

CITY OF ALLENTOWN

PETTY CASH & CASH DRAWER COUNT – RECYCLING & SOLID WASTE

09/28/2020

Date of Report: October 01, 2020

The mission of Recycling & Solid Waste is to provide for the safe and proper collection and disposal of municipal waste and reduction of municipal solid waste in the City through recycling, composting and waste reduction; to promote a cleaner and greener Allentown.

OBJECTIVE

The audit objectives were:

1. To perform a surprise count of the petty cash and cash register drawer maintained by Recycling & Solid Waste.
2. To ensure the funds and supporting documentation were present and properly reported.
3. To determine the existing policies and procedures including AIMs were being followed and whether internal controls were adequate to ensure that all cash is collected, accurately recorded, safeguarded, and deposited.
4. To evaluate the reasonableness of the amount of the funds.
5. To identify any potential internal control weaknesses including but not limited to the physical security of the funds.

PROCEDURES

This audit was conducted in accordance with generally accepted governmental auditing standards and utilized an approach that included cash counts, staff interviews, reviews of documents and reports, and examinations of individual financial transactions.

Our process began by counting the petty cash and cash register drawer funds while being observed by the Recycling & Solid Waste personnel. The physical counts were compared to the prescribed system totals. Any discrepancies between the prescribed totals and the physical count were validated with the Recycling & Solid Waste personnel.

Thru discussion and observation we completed the Internal Control Questionnaire and identified potential internal control weaknesses.

FINDINGS, RECOMMENDATIONS AND RESPONSES

CASH COUNT: OVERAGES/SHORTAGES

Based on the review performed, controls were adequate, and no exceptions were noted.

INTERNAL CONTROL OPPORTUNITY

1. Petty Cash Fund Balance Decrease

With the advent of P-Cards, petty cash is not used as frequently as it was used in the past. The last petty cash replenishment requested was made in 05/2018.

Recommendation

Consideration should be given to decreasing or eliminating the Recycling & Solid Waste petty cash fund.

Administration's Response

The Administration agrees with the recommendation to eliminate the Recycling & Solid Waste petty cash fund and will take the appropriate action.