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# *City Imprest Funds – Petty Cash and TPD Operations*



*Report #00417*

*September 21, 2004*

## *Executive Summary*

*This audit addressed the City's imprest funds used for petty cash disbursements and police operations.*

*Overall, the imprest funds were adequately accounted for and safeguarded, and related disbursements were proper.*

*This audit addressed the controls and activities of the City's imprest funds used for petty cash disbursements and Tallahassee Police Department confidential and undercover operations. Imprest funds are defined as cash funds established at a certain amount from which disbursements are periodically made, with subsequent replenishments made to replace the disbursed funds. Overall, we found that the City's imprest funds were adequately accounted for and safeguarded, and the related disbursements were adequately documented, properly recorded, and for authorized City business. No instances of fraud were identified. However, we identified issues that indicate improvements should be made in administering and managing those funds. We also identified an employee activity bank account that was incorrectly titled as a City bank account, thereby increasing the risk that the account could be used to divert City funds for unauthorized purposes. Recommendations are made to address those issues.*

Imprest funds are authorized and established by the City Treasurer-Clerk's Revenue Office. One purpose for the imprest funds is to reimburse employees for out-of-pocket expenses incurred on behalf of the City. Such imprest funds are also known as petty cash funds. In addition, the City has established imprest funds at the Tallahassee Police Department (TPD) to facilitate certain police operations (e.g., facilitate investigations and undercover operations). A total of eight imprest funds have been established for petty cash and TPD confidential and undercover operations.

Due to the high inherent risk associated with all cash funds, appropriate controls are needed to safeguard and account for the City's imprest funds. Similarly, adequate controls are needed to ensure that disbursements of those funds are for authorized and

*Issues were identified for which improvements and enhancements are needed.*

proper purposes. The Treasurer-Clerk's Revenue Office has established a City policy addressing City imprest funds used for petty cash disbursements.

Our audit identified issues for which improvements and enhancements are needed. Specifically:

- Applicable departments/locations need to ensure that documentation adequately demonstrates the City business served, the employees making the purchase and reimbursed, and management approval.
- Imprest funds, currently replenished through the City's Revenue Office, should instead be replenished through the City's Accounts Payable section to ensure adequate reviews and controls.
- The payee on replenishment checks should be changed to facilitate cashing of those checks for replenishment purposes in a more efficient manner.
- Imprest fund custodians should mark or deface original receipts to reduce the risk of unauthorized duplicate reimbursement.
- Independent inspections and reconciliations should be periodically performed by supervisors/managers.
- Disbursements from imprest funds should be coded to the most appropriate expenditure categories.
- Internal procedures for operating and administering imprest funds should be developed and documented for each department/location.
- Use of City purchase cards and other City procurement processes should be encouraged to reduce the instances that sales taxes are paid in connection with petty cash disbursements.
- An employee activity bank account should be closed or renamed so no inference can be made that it is a City bank account.

*Recommendations are made to address the identified issues.*

No instances of fraud were noted. Recommendations were made to address the identified issues.

# *City Imprest Funds – Petty Cash and TPD Operations*



*Report #0417*

*September 21, 2004*

## ***Objectives***

*The audit focused on activity and controls over City imprest funds used for petty cash and TPD operations.*

The objectives of this audit were to determine if: (1) imprest funds used in City operations for petty cash disbursements and confidential and undercover Tallahassee Police Department (TPD) operations were authorized and adequately accounted for; (2) related disbursements were properly approved and for authorized City business; and (3) controls over imprest funds and related disbursements were in place and operating effectively.

## ***Scope***

*Imprest fund activities over a 13½ -month period were reviewed.*

This audit addressed all City imprest funds external to the Revenue Office (within the Office of the City Treasurer-Clerk) that are used in disbursement activities. Our audit focused on the accounting for and safeguarding of imprest funds and the accounting for and purpose of the related disbursements. We also reviewed procedures and transactions for compliance with written procedures established by the City Treasurer-Clerk for petty cash operations. Transactions and activity during the 13½-month period April 1, 2003, through May 18, 2004, and some activity prior to that period, were reviewed. In total, we reviewed eight imprest funds. Six of those funds were set in amounts of \$200 or less. The two remaining imprest funds at the Tallahassee Police Department (TPD) were in the amounts of \$20,000 and \$30,000.

## ***Methodology***

*We performed surprise counts, reviewed disbursements, and assessed controls.*

City imprest funds used for petty cash and other disbursements (e.g., TPD operations) were identified. For each fund, a surprise cash count was performed and compared/reconciled to the established fund amount. Disbursements from the identified funds were reviewed and tested to ensure they were approved and for

authorized City business. Assessments of the effectiveness of controls over the funds and related disbursements were made through observations, inquiries of staff, reviews and analyses of forms and records, and tests of transactions. During this process, compliance was determined with established policies and procedures.

*Of 687 total disbursements, 158 were selected and tested.*

Of the 687 disbursements (totaling \$47,110.13) during the established audit period, 158 (totaling \$25,318.19) were selected and tested. Limited procedures were performed on the remaining 529 disbursements.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards and the Standards for the Professional Practice of Internal Auditing, as applicable.

## ***Background***

*The City has established eight imprest funds to reimburse employees for out-of-pocket expenses incurred on behalf of the City and for certain Tallahassee Police Department operations.*

Imprest funds are defined as cash funds established at a certain amount from which disbursements are periodically made, with subsequent replenishments made to replace the disbursed funds. Imprest funds are authorized and established by the City Treasurer-Clerk's Revenue Office for two primary purposes: (1) petty or other disbursements and (2) cashiering operations. Petty cash disbursements typically involve the reimbursement to City employees for small out-of-pocket expenses incurred in connection with their City employment. Examples include reimbursing an employee for gas acquired and placed in a City vehicle while on authorized travel, miscellaneous supplies acquired and used at an off-site job, or items acquired and used in an emergency situation. Other disbursement activities for which imprest funds have been established pertain to police operations. Specifically, the Tallahassee Police Department (TPD) has imprest funds available to facilitate investigations (e.g., paying an informant for information) and for undercover operations (e.g., drug buys in a sting operation). Because of the nature of those police operations, these imprest funds are larger in amounts than the funds established for petty cash disbursements.

Imprest funds also are used for cashiering operations to ensure an adequate supply of cash is available to complete cash revenue

transactions. This audit focused on the imprest funds created and used for petty cash or other cash disbursements. Imprest funds created for cashing operations were excluded from the scope of this audit.

The Revenue Office has authorized imprest funds for disbursement activities in four City departments outside the Revenue Office. A total of eight separate imprest funds have been established within those departments. These funds and their amounts, disbursement activities during the established audit period, and intended purposes and are shown in the following table.

<b>TABLE 1 – CITY IMPREST FUNDS USED FOR DISBURSEMENT ACTIVITIES</b>				
NO.	FUND LOCATION	FUND AMOUNT	TOTAL DISBURSEMENTS (April 1, 2003 to May 18, 2004)	FUND PURPOSE
1.	Aviation – Airport	\$200	\$146.26	Facilitate operations/reimburse employees for out-of-pocket expenses
2.	Electric Utility – Operations	\$200	\$3,171.33	Facilitate operations/reimburse employees for out-of-pocket expenses
3.	Electric Utility – Hopkins Power Plant	\$200	\$615.44	Facilitate operations/reimburse employees for out-of-pocket expenses
4.	Electric Utility – Purdom Power Plant	\$200	\$609.76	Facilitate operations/reimburse employees for out-of-pocket expenses
5.	Water Utility – Gemini Building	\$125	\$1,114.83	Facilitate operations/reimburse employees for out-of-pocket expenses
6.	Water Utility – Dupree Street	\$125	\$950.90	Facilitate operations/reimburse employees for out-of-pocket expenses
7.	Tallahassee Police Department – Confidential Funds	\$20,000 (1)	\$21,501.61	Facilitate police operations and investigations/reimburse employees for out-of-pocket expenses
8.	Tallahassee Police Department – Flash Funds	\$30,000 (1)	\$19,000	Facilitate undercover police operations
<b>TOTAL</b>		<b>\$51,050</b>	<b>\$47,110.13</b>	
Note (1): Typically, it would be expected that the activity (i.e., disbursements) over a year’s time would be several times more than the established fund amount. Notwithstanding the low turnover rates for these two funds, TPD and the Revenue Office have determined that these large amounts are appropriate for unanticipated investigative and undercover operations and for City emergencies (e.g., cash temporarily unavailable from other sources during a hurricane).				

(NOTE: In addition to the above, the Revenue Office has an imprest fund of \$3,000 used primarily for cashiering operations [i.e., for non-utility revenues] that also is used to reimburse City employees for authorized out-of-pocket expenses [i.e., used both for cashiering and petty cash operations]. That fund, which was excluded from the scope of this audit, was audited and addressed in City Auditor Report No. 0212, issued in February 2002.)

*Due to the inherent risk associated with cash, a City policy has been implemented to establish controls and procedures for petty cash fund activities.*

Appropriate controls are needed to safeguard and account for imprest funds due to the high inherent risk associated with cash. Similarly, adequate controls are needed to ensure that disbursements of those funds are made only for authorized and proper purposes. To assist in providing needed controls, the Revenue Office promulgated and issued a written policy addressing City imprest funds used for petty cash disbursements. That policy, Administrative Procedures Manual (APM) 614 – “City of Tallahassee Policy on Petty Cash Disbursements,” provides the following:

- Imprest funds are to be established only upon approval by the Revenue Office upon a demonstrated need by applicable City departments.
- Access to the imprest funds should be restricted to the designated custodian and the funds should be secured in a safe or lockable cabinet.
- Employees should purchase goods and services through the City’s normal procurement process (City purchase cards or through the PeopleSoft Financials purchase process). Purchasing goods and services with personal funds for subsequent reimbursement from an imprest fund should be for limited recurring or small emergency purchases.
- Expenses for which reimbursement is made must be for authorized and necessary City business.
- Appropriate support should be available to substantiate the expenses incurred (i.e., original vendor receipt/invoice) and the employee incurring the expense and being reimbursed.

- City procurement requirements and practices should not be circumvented.
- Expenses for which reimbursement is made should be properly coded for entry into the City's accounting records.
- Reimbursements and related expenses must be reviewed and approved by the department head or designated managerial/supervisory staff.
- The maximum reimbursement from an imprest fund for a single purchase is \$50. Purchases greater than that amount shall be reimbursed through the PeopleSoft check request process.
- Reimbursement to employees will be limited to out-of-pocket expenditures made by cash or personal check. Personal credit card or debit card expenditures must be reimbursed through the PeopleSoft check request process.
- Original receipts and invoices must be stamped "paid" or "canceled" (i.e., by the custodian) to limit the risk of duplicate reimbursement.
- Loans or advances should not be issued from the imprest funds.

In addition, APM 614 provides that replenishments to the funds for expended cash should be made through periodic check requests submitted to the City's Accounts Payable section. The resulting reimbursement check should be cashed by the custodian to replenish the fund.

## **Overall Summary**

*Overall, imprest funds were adequately accounted for and safeguarded, and related disbursements were approved and for authorized City business.*

The results of our audit procedures showed that all identified imprest funds were properly authorized by the Revenue Office. Overall, those funds were adequately accounted for and safeguarded, and related disbursements were adequately documented, properly recorded, and for authorized purposes. In addition, applicable departments complied with most requirements of APM 614, City of Tallahassee Policy on Petty Cash Disbursements. No instances of fraud were identified.

In addition to the overall conclusion as stated above, we did identify some issues that indicated improvements should be made in



administering and managing imprest funds. Our review also disclosed an issue involving an employee funds bank account. These issues are addressed in the following sections of this report.

### **Identified Issues - Imprest Funds**

*Instances were identified at the Electric Utility power plants and Water Utility locations indicating that documentation should be improved to show the City business served, the employees making the purchase and reimbursed, and management approval.*

Instances were noted where documentation was not adequate to show the City business served, the employee making the purchase and reimbursed, or management approval. Adequate documentation should be prepared and retained to substantiate the validity and authority for any disbursement of City funds. In the following instances, we noted that complete documentation was not prepared and/or retained:

- Documentation was generally not prepared to show the employee that incurred the expense and was reimbursed from the imprest fund at the **Purdom Power Plant**. In addition, documentation at that plant was not prepared that clearly reflected the purpose of the expense. The only documentation generally maintained was the vendor receipt evidencing the expenses incurred. In response to our requests, staff was generally able to recall from memory for 11 sampled disbursements the purpose of the disbursement and the employee reimbursed. However, for three additional sampled disbursements, staff could not recall that information. Those three instances included purchases of food and meals and the flushing of an outboard motor by a nearby marina. While it is likely these were authorized expenses for employees working unscheduled overtime and work on the plant's boat motor (plant boat used when barges deliver fuel oil), adequate documentation should be maintained to substantiate all expenses.
- Managerial approval was not documented for 32 of the 62 expense reimbursements made during the audit period at the **Hopkins Power Plant**. At the **Water Utility Dupree Street** location, managerial approval was not documented for 2 of the 39 expense reimbursements made during the audit period.
- Documentation for food expenses relating to six expense reimbursements at the **Water Utility Dupree Street** location did not show the individuals/employees on whose behalf the food

was purchased. Documentation for five of these expenses indicates the food was purchased for employees (names were not documented) working unscheduled overtime and for managers' meetings. In the remaining instance, the purpose of the food purchase also was not documented or explained. In response to our inquiries, staff was able to recall from memory the employees/individuals the food was for and the purpose of the one applicable purchase (i.e., food for children participating in a City-sponsored event). Names of the employees/individuals receiving the food, as well as the purpose for the food, is necessary to adequately document that an authorized City purpose was served.

We recommend that actions be taken to ensure that adequate documentation is prepared and maintained to support the validity and authority for imprest fund disbursements.

*To ensure adequate reviews and controls, replenishments of the imprest funds should be done through the City's Accounts Payable section and not through the City's Revenue Office.*

Contrary to APM 614 and preferred control practices, replenishment requests were often made through the Revenue Office and not through periodic check requests submitted to the Accounts Payable section. All imprest fund disbursements are to be reviewed and approved by managers or supervisors at the department/office level. When the subsequent replenishment requests are submitted to Accounts Payable, those disbursements are subjected to another level of review intended to ensure their validity and propriety. In contrast, disbursements relating to replenishment requests processed through the Revenue Office are reviewed by the teller working the cash drawer from which the replenishment is made. Accounts Payable staff are trained in City procurement and disbursement practices, requirements, and policies, and routinely review expenditure/disbursement requests in their job assignments. Accordingly, APM 614 provides that replenishment requests by outlying City departments should be made through Accounts Payable.

Our review showed for four of the seven applicable imprest funds (reimbursements are not necessary for the TPD Flash [undercover] Funds), reimbursements were made through the Revenue Office (*Hopkins and Purdom Power Plants, Water Utility Gemini Building, and Water Utility Dupree Street*). The other three

imprest funds were properly replenished by check requests submitted to Accounts Payable (Aviation, Electric Utility Operations, and TPD Confidential Funds). We recommend that the Electric Utility power plants and Water Utility locations request their periodic replenishments through Accounts Payable.

*Changing the payee on replenishment checks may better facilitate the cashing of those checks for replenishment purposes.*

Making the fund custodian the payee on replenishment checks may better facilitate the cashing of those checks. For two of the three locations where imprest funds were properly replenished through a check generated by Accounts Payable, the checks were made out to the City of Tallahassee (*Aviation and Electric Utility Operations*). The custodians had to make trips to City Hall to cash those checks at the Revenue Office, as the custodians properly do not have the authority to cash checks made out to the City at any financial or other institution.

To preclude the custodians from having to make trips to City Hall to cash the replenishment checks and to allow proper endorsement of those checks, we recommend that consideration be given to making the custodians the payee. To clarify that the purpose of the check is for replenishment of the imprest fund, the payee wording should read “John Doe – Cash Custodian/City of Tallahassee, XYZ department/office/plant.” If that practice is implemented, the Revenue Office can authorize specific financial institutions to cash those checks for the named custodians without any additional risk to the City. APM 614 should be revised to require this practice, which already has been successfully implemented for the TPD Confidential Funds.

*Imprest fund custodians should mark or deface original receipts to reduce the risk of unauthorized duplicate payment.*

Contrary to APM 614, the original receipts (e.g., vendor invoice/receipt) substantiating the expenses are generally not marked “paid” or “canceled” or otherwise defaced by the custodians. Marking or defacing the original receipts reduces the risk that those items can be presented again for unauthorized duplicate reimbursement. While those receipts are marked or defaced by the Revenue Office or Accounts Payable section when replenishment requests are submitted, they should initially be marked or defaced by the custodians at the time the applicable employee is reimbursed from the imprest funds. We recommend that custodians mark or deface original receipts at the time they are

*Independent inspections and reconciliations should be performed periodically by supervisors/managers.*

received and the applicable employees reimbursed (*Aviation, Electric Utility Operations, Purdom and Hopkins Power Plants, Water Utility Gemini Building, Water Utility Dupree Street, and TPD Confidential Funds*).

Periodic inspections of the imprest fund records and cash by the custodians' supervisors were not always done to ensure accountability. At all times, the combined total of cash on hand and outstanding (not yet replenished) petty cash disbursements should equal the established imprest fund amount. APM 614 provides that a custodian's supervisor should periodically inspect the fund's records and count the cash on hand to ensure proper accountability.

We noted that periodic accountings were not being done for three of the eight imprest funds (*Hopkins Power Plant, Water Utility Gemini Building, and Water Utility Dupree Street*). Our surprise cash counts and record reviews at those three locations showed minor overages, ranging from \$.22 to \$9.99. To ensure proper accountability, we recommend that supervisors at those locations ensure that periodic independent inspections and verifications are conducted and documented.

*Disbursements from imprest funds should be coded to the most appropriate expenditure categories.*

Coding of imprest fund disbursements was sometimes incorrect. Our transaction tests and analyses of 204 disbursements relating to four imprest funds disclosed 46 instances (23%) where petty cash disbursements were coded incorrectly in the financial records (*Hopkins and Purdom Power Plants, Water Utility Gemini Building, and Water Utility Dupree Street*). In these instances, the disbursements were coded as "unclassified supplies" when more specific categories were appropriate, including: food; certification and license; memberships; office supplies; oil and lubricants; gasoline; and other similar categories. We recommend that imprest fund disbursements at these locations be accurately and correctly coded.

*Internal procedures for operating and administering imprest funds should be developed and documented for each department/location.*

Internal procedures for operating and administering imprest fund activity should be documented. Each imprest fund should be operated and administered within the parameters established by APM 614. However, the specific manner of operation may vary among departments and locations. For example, the forms and

records used at one department/location may differ from those at another department/location. Similarly, the timing and method of supervisory approval may differ among departments/locations. To ensure accountability and good controls, the internal procedures and methods used for each imprest fund should be documented. Such documented procedures will help ensure consistency and compliance, such as when a new custodian is assigned. We noted that written internal procedures were prepared and available for certain imprest funds (Aviation, Electric Utility Operations, Hopkins and Purdom Power Plants, and TPD Confidential and Flash Funds). However, procedures were not documented for the imprest funds at the *Water Utility Gemini Building and Water Utility Dupree Street* locations. We recommend that internal procedures and methods be documented for the operation and administration of those imprest funds. We also recommend that APM 614 be revised to require City departments and offices operating imprest funds to document the internal procedures for their funds.

*Use of City purchase cards and other City procurement processes should be encouraged to reduce the instances that state sales taxes are paid in connection with petty cash disbursements.*

Although exempt from State sales taxes, employees often paid and were reimbursed for such taxes in connection with imprest fund purchases. The City of Tallahassee, as a unit of local government, is exempt from State of Florida sales taxes. However, we noted in 84 of 242 imprest fund disbursements tested or analyzed, that sales taxes totaling \$69.87 were paid by and reimbursed to the employees (*Electric Utility Operations, Hopkins and Purdom Power Plants, Aviation, Water Utility Gemini Building, and Water Utility Dupree Street*). [These sales taxes were likely paid because vendors were not aware of, or did not acknowledge the exemption, when employees making the purchases used personal resources (cash or check).] Had these purchases been made through a City purchase card or the PeopleSoft Financials procurement processes, these sales taxes likely would not have been paid. We recommend that management remind employees to make reasonable efforts to have these taxes waived when possible, and encourage the use of City purchase cards for minor purchases of the types traditionally made through imprest funds (i.e., for those vendors that accept City purchase cards for payment).

### ***Additional Issue – Employee Activity Bank Account***

*An employee activity bank account was incorrectly titled as a City bank account, thereby increasing the risk that City funds could be diverted for unauthorized purposes.*

During the process of identifying City imprest funds, we became aware of an employee activity bank account in the City's name. In this instance, employees of the Public Works Streets and Drainage Division established a checking account at Capital City Bank on July 18, 1984 (20 years ago). The account is funded from employee donations and profits from vending machines located at the division. The funds are used for employee activities, such as luncheons, birthday cards, flowers and cards for sick employees, etc. The official name of the account, per the bank's records, is "City of Tallahassee, Public Works Department, Streets and Drainage Division." The account name as listed on the checks is "Public Works Dept., Streets and Drainage Division." Prior to our audit, the Treasurer-Clerk's Office was not aware of the account.

As this account was strictly for employees as individuals and not used for City business, it should not be titled as a City account. Titling the account as a City account increases the risk of the account being improperly used to deposit City revenues and receipts, and then expending those funds for unauthorized purposes. Our review of recent activity in this bank account did not show any improprieties regarding City funds. Nonetheless, we recommend that the employees either close the account or have the name of the account changed so that there can be no inference it is a City account.

### ***Conclusion***

Our review of the City's eight imprest funds used for petty cash and other disbursements in departments/offices external to the Revenue Office showed that:

- All imprest funds were properly authorized by the Treasurer-Clerk's Revenue Office.
- The funds are generally adequately accounted for and safeguarded.
- Disbursements from those funds are generally approved and for authorized City business.

*Overall, imprest funds for petty cash and other disbursement activities were adequately accounted for, safeguarded, and used for authorized City business. For identified issues, recommendations are provided to improve and enhance controls, accountability, compliance, and efficiency.*

- For the most part, the funds were administered and managed in accordance with the requirements and procedures established in APM 614 – “City of Tallahassee Policy on Petty Cash Disbursements.”
- No instances of fraud were identified.

Our testing and analyses did indicate that certain improvements and enhancements were needed. Accordingly, we have made recommendations regarding: (1) documenting purposes and approvals; (2) method of replenishing disbursed funds; (3) reducing the risk of duplicate reimbursements; (4) performing independent inspections and verifications; (5) proper coding of disbursements; (6) establishing internal written procedures; and (7) encouraging other procurement methods to limit the instances the City pays state sales taxes. We also have recommended that the title of an employees’ bank account be changed so there can be no inference that it is a City of Tallahassee account.

### ***Response From Appointed Officials***

**City Manager:** I appreciate and thank the audit staff for the thoroughness of the audit and for the recommendations for improving our processes. I also am happy to see that our employees are complying with the procedures currently in place. We will follow through on the recommendations to improve our procedures.

**City Treasurer-Clerk:** We are pleased that the “City Imprest Funds” audit did not recommend any changes to the Treasurer/Clerk’s petty cash function. Per the audit’s recommendation, we will modify APM 614 to require that checks for petty cash replenishments be made payable to the funds custodian.

Copies of this audit report #0417 (project #0408) may be obtained from the City Auditor’s web site (<http://talgov.com/citytlh/auditing/index/html>), by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail ([auditors@talgov.com](mailto:auditors@talgov.com)).

Audit conducted by:  
Stephanie Jones, Senior Auditor  
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<b><i>Appendix A – Action Plan</i></b>		
<b>Action Steps</b>	<b>Responsible Employee</b>	<b>Target Date</b>
<b>A. Objective: Document validity of and approval for disbursements.</b>		
<b><i>PURDOM POWER PLANT</i></b>		
1. Records will be established and maintained showing for each petty cash disbursement the employee reimbursed and the purpose of the related expense.	Betty Armstrong	8/20/04*
<b><i>HOPKINS POWER PLANT</i></b>		
2. Managerial approval will be documented for all petty cash disbursements.	Betty Armstrong	8/31/04*
<b><i>WATER UTILITY – DUPREE STREET</i></b>		
3. Managerial approval will be documented for all petty cash disbursements.	Joanne Becknell	9/30/04
4. Documentation will be maintained to show the individuals/employees on whose behalf food was purchased and the purpose of those purchases.	Joanne Becknell	9/30/04
<b>B. Objective: Improve the imprest fund replenishment process.</b>		
<b><i>AVIATION</i></b>		
1. Check requests for petty cash replenishments will specify the reimbursement checks should be made payable to the “custodian’s name - cash custodian, City of Tallahassee Aviation Department.”	Clara Tait	8/25/04*
<b><i>ELECTRIC UTILITY – OPERATIONS</i></b>		
2. Check requests for petty cash replenishments will specify the reimbursement checks should be made payable to the “custodian’s name - cash custodian, City of Tallahassee Electric Utility Operations.”	Betty Armstrong	8/31/04*



Action Steps	Responsible Employee	Target Date
<b>REVENUE DIVISION</b>		
3. APM 614 will be revised to require that checks for petty cash replenishments be made payable to the “custodian’s name – cash custodian, name of City department/office.”	Darrell Thompson	9/30/04
<b>PURDOM POWER PLANT</b>		
4. Reimbursement requests will be made through check requests submitted to the Accounts Payable section.	Betty Armstrong	7/30/04*
<b>HOPKINS POWER PLANT</b>		
5. Reimbursement requests will be made through check requests submitted to the City’s Accounts Payable section.	Betty Armstrong	8/31/04*
<b>WATER UTILITY – GEMINI BUILDING</b>		
6. Reimbursement requests will be made through check requests submitted to the City’s Accounts Payable section.	Joanne Becknell	9/30/04
<b>WATER UTILITY – DUPREE STREET</b>		
7. Reimbursement requests will be made through check requests submitted to the City’s Accounts Payable section.	Joanne Becknell	9/30/04
<b>C. Objective: Reduce the risk of unauthorized duplicate payment.</b>		
<b>AVIATION</b>		
1. The petty cash fund custodian will mark or deface original receipts (e.g., vendor receipts/invoices) at the time the applicable employees are reimbursed from the funds for authorized expenses.	Clara Tait	8/25/04*
<b>ELECTRIC UTILITY – OPERATIONS</b>		
2. The petty cash fund custodian will mark or deface original receipts (e.g., vendor receipts/invoices) at the time the applicable employees are reimbursed from the funds for authorized expenses.	Betty Armstrong	8/31/04*

Action Steps	Responsible Employee	Target Date
<b><i>PURDOM POWER PLANT</i></b>		
3. The petty cash fund custodian will mark or deface original receipts (e.g., vendor receipts/invoices) at the time the applicable employees are reimbursed from the funds for authorized expenses.	Betty Armstrong	8/6/04*
<b><i>HOPKINS POWER PLANT</i></b>		
4. The petty cash fund custodian will mark or deface original receipts (e.g., vendor receipts/invoices) at the time the applicable employees are reimbursed from the funds for authorized expenses.	Betty Armstrong	8/31/04*
<b><i>WATER UTILITY – GEMINI BUILDING</i></b>		
5. The petty cash fund custodians will mark or deface original receipts (e.g., vendor receipts/invoices) at the time the applicable employees are reimbursed from the funds for authorized expenses.	Joanne Becknell	9/30/04
<b><i>WATER UTILITY – DUPREE STREET</i></b>		
6. The petty cash fund custodians will mark or deface original receipts (e.g., vendor receipts/invoices) at the time the applicable employees are reimbursed from the funds for authorized expenses.	Joanne Becknell	9/30/04
<b><i>TPD – CONFIDENTIAL FUNDS</i></b>		
7. The petty cash fund custodian will mark or deface original receipts (e.g., vendor receipts/invoices) at the time the applicable employees are reimbursed from the funds for authorized expenses.	Gary Williams	8/31/04*
<b>D. Objective: Ensure accountability for and consistency of imprest fund operations.</b>		
<b><i>PURDOM POWER PLANT</i></b>		
1. Petty cash disbursements will be coded to the correct expenditure categories.	Betty Armstrong	7/30/04*

Action Steps	Responsible Employee	Target Date
<b><i>HOPKINS POWER PLANT</i></b>		
2. Independent supervisory staff will periodically inspect the petty cash fund's records, count the cash on hand (in the presence of the custodian), and reconcile to the established fund balance. Those verifications/reconciliations will be documented.	Betty Armstrong	8/31/04*
3. Petty cash disbursements will be coded to the correct expenditure categories.	Betty Armstrong	8/31/04*
<b><i>WATER UTILITY – GEMINI BUILDING</i></b>		
4. Independent supervisory staff will periodically inspect the petty cash funds' records, count the cash on hand (in the presence of the custodians), and reconcile to the established fund balances. Those verifications/reconciliations will be documented.	Joanne Becknell	9/30/04
5. Petty cash disbursements will be coded to the correct expenditure categories.	Joanne Becknell	9/30/04
6. Written procedures will be prepared to document the internal processes and procedures for operating and administering the petty cash funds.	Joanne Becknell	9/30/04
<b><i>WATER UTILITY – DUPREE STREET</i></b>		
7. Independent supervisory staff will periodically inspect the petty cash funds' records, count the cash on hand (in the presence of the custodians), and reconcile to the established fund balances. Those verifications/reconciliations will be documented.	Joanne Becknell	9/30/04
8. Petty cash disbursements will be coded to the correct expenditure categories.	Joanne Becknell	9/30/04
9. Written procedures will be prepared to document the internal processes and procedures for operating and administering the petty cash funds.	Joanne Becknell	9/30/04

Action Steps	Responsible Employee	Target Date
<b><i>REVENUE DIVISION</i></b>		
10. APM 614 will be revised to require each City department/office operating an imprest fund to document the internal procedures for the operation and administration of the fund.	Darrell Thompson	9/30/04
<b>E. Objective: Reduce instances where the City pays sales taxes.</b>		
<b><i>AVIATION</i></b>		
1. Employees acquiring goods and services from their personal funds and reimbursed from petty cash will be reminded to instruct vendors of the City’s exemption from state sales taxes. Those employees will be encouraged to use their City purchase card or other City procurement process when reasonable under the circumstances.	Clara Tait	8/25/04*
<b><i>ELECTRIC UTILITY – OPERATIONS</i></b>		
2. Employees acquiring goods and services from their personal funds and reimbursed from petty cash will be reminded to instruct vendors of the City’s exemption from state sales taxes. Those employees will be encouraged to use their City purchase card or other City procurement process when reasonable under the circumstances.	Betty Armstrong	9/30/04
<b><i>PURDOM POWER PLANT</i></b>		
3. Employees acquiring goods and services from their personal funds and reimbursed from petty cash will be reminded to instruct vendors of the City’s exemption from state sales taxes. Those employees will be encouraged to use their City purchase card or other City procurement process when reasonable under the circumstances.	Betty Armstrong	8/27/04*

Action Steps	Responsible Employee	Target Date
<b><i>HOPKINS POWER PLANT</i></b>		
4. Employees acquiring goods and services from their personal funds and reimbursed from petty cash will be reminded to instruct vendors of the City’s exemption from state sales taxes. Those employees will be encouraged to use their City purchase card or other City procurement process when reasonable under the circumstances.	Betty Armstrong	9/30/04
<b><i>WATER UTILITY – GEMINI BUILDING</i></b>		
5. Employees acquiring goods and services from their personal funds and reimbursed from petty cash will be reminded to instruct vendors of the City’s exemption from state sales taxes. Those employees will be encouraged to use their City purchase card or other City procurement process when reasonable under the circumstances.	Joanne Becknell	9/30/04
<b><i>WATER UTILITY – DUPREE STREET</i></b>		
6. Employees acquiring goods and services from their personal funds and reimbursed from petty cash will be reminded to instruct vendors of the City’s exemption from state sales taxes. Those employees will be encouraged to use their City purchase card or other City procurement process when reasonable under the circumstances.	Joanne Becknell	9/30/04
<b>F. Objective: Reduce the risk of unauthorized diversions of City funds.</b>		
<b><i>PUBLIC WORKS – STREETS AND DRAINAGE</i></b>		
1. Necessary actions will be taken to have the bank rename the employee activity account such that there is no inference that it is a City of Tallahassee bank account.	Rachel Lazarus	8/30/04*

\*As per department, action plan step has been completed as of indicated date. Completion will be verified during follow-up process.