

**DEPARTMENT OF
AUDIT AND CONTROL**

CASH VERIFICATION AUDITS

January 2007

Alex J. McLaughlin, Comptroller

January 17, 2007

Barbara J. Fiala, County Executive:

The Department of Audit and Control has completed Cash Verification Audits for several petty cash funds. The examination of the petty cash funds was made in accordance with generally accepted auditing standards. The principle objective was to determine if the departments were accounting for their petty cash in accordance with the policy established in the Broome County Administrative Code, A216.

Based on the results of our examination, except for the instances noted herein, it is our opinion that the departments are following the appropriate policies and procedures to monitor and record petty cash transactions.

Sincerely,

Alex J. McLaughlin
Comptroller

cc: Mark R. Whalen, Chairman of the Legislature
Members of the Legislature
Eric Denk, Clerk of the Legislature
Christopher Marion, Legislative Assistant
Richard Blythe, County Clerk
Gary Crandell, Commissioner of Public Transportation
Lisa Wise, Library Director
Kevin Keough, Acting Director of Real Property Tax Service

BROOME COUNTY PETTY CASH FUNDS

TABLE OF FINDINGS

AUDIT DATE	CASH FUND	FUND AUTHORIZED	AUDITED AMOUNT	NOTE	OVER (SHORT)
12/27/06	County Clerk-Stations	\$300.00	\$300.04	C	\$0.04
12/27/06	DMV-BCOB	\$75.00	\$75.00		
1/3/07	DMV-Clinton Street-Stations	\$450.00	\$450.00		
1/3/07	DMV-Clinton Street-Admin	\$275.00	\$0.00	Finding 1	
1/11/07	DMV-Endicott-Stations	\$525.00	\$525.00		
1/11/07	DMV-Endicott-Admin	\$275.00	\$7.11	Finding 1	
1/8/07	Library-Admin	\$100.00	\$100.60	C	\$0.60
1/8/07	Library-Circulation	\$170.00	\$170.10	C	\$0.10
12/18/06	Real Property Tax Service	\$2,000.00	\$1,995.64	A,D	(\$4.36)
12/19/06	Transit-Admin	\$300.00	\$300.00		
1/10/07	Transit-BC Junction	\$200.00	\$200.00		

BROOME COUNTY PETTY CASH FUNDS

TABLE OF NOTES

(A)	<p style="text-align: center;">VALID LETTER WAS NOT IN PLACE</p> <p>An authorized letter was not available and/or maintained with the department to document the fund amount and the appointed employee responsible for the petty cash fund. This letter must contain the signature of the department head that witnesses the assignment and the signature of the employee who accepts custody of the funds. This statement should be maintained by the department head or their representative and be available to auditors upon their audit of the fund.</p>
(B)	<p style="text-align: center;">PETTY CASH WAS NOT DOUBLE LOCKED</p> <p>Petty Cash should always be held in a locked box or locked bag within a secure area (safe, locked drawer, etc.) to reasonably ensure the safety of the funds when not in use.</p>
(C)	<p style="text-align: center;">REMIT OVERAGE TO THE COMMISSIONER OF FINANCE</p>
(D)	<p style="text-align: center;">VARIANCE NOTED IN PETTY CASH FUND</p> <p>In the instance of shortages, the Departments of Finance, Audit and Control and the Division of Security should be notified, in writing, of the missing funds and supporting details.</p> <p>Included in the communication should be the department's proposal for corrective action including the method that the department suggests for replenishment of the fund.</p>

AUDIT FINDINGS AND RECOMMENDATIONS

-County Clerk-DMV-

FINDING 1: PETTY CASH RECEIPTS ARE NOT KEPT WITH THE PETTY CASH FUND

We were unable to complete our audit of the administrative portions of the petty cash funds at the DMV offices on Clinton Street and in Endicott because the petty cash receipts were not kept with the money. We were later able to verify that the missing money was actually accounted for through receipts at the County Clerk office in the Broome County Office Building.

Petty cash receipts are completed to document the amount of cash removed. The normal procedure is to have a copy of the petty cash receipts kept with the actual petty cash fund. The original petty cash receipts should be attached to the voucher for reimbursement.

Without the authorized petty cash receipts the amount of cash removed can not be readily verified.

RECOMMENDATION:

We recommend that the County Clerk revise their procedures at the DMV offices to ensure that petty cash and related receipts are maintained together.