

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

TO: THE COMMON COUNCIL: DATE: September 16, 2004

FROM: DEPARTMENT: Audit and Control

DIVISION: Audit

SUBJECT: [: **Audit Petty Cash Funds 2004**
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FILE

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

TEXT: (TYPE SINGLE SPACE BELOW)

The City of Buffalo has Imprest Petty Cash funds in several departments/divisions at City Hall and at some other locations (e.g. Police and Fire headquarters).

The funds are Imprest, that is there is a set amount of money placed there (originally by check) to Custodian-Petty Cash. The fund is reimbursed periodically throughout the year. It is required to be done yearly, but quarterly would be best, as outlined below. At any point, the fixed amount of the fund consists of the total currency left and the vouchers (receipts) for the expenditures. The vouchers, as part of the reimbursement process, are charged to expenditure accounts where amounts have been appropriated.

AUDIT OBJECTIVES

- To periodically review the petty cash funds and their transaction levels
- To ascertain that the custodians are in place
- To verify accounting records
- To physically count the cash and review vouchers in the drawer
- To determine last reimbursement date of each fund
- To make recommendations on improvements
- To determine that no receipts are being deposited in the fund, but are being deposited daily to Treasury
- To determine proper approval levels
- To determine appropriateness of items

AUDIT METHODOLOGY

- Review MUNIS transactions
- Visit areas and physically count monies and audit vouchers

AUDIT FINDINGS

1. Stale vouchers requiring judgment and claims approval (prior fiscal year)
2. Custodians are approving their own expenses
3. Error in physical count
4. Inappropriate expenses (disallowed by Charter)

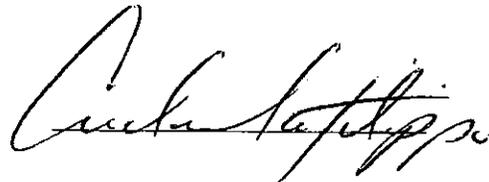
AUDIT RECOMMENDATIONS

1. Reduce the number of petty cash funds
2. Expense reports should be submitted in a timelier manner
3. Review the appropriateness of the petty cash dollar amount for each department
4. Establish better methods of expensing charges that are more appropriately paid by vendor check
5. Publish new policy and procedures manual

TYPE DEPARTMENT HEAD NAME: ANDREW SANFILIPPO

TYPE TITLE: COMPTROLLER

SIGNATURE OF DEPARTMENT HEAD

A handwritten signature in cursive script, appearing to read "Andrew Sanfilippo".