AR 16 – 02

Results of
Surprise Petty Cash Counts

This audit report has been approved for release and has been transmitted to the individuals listed below. Departmental staff has taken all necessary actions to resolve the finding outlined in the audit report. Accordingly the issues are considered closed.

Deborah Welch
Chief Internal Auditor

Report Distribution:

Mark Jinks,	City Manager
Debra Collins,	Deputy City Manager
Laura Triggs,	Deputy City Manager
Emily Baker,	Deputy City Manager
Kendel Taylor,	Director of Finance

EXECUTIVE SUMMARY

What We Reviewed

On May 27, 2015, the City had 51 authorized petty cash funds totaling $21,195. Petty Cash funds are issued to City departments to facilitate (i) the processing and payment of minor purchases of small expendable items and for reimbursing minor travel expenses; and, (ii) to provide change for the completion of cash transactions. OIA staff performed a surprise petty cash count of the 51 petty cash funds and also performed a close-out count of the daily receipts in the Treasury Division. The audit was part of our annual work plan.

What We Found

- Twenty-one (21) petty cash funds were satisfactorily accounted for on the day of the surprise count;
- Five (5) petty cash funds were closed because they were no longer used;
- Three (3) petty cash funds contained shortages;
- Four (4) petty cash funds contained discrepancies between their authorized amounts and the amount listed in the MUNIS system petty cash subsidiary account;
- One (1) closed petty cash fund was re-activated through an erroneous journal voucher;
- Eleven (11) petty cash funds contained an overage;
- Six (6) petty cash funds contained receipts that were more than 30 days old;
- One (1) petty cash fund contained receipts that exceeded the $30 purchase limit;
- Seven (7) petty cash funds did not have a current custodian form on file.

What We Recommended

With regard to the issues identified, $37.81 in overages was deposited into Miscellaneous Revenue; petty cash custodians replenished shortages totaling $110.11 and processed a change in custodian form for the 11 funds without a current custodian form on file. The Munis system was corrected to reflect the authorized amount of the four (4) petty cash funds; and, the petty cash fund created in error was closed. Custodians, whose petty cash fund contained findings, were directed to read Administrative Regulation 4 – 3 Petty Cash Procedures. Finally, all receipts collected on the day of our close-out count of the Treasury Division were deposited intact and in a timely manner.

Department Response

All issues identified during OIA's surprise count of departmental petty cash count and surprise close-out of the Treasury Division has been corrected. As a result of this audit, the number of petty cash funds has been reduced to 43 and the total value of authorized City petty cash is $18,910. All findings are considered closed.