuss this, please do not hesitate to contact me at 718 286 2660, or at [cricci@queensbp.org](mailto:cricci@queensbp.org).

Thank you,



Carol Ricci  
ACCO/Budget Director

cc: Rose Gill Heam, Commissioner  
Kirk Eng, ACCO & Fiscal Officer  
Jeffrey Goldstein, Budget Officer  
Lawrence Welgrin, Audit Manager  
Christine Ward McKee  
Susanne Marchetti



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## MEMORANDUM

**TO:** File

**FROM:** Carol Ricci, ACCO

**DATE:** July 1, 2006

**RE:** Inventory Policy

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Effective immediately, the Office of the Queens Borough President has determined that all items up to \$1,500.00 are not considered significant value and therefore will not be required to be maintained on an itemized inventory. This policy will supercede all other policy and procedures dealing with inventory and items of substantial value.

In an audit conducted by the Office of the Comptroller in 2003/2004 it was pointed out that all items of significant value shall be maintained in an inventory. Upon further investigation, the Department of Investigation, which is the agency responsible for *Standards for Inventory Control and Management*, and the Office of the Comptroller, does not have a set dollar amount of "significant value." Both agencies responded that it was up to the agency to set the value. The Office of the Queens Borough President spoke to Eileen Moran, Deputy Chief Accountant/Deputy Bureau Chief in the Comptroller's Office who could not give us an amount. We also spoke to Susan Cornwall from the Comptroller's Office, Kirk Eng, ACCO/Fiscal Services, Director from Department Of Investigation and the Auditor Unit who also could not give us a dollar amount.

In light of the fact that purchases of under \$1,500.00 do not require bids and are considered small purchases, the Office of the Queens Borough President determined this would be the measure for significant value.

We will maintain a separate inventory of computer equipment including CPUs and printers which will list the serial number and user.

This office will maintain a list of all items owned by the Office of the Queens Borough President. The items (furniture, equipment) will no longer be tagged. Instead, items will be listed in a central inventory and once a year a picture will be taken of each location and then compared to the central inventory listing so that it can be updated on a routine basis.

This office will maintain a list of all other equipment assigned to specific staff members including blackberries, cell phones and beepers.