

#1 (Rev.1/93) SINGLE PAGE COMMUNICATION TO THE COMMON COUNCIL

TO: THE COMMON COUNCIL: DATE: April 10, 2003

FROM: DEPARTMENT: Audit and Control

DIVISION: Audit

SUBJECT: [: Treasury  
[:  
[:  
[:

PRIOR COUNCIL REFERENCE: (IF ANY) [:  
Ex. (Item No. xxx, C.C.P. xx/xx/xx)

TEXT: (TYPE SINGLE SPACE BELOW)

**AUDIT FINDINGS**

Our analysis of bank deposits and withdrawals by fund reveals that the City Treasury processed and recorded over \$973 million for the period 7/1/02 to 12/31/02.

The Statement of Condition, prepared by the City Treasury as of 12/31/02, was understated by a total of \$5,000. We have noted two discrepancies:

We have verified four (4) teller shortages

**SUBSEQUENT EVENTS**

It was brought to our attention that on 2/4/03 M&T Bank returned the following three checks drawn against the City's Clearing Account due to lack of the Director of Treasury's signature: The above checks were subsequently honored by the bank with the approval of the Comptroller's Office.

**AUDIT RECOMMENDATIONS**

Based on our audit findings, we recommend the following:

- Manually foot the Sundry Investments column on the monthly Statement of Condition report and force enter in the correct dollar value
- Verify the beginning monthly balances for all funds with the ending balances of the previous month on the Summary of Operations report.
- Continue the practice of requesting audit verification for all teller overages and/or shortages totaling \$50.00 or more.
- Closely monitor the on-line credit card payments and reconcile the monthly totals with the "Sure Pay Manager" query reports to the extent possible.
- Consider a cut-off date prior to June 30, 2003 and effect, if at all possible, a brief moratorium for the use of on-line credit card payments and attempt to reconcile these transactions to the Treasury records, as well as, the Clearing Bank Account statement.
- Meet with Buffalo Sewer Authority officials and determine the feasibility of closing out apparent dormant bank accounts.
- Request that another division perform the monthly bank reconciliation for the M&T Bank Clearing Account or at least have a manager sign off on the one that is done.
- Establish a verification system within Treasury which would require at least two employees to independently review each Clearing Account check as to fund, dollar amount and proper signature.

TYPE DEPARTMENT HEAD NAME: Andrew San Filippo

TYPE TITLE: Acting Comptroller

SIGNATURE OF DEPARTMENT HEAD

