

TO: THE COMMON COUNCIL                      DATE: November 19, 2009  
FROM: THE DEPARTMENT OF  
AUDIT & CONTROL  
SUBJECT: Petty Cash Audit

On October 15, 2009 an unannounced audit of petty cash funds was conducted. All petty cash custodians working that day were audited for compliance. The methodology to this audit was to verify internal controls and proper maintenance of these funds. Eighteen of a possible twenty three custodians or 78% were audited.

The Department of Audit and Control accounts for petty cash using an imprest system. Under this system, an initial one-time advance is made to the person responsible for the petty cash fund. This person known as the custodian is entrusted with the amount of the fund determined appropriate for the needs of the department. Subsequent reimbursements are made through the City Accounts Payable with the submission of a service order with respective receipts and/ or paid vendor invoices and a Summary of Petty Cash Transactions Spreadsheet. The petty cash custodian should at all times have a combination of coins, currency and receipts equal to their petty cash advance.

The purpose of this fund is to be used for cash purchases of goods and services as defined in City Code, Section 16-18. The petty cash amount varies for each City of Buffalo department depending upon need and usage, ranging from fifty dollars to five thousand dollars. A printed copy of the procedures governing the Petty Cash funds was distributed to each custodian.

The audit was designed to assist management with assessing the adequacy of internal controls related to the issuance, use, and control of the petty cash process. We concluded that the controls over these funds were deficient in several key areas as outlined in the Audit findings. Much of this was due to a lack of understanding of the purpose for petty cash and the custodian's responsibilities. We are confident that the corrections needed, in regards to internal control, and the proper processing of transactions are adequately explained in the packet given to the petty cash custodian along with answers to questions received during the cash counts.

We do not feel there was any intent to deceive or commit fraud on the part of the custodians, and will continue to monitor petty cash usage and to provide guidance for custodians in the future.

If you have any further questions on this matter, please feel free to contact the Department of Audit and Control.

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DEPARTMENT HEAD: Andrew A. SanFilippo

TITLE: Comptroller

SIGNATURE:

A handwritten signature in black ink, appearing to read "Andrew A. SanFilippo", is written over a horizontal line.

CITY OF BUFFALO  
DEPARTMENT OF AUDIT & CONTROL  
AUDIT REPORT ON CITY OF BUFFALO  
PETTY CASH ACCOUNTS

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**ANDREW A. SANFILIPPO**  
**COMPTROLLER**



On the day of October 15, 2009

**DARRYL McPHERSON**  
**CITY AUDITOR**

NOVEMBER 2009

## **BACKGROUND**

The Department of Audit and Control accounts for petty cash using an imprest system. Under this system, an initial one time advance is made to the person responsible for the petty cash fund. This person known as the custodian is entrusted with the amount of the fund determined appropriate for the needs of the department. Subsequent reimbursements are made through the City Accounts Payable with the submission of a service order with respective receipts and/ or paid vendor invoices and a Summary of Petty Cash Transactions Spreadsheet. The petty cash custodian should at all times have a combination of coins, currency and receipts equal to their petty cash advance.

The purpose of this fund is to be used for cash purchases of goods and services as defined in City Code, Section 16-18. The petty cash amount varies for each City of Buffalo department depending upon need and usage. The funds under review range from fifty dollars to five thousand dollars. A printed version of the procedures governing the proper use of the Petty Cash funds served as a template for this audit and was distributed to each custodian. (Exhibit A)

On October 15, 2009 an unannounced audit of these funds was conducted. The Department of Audit and Control performed these audits in teams of two or three auditors. Starting at approximately 9:30 A.M. the audit began and was later concluded that afternoon. All petty cash custodians working that day were audited for compliance. The methodology to this audit was to verify internal controls and proper maintenance of these funds. Eighteen of a possible twenty-three custodians or 78% were audited.

### **Audit Scope**

An evaluation on the internal controls of petty cash funds assigned to current custodians, and adherence to City Policy in disbursement of these monies. Emphasis will be on the internal control of this asset along with a reminder about the roles and responsibilities that the petty cash custodian position entails. Custodians will be given the necessary forms and procedures that should be adhered to upon completion of the cash count.

## AUDIT FINDINGS

- A total of two petty cash custodians had included an I.O. U. in their petty cash box that they considered to be part of their total petty cash count.
- A total of five City employees were performing the duties of petty cash custodian when in fact they were not classified as the custodian for the department.
- A total of three petty cash custodians had their funds in a manila envelope in an unlocked filing cabinet.
- Several custodians had receipts that had sales tax included as part of the total petty cash count. Since the City of Buffalo is exempt from paying tax, these amounts should not have been included as part of the petty cash advancement.
- Two custodians had receipts in their cash box that exceeded their petty cash threshold of fifty dollars.
- A large percentage of the receipts held by the custodians had no signature of the individual purchaser being reimbursed.
- One custodian had receipts in their petty cash box that were over two years old.
- A total of five of the eighteen petty cash counts were in complete compliance for mathematical accuracy. There was no evidence of a cash overage or shortage to be recorded on the petty cash reconciliation form.
- The largest recorded shortage in the unannounced petty cash audit was 32 cents.
- The largest recorded overage in the unannounced petty cash audit was five dollars.
- One petty cash custodian asked if their petty cash could be turned back into the City treasury because they had no usage for these funds for quite some time. In one instance the custodian was unable to remember where the funds were stored. They located it later that day.

## Recommendations

- **IOU's**

There is no legitimate reason for an IOU for personal reasons being used as a receipt for petty cash. This is an inappropriate use of City funds. The only reason for IOU usage is when an employee needs to make a purchase and does not have or want to use personal funds. It is expected the receipt will be supplied the next day. This does not appear to be the case in the instances encountered in our Audit.

**We have recommended** through formal letters to the Department and the custodians where this occurred that this is not a proper practice and that it not be used in the future.

- **Updating Petty Cash Custodian and limiting access to funds**

**We recommend** that no one who is not the official petty cash custodian of a department be allowed to have access to these funds or to make cash purchases. The person on record for being the custodian is the only one responsible for the security and use of these funds. The department head should then designate the correct person by filling in the form "Notice of Change of Petty Cash Custodian" This is to protect the custodian as they are the individual who would be accountable should there be any irregularities.

- **Petty Cash Fund Security**

**We recommend** that the petty cash custodian be the only person with access to these funds. All funds should be secured by a lock box with key or in a safe. Money secured in an envelope and stored in a filing cabinet is not a proper method for safeguarding funds.

- **Sales tax included on receipts.**

**We recommend** that petty cash custodian use the tax exempt form that was included in the packet on the rules and procedures of being a petty cash custodian. Sales tax paid for with petty cash funds are the responsibility of the custodian, and will not be reimbursed.

- **Exceeding fifty dollars per day in cash purchases not permissible using petty cash.**

**We recommend** that any purchases which are going to exceed the petty cash limitation of fifty dollars be put through the MUNIS system as a service or purchase order. Petty cash is not to be used to circumvent the purchase/service order system. In those unusual circumstances where a petty cash item costing more than \$50.00, but less than \$100.00

may be necessary, purchase may be made with written permission from Accounts Payable received beforehand. At no time should expenses exceed petty cash amount

- **Missing documentation on petty cash receipts by custodian.**

**We recommend** that custodians read and familiarize themselves with the rules that were given and explained to them during the course of this Audit regarding what information should be included on a cash receipt.

- **Prior fiscal year cash purchases by custodian.**

**We recommend** that all petty cash purchases before June 15 of the current year be replenished in the correct fiscal year of the purchase. All advances made in a fiscal year should be reflected in that year's expenses. Replenishment of these cash purchases should be done on a timely basis. Any receipts not turned in for replenishment by this date will then have to go through a prior year "claim" procedure to be reimbursed.

- **Petty Cash shows little or no usage by custodian.**

**We recommend** that the funds issued to the custodian be turned in, and that the necessary close out count be performed and the account dissolved.

## **Conclusion**

This review was designed to assist management with the assessment of the adequacy of internal controls related to the issuance, use, and control of the petty cash process. It was concluded that the controls over these funds were deficient in several key areas as outlined in the Audit findings. We feel that much of this was due to a lack of understanding of the purpose for petty cash and the responsibilities that are required of custodians. We are confident that the corrections needed, in regards to internal control, and the proper processing of transactions were fully explained in the detailed packet given to the petty cash custodian along with answers to questions received during the cash counts. We have detailed corrections needed in formal management letters to those departments where problems were encountered. We do not feel there was any intent to deceive or commit fraud on the part of the custodians, and will continue to monitor petty cash usage and to provide guidance for custodians in the future.



**ANDREW A. SANFILIPPO**  
COMPTROLLER

# CITY OF BUFFALO

DEPARTMENT OF  
AUDIT AND CONTROL

DIVISION OF AUDIT  
1230 CITY HALL  
BUFFALO NEW YORK 14202

**DARRYL McPHERSON**  
CITY AUDITOR

## OFFICE OF THE COMPTROLLER GUIDELINES FOR PETTY CASH ACCOUNTS

These guidelines, effective July 1, 2000, are to be observed when expending Petty Cash for necessary, prudent and reasonable expenditures.

Petty Cash Funds are established pursuant to the Code of the City of Buffalo, Section 16-18.

The Department of Audit and Control accounts for petty cash on an impress basis (i.e., cash in the fund plus receipts for reimbursed expenditures should equal the total amount of the fund at all times). Petty Cash is advanced, spent and replenished based on vendor receipts, which are charged back to your department or division budgetary appropriation accounts.

We recommend that both the Petty Cash Custodian and the individuals making Petty Cash transactions become familiar with the very important information contained herein.

A handwritten signature in black ink, appearing to read "Andrew A. SanFilippo".

Andrew A. SanFilippo  
Comptroller

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## **I. PETTY CASH ADVANCE**

### **A. PETTY CASH - DEFINED**

The Comptroller advances Petty Cash Funds to a department or division for the cash purchase of goods or services, pursuant to the City Code, section 16-18.

### **B. APPLYING FOR A PETTY CASH ADVANCE**

A department or division submits an application for a petty cash advance to the Comptroller (see enclosure # 1) designating a custodian within the department/division stating the amount of petty cash advance requested. With few exceptions the petty cash advance is limited to \$100.00 or less.

After the Comptroller approves the petty cash advance application, the department or division initiates a service order to generate a check in the amount of the approved petty cash advance (see Section VII). After the check is received and cashed, custodians may purchase goods and services as defined in Section IV and V.

## **II. CUSTODIAN**

### **A. RESPONSIBILITIES of CUSTODIAN**

All advanced funds become the responsibility of the petty cash custodian and should be adequately safeguarded and handled with due diligence.

Individual petty cash transactions are a joint responsibility of the custodian and the individual making the petty cash purchase. Consequently, all improper purchases will not be reimbursed and will be considered the sole responsibility of the custodian and/or the individual making the purchase.

### **B. CHANGE of CUSTODIAN**

The Audit Division must be notified in writing (see enclosure # 2) whenever it becomes necessary to designate a new petty cash custodian (due to retirement, etc.). Prior to the transfer of petty cash to the new custodian, the Audit Division will conduct a physical cash count to verify the amount of cash and receipts to eliminate the need to reimburse all receipts prior to transfer.

The respective department/division must also submit a request to Accounts Payable to establish a Vendor Identification Number (VIN) for the new custodian. (See enclosure # 3).

### **III. EXPENDITURE GUIDELINES**

The information listed below will assist you in determining whether an item can be purchased using petty cash. The purchase must be for the immediate operation of your department or division.

All City of Buffalo Charter and Code requirements must be adhered to. The goods and/or services must be deemed necessary, prudent and reasonable. If an item would be determined inappropriate if submitted on a purchase/service order, reimbursement through petty cash will be denied and will ultimately become the responsibility of the custodian/individual purchaser.

The use of petty cash is intended to supplement, not replace the requisition/purchase/service order system. Consequently, the custodian/individual purchaser is responsible for maximizing the efficiency of the Petty Cash Advance by balancing purchase price verses convenience/distance.

Total purchases/expenditures may not exceed the amount of petty cash advanced to you, less any outstanding receipts in your possession (e.g. If your petty cash advance is \$100.00 you cannot exceed \$100.00 in total receipts).

The total cost of all items purchased using petty cash may not exceed \$50.00 per day. However in the event a one-time purchase of an item costing over \$50.00 but under \$100.00 is required, written permission must first be obtained from the Accounts Payable section (see enclosure # 4).

Petty Cash must not be used to purchase goods/services in such a quantity or frequency of trips, to the same or multiple vendors, in order to circumvent the purchase/service order system or the transaction limits listed herein.

## **IV. TRANSACTION GUIDELINES**

The original cash register receipt or paid vendor invoice must evidence each petty cash transaction and should include the following information:

1. Vendor Name
2. Date of Purchase
3. Item Description (must be legible)
4. Unit price and total cost
5. Signature of individual purchaser, either on the back or front of the cash register receipt or paid vendor invoice

**Photocopies and packing slips are not acceptable for reimbursement of petty cash items.**

### **A. SALES TAX**

All purchases of goods and/or services on behalf of the City of Buffalo are exempt from taxation. Any taxes paid will not be reimbursed.

### **B. PURCHASE OF MULTIPLE ITEMS**

Custodians/individuals are not authorized to split purchases to evade the objective of these guidelines when purchasing an item(s) from vendor(s) on any particular day(s). Further, the total cost of all items purchased may not exceed the department/division petty cash advance.

### **C. POSTAGE STAMPS**

Reimbursement requests for postage stamps must include documentation of the necessity as distinguished from simple convenience. If the circumstance is deemed a non-necessity, the purchase of stamps will be considered a non-reimbursable personal expense.

The City of Buffalo mailroom, located in the basement of City Hall, is responsible for attaching postage and mailing of official City documents.

### **D. THRUWAY TOLLS/TELEPHONE CALLS/TRAVEL EXPENSES**

Reimbursement for these items will be on an as-required basis as distinguished from one of convenience.

The name of the individual(s) paying the Thruway toll must be included on the original receipt.

A telephone log must minimally include the telephone call date, telephone number called, the person called and the person making the call.

Travel expenses cannot be reimbursed with Petty Cash.

## **V. FRAUD AND ABUSE**

If there is reasonable suspicion that a custodian and/or individual has falsified, altered, or in any way abused an expense, the suspected expense will be disallowed. Legal and budgetary restraints require that the City resources not be abused or wasted.

### **A. FRAUDULENT BILLS OR CLAIMS**

"A person is guilty of offering a false instrument for filing in the first degree when knowing that a written instrument contains a false statement or false information, or with intent to defraud the State or any political subdivision thereof, he offers or presents it to a public office or public servant with the knowledge or belief that it will be filed with, registered or recorded in or otherwise become a part of the records of such public office or public servant.

"...Offering a false instrument for filing in the first degree is a Class E felony."

(Penal Law Sec. 175-35)

### **B. ITEMS OF A PERSONAL NATURE**

Although the City will pay for necessary, reasonable and prudent expenses which fall under these Petty Cash Guidelines, the custodian/individual purchasers are urged to note the distinction between purchases and services made to conduct official City business and items which can be construed to be of a personal nature (e.g. picture frames, greeting cards, barometers, thermometers, etc.). Items construed to be of a personal nature are deemed non-reimbursable petty cash expenses and are a responsibility of the custodian or individual making the petty cash transactions.

## **VI. REQUEST FOR INITIAL ADVANCE / REIMBURSEMENT**

### **A. INITIAL ADVANCE**

After the Comptroller approves the request for a petty cash advance and the Vendor Identification Number (VIN) is established for the custodian, the department/division initiates a Service Order to facilitate payment of the initial petty cash advance. The Service Order is charged to:

**Organization code:           10000000**  
**Object code:                 101002**

### **B. SUBSEQUENT REIMBURSEMENTS**

The department/division must prepare a Service Order Requisition to periodically replenish petty cash. After entering the last transaction to be reimbursed, the Service Order must be department head approved.

A copy of the printed Service Order together with the respective original receipts and/or paid vendor invoices, and a Summary of Petty Cash Transactions spreadsheet must be forwarded to Account Payable in City Hall, Room 1214.

The Accounts Payable section will review transactions for accuracy, enter their approvals, and prepare a check to the custodian.

A sample Petty Cash Reimbursement Service Order Requisition is shown as Enclosure 5.

If you have any questions please call 851-6697.



**CITY OF BUFFALO  
NOTICE OF CHANGE OF  
PETTY CASH CUSTODIAN**

**TO: DIVISION OF AUDIT  
ROOM 1230 CITY HALL**

**DATE:**

**FROM: DEPARTMENT/DIVISION OF \_\_\_\_\_**

Please conduct a petty cash count for the Dept./Div. of \_\_\_\_\_, in preparation of transferring the Petty Cash custodianship as follows:

FROM: \_\_\_\_\_  
NAME Tel. Ext.

TO: \_\_\_\_\_  
NAME Tel. Ext.

ANTICIPATED DATE OF TRANSFER: \_\_\_\_\_

A request for a vendor identification number for the new petty cash custodian was submitted to Accounts Payable.

Signed

\_\_\_\_\_  
DEPT/DIV HEAD EXT. #

cc: Accounts Payable



**CITY OF BUFFALO  
REQUEST TO EXCEED  
PETTY CASH TRANSACTION DAILY LIMIT**

**TO: ACCOUNTS PAYABLE  
ROOM 1214 CITY HALL**

**DATE:**

**FROM: DEPARTMENT/DIVISION OF \_\_\_\_\_**

**TO BE COMPLETED BY REQUESTING DEPARTMENT OR DIVISION**

We hereby request approval to purchase the item(s) shown below at a cost which exceeds the Petty Cash Guidelines transaction daily limit of \$50.00 per item per vendor per day, as a one time exception:

<u>ITEM(S)</u>	<u>VENDOR</u>	<u>COST</u>

The cost of the above item(s) will not exceed my total Petty Cash Allowance.

**CUSTODIAN** \_\_\_\_\_ **PHONE #** \_\_\_\_\_

**TO BE COMPLETED BY ACCOUNTS PAYABLE:**

Your request to exceed the Petty Cash Transaction Daily Limit has been

\_\_\_\_ **APPROVED** Please, attach this approval to the Vendors Receipt for the Items shown above, and include when requesting your Petty Cash Reimbursement.

\_\_\_\_ **DENIED** Please obtain the item(s) shown above using a purchase requisition.

\_\_\_\_\_  
**ACCOUNTS PAYABLE**

**TITLE** \_\_\_\_\_ **PHONE #** \_\_\_\_\_

-----  
**Bill To**  
**ACCOUNTS PAYABLE**  
**1214 CITY HALL**  
  
**BUFFALO, NY** 14202  
  
**Requisition 50016225-00 FY 2000**  
  
**Acct No: 10442005-461001**  
**Review:**  
**Buyer: au50**  
**Status: Allocated**  
  
**Page 1**

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**Vendor**  
**MILIOTO JOANNE**  
**DIVISION OF AUDIT**  
**PETTY CASH**  
  
**Ship To**  
**AUDIT**  
**1230 CITY HALL**  
  
**BUFFALO, NY 14202**  
**Delivery Reference**  
**ROOM 1230 CITY HALL**

Date Ordered	Vendor Number	Date Required	Ship Via	Terms	Department
06/07/00	000497				Audit & Control Comptroller

LN Description / Account	Qty	Cost Each	Ext. Price
001 PETTY CASH COPIES MADE DURING IN-REM AUCTION 10/25/99 10442005-461001	1.0 EA	1.26000 1.26	1.26
002 PRINTER CARTRIDGE FOR ANW DESKIEWICE ON 2/15/00 10442005-461001	1.0 EA	28.99000 28.99	28.99
003 AUDIT HANDBOOK FROM GOVERNMENT FINANCE OFFICERS ASSO. 3/6/00 10442005-461001	1.0 EA	23.00000 23.00	23.00
004 MONEY ORDER FROM FEDERAL CREDIT UNION TO SEND FOR AUDIT HANDBOOK 3/6/00 10442005-461001	1.0 EA	1.00000 1.00	1.00

Bid/Catalog Number: 0

Requisition Total 54.25

\*\*\*\*\* General Ledger Summary Section \*\*\*\*\*  
 Account 10442005-461001      Amount 54.25      Remaining Budget 3.90

Petty Cash Count For Dept / Div. \_\_\_\_\_ Date: \_\_\_\_\_

Cash: \_\_\_\_\_ Currency \_\_\_\_\_ \$ \_\_\_\_\_

Coins \$ \_\_\_\_\_

Checks: \$ \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

Receipts:		Receipts:		Description of Receipt	
No. Date	Description of Receipt	No.	Date		
1		11			\$
2		12			\$
3		13			\$
4		14			\$
5		15			\$
6		16			\$
7		17			\$
8		18			\$
9		19			\$
10		20			\$

TOTAL Receipts \$ \_\_\_\_\_  
 Total Petty Cash Count \$ \_\_\_\_\_  
 Less Petty Cash Fund \$ \_\_\_\_\_  
 Balance (Short or Overage) \$ \_\_\_\_\_

Audit Notes:

Certification:

We hereby Certify that the above monies were counted in my presence and returned to us intact.

Petty Cash Custodian \_\_\_\_\_ Date \_\_\_\_\_

Auditor \_\_\_\_\_ Date \_\_\_\_\_



# CITY OF BUFFALO

DEPARTMENT OF  
AUDIT AND CONTROL

COMPTROLLER'S OFFICE  
1230 CITY HALL  
BUFFALO NEW YORK 14202

**ANDREW A. SANFILIPPO**  
COMPTROLLER

**DARRYL McPHERSON**  
CITY AUDITOR

To Whom It May Concern:

Please be advised that pursuant to the New York State Department of Taxation and Finance, New York Regulations Section 529.2, paragraphs (a)(3), (b)(1) and (b)(2):

The City of Buffalo, a political subdivision within the State of New York, as a purchaser of personal property or services, Is not subject to sales or use tax.

The City of Buffalo's Federal Tax Identification Number is 16-6002533

Please retain a copy of this memo in conjunction with purchases of your company's product or services by the City of Buffalo, the Buffalo Sewer Authority, the Buffalo Municipal Water Financial Authority or the Buffalo Water Board.

If you require further assistance concerning the sales tax exempt status of the organizations cited above, please contact the following:

Investment & Debt Mgmt Officer  
1214 City Hall  
Buffalo NY 14202  
716-851-5269

NYS Dept. of Taxation & Finance  
Sales Tax Unit, Bldg. 8, Room 9  
W. A. Harrison Campus  
Albany NY 12227

Very truly yours,

For  
Darryl McPherson  
City Auditor

A handwritten signature in black ink, appearing to read "James E. Barrett".

James E Barrett  
Principal Accountant



# CITY OF BUFFALO

DEPARTMENT OF  
AUDIT AND CONTROL

COMPTROLLER'S OFFICE  
1230 CITY HALL  
BUFFALO NEW YORK 14202

**ANDREW A. SANFILIPPO**  
COMPTROLLER

**DARRYL McPHERSON**  
CITY AUDITOR

November 17, 2009

Mr. Stephen Stepniak  
Commissioner of Public Works, Parks & Streets  
502 City Hall  
65 Niagara Square  
Buffalo, New York 14202

Dear Commissioner Stepniak:

Re: Petty Cash Audit

On October 15, 2009 the Department of Audit and Control performed an unannounced petty cash audit of the Department of Public Works, Parks and Streets. It was noticed that an "IOU" was being counted as part of their petty cash. Unless the funds were replaced that day due to a cash purchase, this procedure is not allowed. That, however, was not the case in this situation.

It was also revealed that the individual securing the petty cash funds was not the official custodian (Charles Masi) on file with the Department of Audit and Control. In the future, please have your custodian follow the guidelines that were provided to them on the day the petty cash was verified. Feel free to contact this office if you have any questions regarding this communication.

Thank you for your attention to this matter.

Very truly yours

A handwritten signature in black ink, appearing to read "Darryl McPherson".

DARRYL McPHERSON  
City Auditor

cc: Charles Masi



# CITY OF BUFFALO

DEPARTMENT OF  
AUDIT AND CONTROL

COMPTROLLER'S OFFICE  
1230 CITY HALL  
BUFFALO NEW YORK 14202

**ANDREW A. SANFILIPPO**  
COMPTROLLER

**DARRYL McPHERSON**  
CITY AUDITOR

November 17, 2009

Mr. Brian Reilly  
Commissioner of Economic Development,  
Permits & Inspection Services  
920 City Hall  
65 Niagara Square  
Buffalo, New York 14202

Dear Commissioner Reilly:

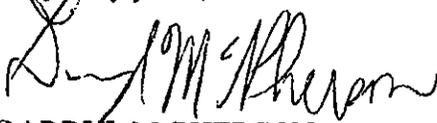
Re: Petty Cash Audit

On October 15, 2009 the Department of Audit and Control performed an unannounced petty cash audit of the Real Estate Division. It was noticed that an "IOU" was being counted as part of their petty cash. Unless the funds were replaced that day due to a cash purchase, this procedure is not allowed. That, however, was not the case in this situation.

It was also revealed that the individual securing the petty cash funds was not the official custodian (John Hannon) on file with the Department of Audit and Control. In the future, please have your custodian follow the guidelines that were provided to them on the day the petty cash was verified. Feel free to contact this office if you have any questions regarding this communication.

Thank you for your attention to this matter.

Very truly yours,

  
DARRYL McPHERSON  
City Auditor

cc: John Hannon