

CITY OF ALLENTOWN

PETTY CASH COUNT – STREETS

11/28/2022

Date of Report: December 04, 2023

The mission of the Street Bureau is to:

- Provide safe and efficient roadways within the community through a process of multiple maintenance and construction activities.
- Provide a clean environment through a comprehensive street cleaning and leaf program.
- Provide emergency services as required for weather related emergency situations.

OBJECTIVE

The audit objectives were:

1. To perform a surprise cash count of the petty cash counts funds maintained by Streets.
2. To ensure the funds and supporting petty cash 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 petty cash 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 funds while being observed by the Streets' personnel. The physical counts were compared to the prescribed system totals (cash drawers). Any discrepancies between the prescribed totals and the physical count were validated with the Streets' personnel.

Thru discussion and observation, we identified potential internal control weaknesses.

FINDINGS, RECOMMENDATIONS AND RESPONSES

CASH COUNT: OVERAGES/SHORTAGES

1. Overage in Physical Count

The cash funds were physically counted by the Controller’s office and verified by Streets personnel. The totals physically counted were compared to the prescribed totals. The results are as follows:

FUND	OVER/(SHORT)
Health Petty Cash	\$37.39

Recommendation

All overages and shortages should be investigated; any procedural weaknesses identified should be used for retraining. Petty cash should be counted and agreed to the funds’ total every time the funds are replenished.

Administration’s Response

There was a staffing change and unsure exactly what happened to cause an overage of \$37.39. Now that there is access to a P-Card, petty cash isn’t necessary anymore and will be closed.

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.

Per discussion with Streets personnel and review of the petty cash replenishment for 2021 thru 11/2023, the last time petty cash was used was in 10/2021.

Recommendation

Consideration should be given to eliminating the petty cash fund.

Administration’s Response

Due to not using Petty Cash since 2021 and the use of P-Cards, the Petty Cash fund will be eliminated. Internal Audit will be notified once it is closed out.