

AUDIT REPORT

Dutchess County Petty Cash Accounts

August 2010 – August 2011

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Comptroller's Summary

Background

Petty Cash funds for each department are established by Legislative Resolution.

Departments maintain the funds in cash, a checking account or a combination of both. Funds are used for minor purchases or as a change bank.

The Dutchess County Department of Finance maintains a record of funds authorized and issued. Funds issued may be less than amounts authorized based on the department's needs. Exhibit I is a listing by department of current funds issued by Finance. At the time of our review, \$26,665 was the total amount issued to departments in petty cash funds.

Audit Scope, Objective and Methodology

The audit was conducted in September 2011 with a review of the prior 12 months activity. Objectives included:

- Verification that each department could substantiate the amount reported by Finance for their petty cash allocation.
- A review of each department's internal controls for security, processing and use of petty cash funds.

Methods utilized included onsite interview(s), cash counts and a review of each department's operating procedures for petty cash handling.

Summary of Findings

- ❖ Petty Cash issued to individual departments could be reduced.
- ❖ Departments have improved their petty cash processes since the last audit. However, the following findings were addressed with three departments: replenishment of prior year funds and security.

Detailed Findings

We reviewed the number of times a department requested a replenishment of funds and the total amount of all requests for the audit period August 2010 to August 2011.

Observations:

Interviews with fund custodians revealed the need for petty cash has dissipated due to the use of the P-Card, employee reimbursements via the payroll process, increased use of the county central mailing service and usage of EZ pass.

Findings:

- Some individual department allotments appear to be more than required and in some cases not necessary as shown by Exhibit I (which includes the frequency of reimbursement requests). In addition, it is an unnecessary risk to hold cash that is not utilized.
- Petty cash expenditures were not submitted timely for several departments.
- Additional security of funds was required for one department as the lock box was not secured.

Recommendations:

- All departments should review their petty cash and change fund allotments. Funds determined to be in excess of a department's needs should be returned to the Department of Finance.
- Petty cash expenditures should be submitted for reimbursement in a timely manner and within the calendar year.
- All funds should be properly secured.

Exhibit I Petty Cash Balances by Department

PETTY CASH
Balance reported by
DC Finance as of
2010

DEPARTMENT	Total Fund	Petty Cash	Change	Number of Replenishments over 12 Month period - Aug 2010 to Aug 2011	Total Amount of Replenishments over the same 12 month period
AGING	\$50	\$50		2	\$40.86
AUTO CENTER	50	50		0	0.00
COUNTY ATTORNEY	100	100		3	93.39
COUNTY CLERK	6,590	200	\$6,390	0	25.84
DISTRICT ATTORNEY	5,100	5,100		18	7,305.43
STOP DWI	150	150		1	24.78
EMERGENCY RESPONSE	100	100		1	5.09
FINANCE	475	50	425	1	14.02
HEALTH	500	500		3	310.94
JAIL	1,500	1,500		1	275.40
MENTAL HEALTH	550	250	300	1	91.46
OCIS	100	100		1	45.31
PUBLIC WORKS	1,550	1,175	375	11	295.68
PERSONNEL	300	300		1	11.34
PLANNING	50	50		2	54.27
PROBATION	350	300	50	0	0.00
REAL PROPERTY TAX	50		50	0	0.00
SHERIFF	3,000	2,900	100	1	12.00
SOCIAL SERVICES	5,000	4,950	50	28	16,411.52
YOUTH BUREAU	0			0	190.75
AIRPORT	600	300	300	7	160.10
MASS TRANSPORTATION	500	500		6	657.25
	\$26,665	\$18,625	\$8,040	88	\$26,025.43