



**OFFICE OF THE
CITY AUDITOR**

**AN AUDIT OF THE DEPARTMENT OF
PARKS, RECREATION AND NEIGHBORHOOD
SERVICES' PETTY CASH AND
CHANGE FUNDS**

- THE DEPARTMENT OF PARKS, RECREATION, AND NEIGHBORHOOD SERVICES CAN IMPROVE COMPLIANCE WITH CITYWIDE AND DEPARTMENTAL POLICIES AND PROCEDURES REGARDING PETTY CASH AND CHANGE FUNDS

**A REPORT TO THE
SAN JOSE
CITY COUNCIL**

JUNE 1998

98-02



CITY OF SAN JOSÉ, CALIFORNIA

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GERALD A. SILVA
City Auditor

June 17, 1998

Honorable Mayor and Members
of the City Council
801 North First Street, Room 600
San Jose, CA 95110

Transmitted herewith is a report on *An Audit of the Department of Parks, Recreation and Neighborhood Services' Petty Cash and Change Funds*. This report is in accordance with City Charter Section 805.

An Executive Summary is presented on the blue pages in the front of this report. The City Administration's response is shown on the yellow pages.

I will present this report to the Finance Committee at its June 24, 1998, meeting. If you need additional information in the interim, please let me know. The City Auditor's staff member who participated in the preparation of this report is Robin Klenke.

Respectfully submitted,

Gerald A. Silva
City Auditor

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EXECUTIVE SUMMARY

In accordance with the City Auditor's amended 1996-97 Audit Workplan, we initiated an ongoing audit of the City of San Jose's Cash Funds. In January 1997 the City Auditor recommended amending his 1996-97 Audit Workplan to add regular reviews of these fund types. In February 1997 the Finance Committee approved the addition. Petty Cash and Change Funds was the first group of cash funds selected for review. Specifically, we audited the Department of Parks, Recreation, and Neighborhood Services' Petty Cash and Change Funds. We conducted this audit in accordance with generally accepted government auditing standards and limited our work to those areas specified in the Scope and Methodology section of this report.

The City Auditor's Office thanks everyone in the Department of Parks, Recreation, and Neighborhood Services who gave their time, information, and cooperation for this audit.

THE DEPARTMENT OF PARKS, RECREATION, AND NEIGHBORHOOD SERVICES CAN IMPROVE COMPLIANCE WITH CITYWIDE AND DEPARTMENTAL POLICIES AND PROCEDURES REGARDING PETTY CASH AND CHANGE FUNDS

The Department of Parks, Recreation, and Neighborhood Services (PRNS) has 66 Petty Cash and Change Funds at 23 program sites throughout the City of San Jose. From 1994-95 through March 31, 1998, PRNS processed nearly \$800,000 in expenditures through its Petty Cash Funds. PRNS' Administrative Services Fiscal Unit is responsible for reimbursing and replenishing individual program sites' petty cash funds. Our review of PRNS' Petty Cash and Change Funds revealed that fund physical security appears to be adequate. In addition, a recent department reorganization has strengthened PRNS' internal controls over these funds.

Further, our review revealed PRNS is generally in compliance with Citywide and departmental policies and procedures regarding Petty Cash and Change Funds. However, we also found that

- PRNS' records did not agree with the reported Petty Cash and Change Fund amounts at six sites;
- PRNS did not fill out and return a Petty Cash Fund and Change Fund Confirmation form to the Finance Department for two cash funds as of June 30, 1997;
- 8 sites lacked a copy of PRNS' Fiscal Manual, Volume One – Cash Handling Procedures;
- 4 sites lacked copies of PRNS' revised petty cash procedure;
- 23 of 66 funds did not have Form 142-29 designating a fund custodian;
- 58 of 66 funds lacked documentation that the required semi-annual audit of funds was ever performed. Further, of the 8 funds that had documentation of required semi-annual audits the most recent audit was in October 1994;
- 53 of 66 funds lacked documentation that required periodic Safe Audits were performed. Further, of the 13 sites that had documentation of required Safe Audits the most recent was July 1996;
- 19 of 66 funds did not have adequate segregation of duties;
- 4 of 23 sites' Safe Logs did not have consecutively-numbered pages;
- 13 of 23 sites did not have Safe Combination Acknowledgement Forms on file;
- 19 of 23 sites lacked a current Signature Log for Safe Usage;
- None of the 23 sites had followed the Change of Custodian Procedure for any of the 66 funds that had a change in custodianship; and
- 1 site had an unreported Petty Cash shortage of \$50.

In addition, we found that

- PRNS needs to document internal control procedures it has already implemented and
- Citywide policies and procedures regarding petty cash funds need to be reviewed and revised.

In our opinion, improving compliance with existing Citywide and PRNS policies and procedures and documenting internal control procedures PRNS has already implemented would strengthen internal controls over PRNS' cash funds. In addition, City Administration needs to review and revise Citywide policies and procedures pertaining to Petty Cash and Change Funds to ensure proper cash handling practices.

RECOMMENDATIONS

The Department of Parks, Recreation, and Neighborhood Services should,

Recommendation #1:

Verify the location, program, type, and amount of their Petty Cash and Change Funds. (Priority 3)

Recommendation #2:

Ensure each program site has a copy of the departmental Fiscal Manual and a copy of the revised Petty Cash Procedure. (Priority 3)

In addition, the Finance Department should,

Recommendation #3:

Ensure an original Form 142-29 is on file for each PRNS Petty Cash and/or Change Fund designated custodian. (Priority 3)

Moreover, the Department of Parks, Recreation, and Neighborhood Services should,

Recommendation #4:

Ensure its departmental petty cash file contains a copy of Form 142-29 for each Petty Cash and/or Change Fund designated custodian. (Priority 3)

Recommendation #5:

Ensure that independent semi-annual audits of Petty Cash and Change Funds at all PRNS program sites are performed and that the results of those audits are documented and filed appropriately. (Priority 3)

Recommendation #6:

Perform periodic Safe Audits at all cash handling locations. (Priority 3)

Recommendation #7:

Require each program site to ensure the Safe Log pages are numbered consecutively. (Priority 3)

Recommendation #8:

Ensure that all PRNS staff given the combination to any safe complete a Safe Combination Acknowledgement Form. Furthermore, PRNS should require the supervisor to retain the form in a separate file. (Priority 3)

Recommendation #9:

Ensure program sites follow the Change of Custodian Procedure. (Priority 3)

Recommendation #10:

Investigate the unreported \$50 Petty Cash Fund shortage, prepare a written report, and if theft is suspected, file a Police Report, as FAM Section 4.5 “Reporting Cash Overages and Shortages” requires. (Priority 3)

Recommendation #11:

Formally document the use of a pre-printed ink stamp for regular petty cash purchases in lieu of Petty Cash Receipt Form 100-32. (Priority 3)

Recommendation #12:

Document the practice of requiring program sites to verify which employees have safe access and establish a new Signature Log for Safe Usage each year. (Priority 3)

Furthermore, we recommend that the Finance Department,

Recommendation #13:

Review and revise FAM Section 5.6 Petty Cash and Change Funds Procedure to show the approved Petty Cash transaction limit increase. (Priority 3)

Finally, we recommend that City Administration,

Recommendation #14:

Revise the City Administrative Manual, Section 202: Purchasing Procedures to show the increased Petty Cash transaction limit. (Priority 3)

INTRODUCTION

In accordance with the City Auditor's amended 1996-97 Audit Workplan, we initiated an ongoing audit of the City of San Jose's Cash Funds. In January 1997 the City Auditor recommended amending his 1996-97 Audit Workplan to add regular reviews of these fund types. In February 1997 the Finance Committee approved the addition. Petty Cash and Change Funds was the first group of cash funds selected for review. Specifically, we audited the Department of Parks, Recreation, and Neighborhood Services' Petty Cash and Change Funds. We conducted this audit in accordance with generally accepted government auditing standards and limited our work to those areas specified in the Scope and Methodology section of this report.

The City Auditor's Office thanks everyone in the Department of Parks, Recreation, and Neighborhood Services who gave their time, information, and cooperation for this audit.

BACKGROUND

Cash Funds

As of June 30, 1997, City departments had nearly 200 different cash funds totaling over \$120,000. There are three types of cash funds in the City. These are (1) Petty Cash Funds, (2) Petty Cash – Checking Account Funds, and (3) Change Funds. According to the City’s Financial Administrative Manual (FAM), Section 5.6: Petty Cash and Change Funds:

“It is the administrative policy of the City of San Jose to allot each department a specified sum of money designated as “Petty Cash” for direct acquisition of materials or supplies not available through Central Stores; for subscriptions, meal reimbursement, procuring books or pamphlets and other miscellaneous items. Each petty cash transaction may not exceed \$100.00 including sales tax, shipping and handling charges. The Petty Cash Fund may not be used to conduct personal business such as check cashing, change making and personal loans. Contract employees, with written approval from an authorized staff member, may secure petty cash reimbursements.”

Further, the Change Fund policy states:

“Departments are allotted a specified sum of money to be used as a “Change Fund” if the operations require such a fund.”

Petty Cash Funds

There are 81 petty cash funds, totaling about \$93,000, allotted to 23 City of San Jose departments. Most of the Petty Cash and Change Funds are small, less than \$200, but there are 28 funds of \$1,000 or more. The vast majority of petty cash funds are less than \$2,000. Table I lists those departments with petty cash fund allotments of \$2,000 or more.

TABLE I

**CITY OF SAN JOSE DEPARTMENTS WITH
PETTY CASH FUNDS GREATER THAN \$2,000**

DEPARTMENT	PETTY CASH FUND ALLOTMENT
Parks, Recreation, and Neighborhood Services	\$20,000
Police Department	\$15,000
Convention, Arts and Entertainment	\$9,000
ESD – Water Pollution Control	\$5,000
Library – Main	\$4,000
Public Works – Administration	\$3,000
Fire – Administration	\$2,500
Airport – Main Office	\$2,500
Housing – Code Compliance	\$2,000
City Council	\$2,000
TOTAL	\$65,000

As shown in Table I above, ten departments have petty cash funds of \$2,000 or more. These funds total \$65,000, nearly 70 percent of the Citywide petty cash allotment. The Parks, Recreation, and Neighborhood Services’ (PRNS) Administrative Services Division petty cash fund of \$20,000 is the largest, making up over 30 percent of the funds allotted \$2,000 or more.

Reported Cash Problems

According to FAM Section 4.5.3.1 Reporting Cash Overages and Shortages, all cash overages and shortages should be reported to the immediate supervisor. In addition, for cash overages or shortages of \$50 or more, within three working days the Department Director must prepare a written report describing the occurrence to the Director of Finance with copies to the City Manager and City Auditor. The report should contain all

known pertinent information including dollar amounts, source of revenue involved, date, time of day, location, positions involved, actions taken or recommended to prevent recurrence, and results of any department investigation of the occurrence. In addition, if theft is suspected in a cash shortage over \$50, the department must file a Police Report.

Between January 1991 and November 1997, the Director of Finance, City Manager, and City Auditor received 30 reports of cash overages (O) or shortages (S) over \$50. Table II summarizes the information in these reports. Appendix C describes PRNS' reported cash problems and resolutions.

**TABLE II
SUMMARY OF CITY DEPARTMENT REPORTS
OF CASH PROBLEMS FROM 1991 THROUGH 1997**

	EVENT DATE	DEPART- MENT	LOCATION	TYPE	AMOUNT	REPORTED
1	"Recently"	Fire	Station #5, 22, 4	S	\$ 112.00	1/3/91
2	2/12/91	RPCS	Administration Office	O	\$ 50.80	2/13/91
3	4/3/92	Library	Main	S	\$ 120.00	4/9/92
4	8/12/92	Planning	Building Division	O	\$ 97.32	8/18/92
5	1/19/93	PRNS	St. James Senior Center	S	\$ 100.00	1/22/93
6	2/25/93	Planning	Building Division	S	*unknown value	2/26/93
7	4/10/93	PRNS	St. James Senior Center	S	\$ 189.20	4/13/93
8	6/24/93	CCVS	Almaden Lake Park	S	\$ 279.00	6/25/93
9	7/13/93	PRNS	Del Mar Pool	S	\$ 37.00	7/19/93
10	7/17/93	CCVS	Kelley Park	S	\$ 300.00	7/20/93
11	7/27/93	PRNS	Del Mar Pool	S	\$ 78.00	7/28/93
12	8/19/93	PRNS	Roosevelt Center	S	\$ 305.00	8/30/93
13	7/1/94	PRNS	Administration Office	S	\$ 165.54	7/8/94
14	11/22/94	PRNS	Project Crackdown event	S	\$ 148.00	12/27/94
15	3/17-20/95	PRNS	Administration Office	O	\$ 386.00	4/24/95
16	6/6/95	Finance	Treasury Division	S	\$ 50.00	6/9/95
17	6/6/95	Finance	Treasury Division	O	\$ 125.00	6/9/95
18	7/16/95	CAE	Kelley Park	S	\$ 50.00	7/18/95
19	10/9/95	CAE	Administration Office	S	\$ 1,750.00	10/11/95
20	1/26/96	CAE	Administration Office	S	\$ 600.00	1/29/96
21	"Recently"	PRNS	Administration Office	S	\$ 50.00	7/12/96
22	8/6/96	ESD	WPCP	S	\$ 199.95	8/6/96
23	7/23/96	PRNS	Almaden Community Center	S	\$ 195.45	12/19/96
24	2/15/97	ESD	WPCP	S	\$ 1,000.00	2/19/97
25	3/11/97	PRNS	Cypress Senior Center	S	\$ 94.00	3/21/97
26	4/9/97	ESD	South Bay Water	S	\$ 60.00	6/19/97
27	4/28/97	ESD	South Bay Water	S	\$ 178.30	6/19/97
28	7/17/97	PRNS	Community Sports/Aquatics	S	\$ 415.00	7/22/97
29	8/31/97	PRNS	Camden Center Aquatics	S	\$ 50.00	9/12/97
30	10/21/97	PRNS	Project Crackdown office	S	\$ 122.50	10/31/97
			SUBTOTAL		\$ 7,308.06	
			Less Overages		\$ (659.12)	
			TOTAL SHORTAGES		\$ 6,648.94	

*unknown value – loss or theft of Plumbing and Mechanical Cash Receipt/Permit books – 150 permits of each type.

As Table II shows

- A total of \$7,308 in cash problem occurrences was reported, with 26 shortages totaling \$6,649 and 4 overages totaling \$659;
- Fifteen of 30 (or 50 percent) of reported problems occurred in PRNS;
- Total cash overages and shortages for PRNS were about \$2,387, or 33 percent of the citywide total cash overages and shortages;
- Thirteen of 15 (or 87 percent) of PRNS' reported cash problems were shortages; and
- Theft was suspected in 11 of the 13 (or 85 percent) PRNS cash shortages reported.

Accordingly, we selected PRNS' Petty Cash and Change Funds for our first cash audit.

Major Accomplishments Relating To The Program

In Appendix B, PRNS Administration informs us of its accomplishments related to Petty Cash and Change Funds. Petty cash is used by staff at all levels of the organization and is an essential part of program operations. Examples of use are:

- fee class supplies, including arts and crafts items, food, and admissions;
- refreshments for youth programs, commission meetings, and neighborhood meetings;
- items for special events, such as helium for balloons;
- postage to expedite mail delivery and pay for returned items;
- film purchase and processing;
- fresh food for the Senior Nutrition Program;
- occasional entertainment costs for special events; and
- thrift shop apparel for use in youth plays.

According to PRNS Administration, the department has:

- Spent a great deal of time to ensure the physical security and safety of City funds;
- Held trainings to review the process for requesting and submitting petty cash expenditures for reimbursement;
- Recently reorganized the department to bring closer supervision to each site, thereby enabling better management of petty cash funds and the ability to ensure required audits and requisite paperwork are completed;
- Developed a departmental Cash Handling Manual; and
- Developed a stamp to use on receipts to ensure approvals and charging of costs and intends to document this procedure to further improve controls.

SCOPE AND METHODOLOGY

This report addresses the adequacy of internal controls over Petty Cash and Change Funds in the Department of Parks, Recreation, and Neighborhood Services (PRNS). The objectives of our audit were to

- assess the accuracy, adequacy, and completeness of established policies and procedures pertaining to Petty Cash and Change Funds and
- determine whether PRNS is in compliance with these established policies and procedures.

Our methodology included interviews with personnel in the City's PRNS Department. In addition, we

- reviewed written policies and procedures;
- examined Petty Cash and Change Funds documentation;
- selected and tested a judgmental audit sample of receipts for petty cash reimbursements;
- spot checked receipts submitted for petty cash reimbursements from 1994-95 through 1996-97 and for 1997-98 through March 31; and
- visited PRNS sites throughout the City of San Jose where we:
 - assessed the security of funds,
 - observed petty cash transactions, and
 - determined whether required documentation was present.

FINDING I

THE DEPARTMENT OF PARKS, RECREATION, AND NEIGHBORHOOD SERVICES CAN IMPROVE COMPLIANCE WITH CITYWIDE AND DEPARTMENTAL POLICIES AND PROCEDURES REGARDING PETTY CASH AND CHANGE FUNDS

The Department of Parks, Recreation, and Neighborhood Services (PRNS) has 66 Petty Cash and Change Funds at 23 program sites throughout the City of San Jose. From 1994-95 through March 31, 1998, PRNS processed nearly \$800,000 in expenditures through its Petty Cash Funds. PRNS' Administrative Services Fiscal Unit is responsible for reimbursing and replenishing individual program sites' petty cash funds. Our review of PRNS' Petty Cash and Change Funds revealed that fund physical security appears to be adequate. In addition, a recent department reorganization has strengthened PRNS' internal controls over these funds.

Further, our review revealed PRNS is generally in compliance with Citywide and departmental policies and procedures regarding Petty Cash and Change Funds. However, we also found that

- PRNS' records did not agree with the reported Petty Cash and Change Fund amounts at six sites;
- PRNS did not fill out and return a Petty Cash Fund and Change Fund Confirmation form to the Finance Department for two cash funds as of June 30, 1997;
- 8 sites lacked a copy of PRNS' Fiscal Manual, Volume One – Cash Handling Procedures;
- 4 sites lacked copies of PRNS' revised petty cash procedure;
- 23 of 66 funds did not have Form 142-29 designating a fund custodian;
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- None of the 23 sites had followed the Change of Custodian Procedure for any of the 66 funds that had a change in custodianship; and
- 1 site had an unreported Petty Cash shortage of \$50.

In addition, we found that

- PRNS needs to document internal control procedures it has already implemented and
- Citywide policies and procedures regarding petty cash funds need to be reviewed and revised.

In our opinion, improving compliance with existing Citywide and PRNS policies and procedures and documenting internal control procedures PRNS has already implemented would strengthen internal controls over PRNS' cash funds. In addition, City Administration needs to review and update Citywide policies and procedures pertaining to Petty Cash and Change Funds to ensure proper cash handling practices.

Petty Cash Funds

PRNS has 65 Petty Cash and Change Funds totaling about \$7,600 located at 22 PRNS program sites throughout the City. In addition, temporary change funds totaling \$550 are allotted to PRNS only during the summer months to provide a \$50 change fund for each of 11 Citywide pools offering a summer aquatics program. An individual site

may house several programs, each with a separate Petty Cash and/or Change Fund.
Table III shows the location, type, and amount of these cash funds.

TABLE III

**PRNS PROGRAMS' PETTY CASH AND CHANGE FUNDS
AS OF MAY 15, 1998**

	PRNS SITE/PROGRAM	PETTY CASH FUNDS	CHANGE FUNDS
1	Camden Lifetime Activities	\$100.00	\$100.00
	Adult Open Gym	0.00	100.00
	Adult Sports	200.00	50.00
	Adult Hockey	0.00	25.00
2	Alma Community Services	100.00	50.00
3	Almaden Community Center	200.00	50.00
4	Berryessa Community Center	200.00	100.00
5	Cypress Community Center	100.00	50.00
	Cypress Seniors	100.00	50.00
	Cypress Nutrition	100.00	0.00
6	Evergreen Community Center	100.00	25.00
7	Gardner Community Center	170.00	50.00
8	George Shirakawa Community Center	200.00	100.00
	Iola Williams Senior Nutrition	100.00	0.00
9	Grace Baptist Community Center	300.00	0.00
10	Hank Lopez Community Center	100.00	50.00
	Hank Lopez Senior Nutrition	100.00	25.00
11	Kirk Community Center – Fee Classes	100.00	0.00
	Kirk Community Center	200.00	50.00
	Kirk Seniors	100.00	50.00
12	Mayfair Community Center	100.00	0.00
13	Millbrook Community Center	150.00	50.00
14	Office on Aging	100.00	50.00
15	Office of Outreach	250.00	0.00
	Office of Therapeutic Services	100.00	0.00
	Recreation Community Training	200.00	0.00
	TRS Center	300.00	0.00
	TRS Outreach - 1	250.00	0.00
	TRS Outreach - 2	250.00	0.00
	TRS BRAC	200.00	0.00
16	Roosevelt Community Center	100.00	50.00
17	Solari Community Center	200.00	50.00
18	Southside Community Center	200.00	50.00
	Southside Seniors	200.00	100.00
19	Starbird Community Center	200.00	50.00
20	St. James Community Center	100.00	50.00
	St. James Senior Nutrition	200.00	0.00
21	Watson Community Center	100.00	60.00
22	Willows Community Center	200.00	100.00
	Willows Senior Nutrition	100.00	50.00
**	Summer Aquatics Program	0.00	550.00
		\$6,070.00	\$2,135.00

**June-July-August only - \$50 change fund for 11 pool sites = \$550.00

As Table III shows, about \$8,200 in additional Petty Cash and Change Fund monies is physically located at PRNS program sites throughout the City. Total change funds increase \$550 during the summer months only when 11 Citywide pool sites offering a summer aquatics program are allocated temporary change funds of \$50 each. Individual Petty Cash purchases and Change Fund transactions take place at the various program sites. However, all departmental Petty Cash and Change Fund reimbursement and replenishment activities run through the \$20,000 Petty Cash Fund allotment and are transacted through PRNS' Administrative Services Division Fiscal Unit.

The Fiscal Unit Is Responsible For Departmentwide Petty Cash Fund Replenishment

The Administrative Services Division Fiscal Unit replenishes the departmentwide \$20,000 petty cash fund allocation. As with the individual petty cash funds at program sites, the departmentwide petty cash fund replenishment frequency also varies due to the number and types of PRNS programs offered throughout the year. In order to replenish the departmentwide Petty Cash Fund allocation, the Principal Account Clerk prepares a Cash Voucher Edit List in the General Ledger Subsystem of the City's Financial Management System (FMS). Finance/Accounting receives a printed copy of the Cash Voucher Edit List, with supervisory signature and original receipts attached. During the Christmas holidays, departmentwide weekly petty cash expenditures of \$6,000 to \$8,000 may occur. As a result, the Principal Account Clerk may prepare and submit several batches of Cash Voucher Edit Lists in FMS and to Finance/Accounting. For 1995-96, PRNS estimated their \$20,000 Petty Cash Fund allotment was replenished about ten times, for approximately \$200,000 in annual petty cash expenses.

Annual PRNS Petty Cash Expense Using Cash Funds

PRNS staff may make petty cash purchases through the open purchase order process, the petty cash checking account, with credit cards, and with currency from their petty cash funds. In order to calculate the amount of petty cash expense directly related

to the cash funds we reviewed 365 batches of FMS Petty Cash Voucher Edit Lists the Administrative Services Division Fiscal Unit submitted for fund replenishment from 1994-95 to 1997-98. Table IV shows the annual cash outlay from petty cash funds for petty cash purchases from 1994-95 to 1996-97 and July 1, 1997 through March 31, 1998.

TABLE IV
SUMMARY OF CASH OUTLAYS
FOR PETTY CASH PURCHASES
FOR 1994-95 THROUGH 1996-97
AND JULY 1, 1997 THROUGH MARCH 31, 1998

PERIOD	1994-95	1995-96	1996-97	July 1, 1997 – March 31, 1998	TOTAL
AMOUNT	\$268,874	\$228,152	\$166,336	\$123,731	\$787,093

As Table IV shows, PRNS’ cash outlays for petty cash purchases were about \$270,000 in 1994-95, but have decreased each subsequent year. According to PRNS staff, increased use of City-authorized credit cards has reduced the use of cash to make petty cash purchases.

PRNS’ Administrative Services Fiscal Unit

It is the responsibility of the PRNS’ Administrative Services Division Fiscal Unit to reimburse and replenish individual program sites’ petty cash funds of \$100 to \$300 as well as the Departmentwide \$20,000 Petty Cash Fund allocation.

Program Site Petty Cash Fund Replenishment

Petty Cash Custodians from program sites travel downtown to Administrative Services for petty cash fund replenishment. Individual petty cash fund replenishment frequency varies due to the number and types of PRNS programs offered throughout the year at sites all over San Jose. For example, petty cash expenditures at individual sites

increase when holiday programs/events (Valentine's Day, St. Patrick's, Halloween, Christmas) are offered or when fee classes begin in the Fall and Spring. We visited one site with petty cash funds intact and no receipts for expenditures on hand because their Spring classes had not yet begun.

The Petty Cash Custodian submits a Petty Cash Reimbursement Request Form and all original receipts associated with petty cash purchases. The Petty Cash Reimbursement Request Form reconciles receipts for petty cash expenses with any remaining cash on hand to equal the total authorized fund amount. Each receipt must show the site name, program, purchaser's name, reason for purchase, supervisor's signature, charge code, and date of purchase. According to PRNS staff we interviewed, only original receipts are accepted. Citywide and departmental procedures require the requester to complete a Petty Cash Receipt Form 100-32 and attach the original receipt prior to obtaining reimbursement from the petty cash custodian. In addition, procedures require Petty Cash Receipt Form 100-32 be completed under three other scenarios. Specifically, a Form 100-32 is also needed if the requester 1) does not obtain a receipt for purchases and/or services, (2) has lost the sales receipt, or (3) requests a Cash Advance.

Physical Fund Security Appears To Be Adequate

Physical security over PRNS' Petty Cash and Change Funds appears to be adequate. Floor safes are in use at all sites, many with a drop slot in the top. All of the safes were out of public view; many were in a locked room or a locked closet. Most of the safes were bolted to the floor. We observed each safe being opened. All of the safes required the combinations to be worked in order to open. We did note, however, some variation from the Finance Administrative Manual (FAM) procedure requiring locked boxes for Petty Cash and Change Funds.

According to FAM Section 5.6 Petty Cash and Change Funds procedure

5.6.3.1.14:

The Petty Cash Fund is to be stored in a locked box in a locked desk drawer or other secured location. A key to the secured area should be issued to and maintained by the Custodian only.

At each location only the Custodian had the key to the secured area. We observed most Petty Cash and Change Funds were kept in safes that required working the combination to open. We did note four Petty Cash and Change Funds that were kept in locked desk drawers rather than in safes. Each of these funds was in a lockable box and the box was kept locked when it was in the drawer. However, lockable boxes with funds inside were not kept locked when they were inside a locked safe. In addition, we noted funds that were locked inside safes, but were kept in non-lockable boxes, zippered pouches, Tupperware containers, and envelopes. It should be noted that these non-lockable containers were sometimes used because some safes were too small to accommodate a lockable box.

Department Organization

PRNS implemented organizational changes in Fall 1997 that they believed would better deliver services to the community. Prior to PRNS' reorganization, on-site supervision was rare. For example, one Recreation Supervisor housed at an administrative office was in charge of teen centers throughout the City. This Recreation Supervisor made site visits only as necessary.

The PRNS reorganization reunited Teen Centers and School Age Growth Enrichment (SAGE) programs with community centers, creating 11 Community Service Areas (CSA) with one Recreation Supervisor assigned to and having a physical presence at each. Having Recreation Supervisors physically located at the program sites allows direct and frequent contact between supervisors and staff. This physical presence facilitates prior supervisory authorization for petty cash purchases and more timely supervisory review and approval of petty cash receipts for reimbursement. Each

Recreation Supervisor told us that staff members intending to make petty cash purchases must first receive verbal authorization and then return directly with receipts for reimbursement. In our opinion, PRNS' reorganization strengthens its internal controls over cash funds.

PRNS' Compliance With Citywide And Departmental Policies And Procedures Can Be Improved

Policies and Procedures

There are two Citywide documents that contain policies and procedures pertaining to Petty Cash and Change Funds. They are the FAM and the City Administrative Manual (CAM). In addition, PRNS has developed a departmental Fiscal Manual. Volume One of the Fiscal Manual covers Cash Handling Procedures. According to PRNS Administration, Volume One is a separate fiscal manual complementing the FAM and the CAM. We visited all PRNS sites allotted Petty Cash and Change Funds to determine compliance with applicable policies and procedures.

Site Visits

PRNS has 66 separate Petty Cash and Change Funds located at 23 PRNS sites citywide. PRNS' Administrative Services Fiscal Unit has custodianship over the main Petty Cash Fund of \$20,000. The other 65 Petty Cash and Change Funds are located at 22 community centers throughout the city. Most program sites have both a Petty Cash and Change Fund. Some sites offer multiple programs and have a separate Petty Cash and/or Change Fund allotted for each program. During our site visits we (1) conducted interviews, (2) reviewed documentation, and (3) assessed fund security to evaluate PRNS' compliance with Citywide and departmental procedures for Petty Cash and Change Funds.

We found that PRNS was generally in compliance with Citywide and departmental procedures for Petty Cash and Change Funds. However, we also found that¹:

- PRNS' records did not agree with the reported Petty Cash and Change Fund amounts at six sites;
- PRNS did not fill out and return a Petty Cash Fund and Change Fund Confirmation form to the Finance Department for two cash funds as of June 30, 1997;
- 8 sites lacked a copy of PRNS' Fiscal Manual, Volume One – Cash Handling Procedures;
- 4 sites lacked copies of PRNS' revised petty cash procedure;
- 23 of 66 funds did not have Form 142-29 designating a fund custodian;
- 58 of 66 funds lacked documentation that the required semi-annual audit of funds was ever performed. Further, of the 8 funds that had documentation of required semi-annual audits the most recent audit was in October 1994;
- 53 of 66 funds lacked documentation that required periodic Safe Audits were performed. Further, of the 13 sites that had documentation of required Safe Audits the most recent was July 1996;
- 19 of 66 funds did not have adequate segregation of duties;
- 4 of 23 sites' Safe Logs did not have consecutively-numbered pages;
- 13 of 23 sites did not have Safe Combination Acknowledgement Forms on file;
- 19 of 23 sites lacked a current Signature Log for Safe Usage;
- None of the 23 sites had followed the Change of Custodian Procedure for any of the 66 funds that had a change in custodianship; and
- 1 site had an unreported Petty Cash shortage of \$50.

¹ Appendix D presents a summary of exceptions noted.

PRNS' Records Did Not Agree With The Reported Petty Cash And Change Fund Amounts At Six Sites.

We obtained and compared PRNS' record of Petty Cash and Change Funds to the Petty Cash and Change Fund Confirmation forms the Petty Cash and Change Fund Custodians filled out and returned to the Finance Department. Our review revealed the following discrepancies, as shown in Table V:

TABLE V

**SUMMARY OF PETTY CASH AND CHANGE FUND DISCREPANCIES
BETWEEN PRNS' RECORDS AND VARIOUS PRNS SITES**

PRNS SITE	PRNS' RECORD OF PETTY CASH AND CHANGE FUNDS	PETTY CASH AND CHANGE FUND CONFIRMED AMOUNT AS OF JUNE 30, 1997	COMMENTS
Camden Community Sports and Aquatics	Adult/Hockey Ring [sic] \$25 Change Fund	Roosevelt Hockey Rink \$50 Change Fund	Telephone call confirmed the Change Fund amount is \$50.
	Adult Sports League \$50 Change Fund	Adult Sports League \$0 Change Fund	Included in Community Sports \$100 Change Fund.
	Not listed	Facility Reservations \$25 Change Fund	This site has had a \$25 Change Fund for Facility Reservations since at least June 1991.
Evergreen Community Center	\$100 Petty Cash Fund \$25 Change Fund	\$100 Petty Cash Fund \$25 Change Fund	Auditor site visit to count cash confirmed a \$200 Petty Cash Fund and a \$50 Change Fund.
Iola Williams Senior Nutrition	\$100 Petty Cash Fund	\$75 Petty Cash Fund \$25 Change Fund	Staff needs a small amount of change at this site so they divided the fund.
Kirk Community Center	Fee Classes - \$100 Petty Cash Fund	No confirmation form found	Fund confirmation form should have been completed.
Millbrook/Youth	\$150 Petty Cash Fund \$50 Change Fund	\$150 Petty Cash Fund \$50 Change Fund	Auditor cash count revealed only \$100 in the Petty Cash Fund.
Office of Outreach	Office of Outreach Citywide \$250 Petty Cash Fund TRS Outreach-1 \$250 Petty Cash Fund	Office of Outreach Citywide \$250 Petty Cash Fund TRS Outreach-1: no confirmation form filled out.	PRNS records list this fund twice; the Office of Outreach \$250 Petty Cash Fund is double-counted.

Our review revealed that PRNS' record of Petty Cash and Change Funds, the Petty Cash Fund and Change Fund Confirmation forms, and the actual cash counts of some PRNS Petty Cash and Change Funds do not agree. Accordingly, we recommend that PRNS verify the location, program, type, and amount of their Petty Cash and Change Funds and reflect the correct information both on the list of Petty Cash and Change Funds and on the year-end Petty Cash and Change Fund Confirmation forms the Finance Department requires annually.

#1 We recommend that PRNS verify the location, program, type, and amount of their Petty Cash and Change Funds. (Priority 3)

PRNS Did Not Fill Out And Return A Petty Cash Fund And Change Fund Confirmation Form To The Finance Department For Two Cash Funds As Of June 30, 1997

Each year, the Finance Department requires departments with cash funds to reconcile and report on fund status as of June 30. The Finance Department provides a standard form, "Petty Cash Fund and Change Fund Confirmation", to fill out and return. We obtained and reviewed copies of all Petty Cash Fund and Change Fund Confirmation forms confirming PRNS' cash fund status for the year ending June 30, 1997. Our review revealed that PRNS did not confirm fund status for two of their cash funds as of June 30, 1997. Specifically, confirmation forms were not filled out for a \$100 Petty Cash Fund at one site and a \$25 Change Fund at another site.

PRNS Sites Lack Current Departmental Petty Cash Procedures

PRNS developed its Fiscal Manual with Volume One devoted to Cash Handling Procedures. In April 1997 the department revised its Petty Cash Procedure. Our review revealed eight PRNS sites did not have the Fiscal Manual and four sites were not provided with PRNS' revised Petty Cash Procedure.

PRNS needs to ensure that each site has a copy of the departmental Fiscal Manual as well as the revised Petty Cash Procedure.

#2 We recommend the Department of Parks, Recreation, and Neighborhood Services ensure each program site has a copy of the departmental Fiscal Manual and a copy of the revised Petty Cash Procedure. (Priority 3)

Form 142-29 Designating The Fund Custodian Was Not On File

The FAM, the CAM, and PRNS' Fiscal Manual, Volume One – Cash Handling Procedures all contain procedures pertaining to Petty Cash and Change Funds. Procedures in each manual require Form 142-29 be completed when a department wishes to:

- establish a Petty Cash and/or Change Fund;
- designate a fund custodian for a Petty Cash and/or Change Fund;
- change the authorized amount of a Petty Cash and/or Change Fund; and
- change the designated custodian for a Petty Cash and/or Change Fund.

The Petty Cash and Change Fund procedures in the three manuals mentioned above are very similar. Specifically, each mentions the proper use of Form 142-29 for the purposes listed above. For example, CAM Purchasing Procedure, Section 202, Subsection E Petty Cash and Change Fund Procedures, “Establishing Petty Cash or Change Fund” states,

1. *(Department) Complete “Petty Cash or Change Fund Authorization” Form 142-29 (three copies) to establish a new Petty Cash Fund, new Change Fund, or to change the amount of an already established fund. Indicate the following on the form:*
 - a. *Fund custodian.*
 - b. *If desired, the name of someone other than the petty cash custodian delegated authority to approve reimbursement from petty cash.*
2. *Forward all copies to the Director of Finance for approval.*
3. *(Director of Finance) Receive Form 142-29. Review, and if appropriate, approve the request to establish a new Petty Cash/Change Fund.*
4. *(Department) After approval is received, prepare a Special Payment Demand, Form 144-13.*
5. *Distribute copies of authorization (Form 142-29) as follows:*
 - a. *Original copy to Accounting.*
 - b. *One copy with the completed Special Payment Demand to Purchasing.*
 - c. *Retain one copy for department files.*

According to this procedure, Finance should receive and file the original Form 142-29 and the department should retain and file one copy. There are 37 designated fund custodians for PRNS’ 66 Petty Cash and Change Funds; some custodians are responsible for more than one fund. Our review of petty cash documentation revealed that neither Finance nor PRNS Administrative Services had Form 142-29 on file indicating the designated fund custodian for 23 of 66 funds. In our opinion, Finance should ensure an original Form 142-29 for each designated custodian of a PRNS Petty Cash and/or Change Fund is on file. In addition, PRNS should ensure its departmental petty cash file contains a copy of Form 142-29 for each designated fund custodian.

#3 We recommend that Finance ensure an original Form 142-29 is on file for each PRNS Petty Cash and/or Change Fund designated custodian. (Priority 3)

#4 We recommend that the Department of Parks, Recreation, and Neighborhood Services ensure its departmental petty cash file contains a copy of

**Form 142-29 for each Petty Cash and/or Change Fund designated custodian.
(Priority 3)**

Required Independent Audits Of Petty Cash And Change Funds Have Not Been Performed

Procedures in the FAM require periodic independent audits of cash funds be performed. According to the FAM Section 4.0, General Guidelines For Cash Handling Procedures:

“A department must provide for periodic spot audits of all cash handling locations and field collections. An employee in the department’s administrative fiscal unit could perform such an audit. The results of these audits must be reported to the Department Director. Major exceptions must be reported to the Director of Finance and the City Auditor.”

PRNS has established its own policy to perform an internal audit of assigned funds. As stated in PRNS’ Fiscal Manual, Cash Handling Procedures, Section 220.179 – Internal Audit of Assigned Funds:

“It is the policy of the Parks and Recreation Department to conduct semi-annual internal audits of all petty cash, change funds and checking accounts assigned to the department, to audit funds each time custodianship changes, and to audit funds when they are closed out.”

PRNS has developed Form 481-14A “Internal Audit of Assigned Funds” to record the results of audits conducted for the reasons listed above. This is a four-part form indicating that the pink copy goes to the supervisor and the goldenrod copy goes to the fund custodian. Our review revealed that no documentation exists that PRNS performed any semi-annual Petty Cash and Change Fund audits for 58 of 66 funds. Furthermore, of the eight funds for which documentation did exist of required semi-annual audits, the most recent audit was dated October 1994.

It should be noted that every year Finance requires all Petty Cash and Change Fund custodians to fill out a Petty Cash and Change Fund Confirmation form. This confirmation form states:

“As per your request, we are confirming the information below related to our Petty Cash Fund and/or Change Fund as of June 30, 1997 . . .”

and requires the following information:

PETTY CASH FUND	
Petty Cash Custodian	_____
Authorized Cash Balance	_____
June 30 th , 1997 Petty Cash (on hand)	_____
Receipts (on hand)	_____
Reimbursements in process	_____
Total Petty Cash reconciled	_____
CHANGE FUND	
Change Fund Custodian	_____
Authorized Change Fund Balance	_____
June 30 th , 1997 Change Fund Cash (on hand)	_____
Receipts (on hand)	_____
Total Change Fund reconciled	_____

	Authorized Signature

Our review revealed that PRNS did not fill out the confirmation forms for all Petty and Change funds as of June, 30, 1997. Specifically, Petty Cash and Change Fund Custodians did not fill out the confirmation forms for two funds – a \$100 Petty Cash

Fund at Kirk Community Center and a \$25 Change Fund at Camden Community Center. In addition, we noted that for 50 of the 66 PRNS Petty Cash and Change Funds the fund custodian not only filled out the form, but was also the authorized signature.

Accordingly, in our opinion, PRNS Administration should ensure that semi-annual audits of Petty Cash and Change Funds are performed at all PRNS program sites and that the results of those audits are documented and filed appropriately.

#5 We recommend that the Department of Parks, Recreation, and Neighborhood Services Administration ensure that independent semi-annual audits of Petty Cash and Change Funds at all PRNS program sites are performed and that the results of those audits are documented and filed appropriately.
(Priority 3)

Periodic Safe Audits Have Not Been Performed

According to the FAM Section 4.0.4.2 Collection of Revenue:

“A department must provide for periodic spot audits of all cash handling locations and field collections. An employee in the department’s administrative fiscal unit could perform such an audit. The results of these audits must be reported to the Department Director. Major exceptions must be reported to the Director of Finance and the City Auditor.”

In response to FAM Section 4.0.4.2, PRNS developed Safe Procedures that state:

“It is the policy of the Parks and Recreation Department to safeguard City funds and to adequately document the audit trail for each transfer of responsibility of funds. A log shall be maintained for each safe in use in the Department and shall be used to reflect the deposit or withdrawal of all items into or from the safe including revenue, petty cash or change funds.”

We found that there was no documentation PRNS had performed required periodic Safe Audits for 53 of 66 funds. Further, of the 13 sites with documentation that PRNS had performed required Safe Audits, the most recent audit was dated July 1996. It

should be noted that PRNS developed a Safe Audit form to record the results of these periodic audits but the form and its use are not documented in PRNS' Safe Procedures. In our opinion, PRNS should make sure that its Safe Procedures are followed and that staff perform periodic Safe Audits at all cash handling locations.

#6 We recommend that the Department of Parks, Recreation, and Neighborhood Services perform periodic Safe Audits at all cash handling locations. (Priority 3)

Segregation Of Duties Over Some Petty Cash And Change Funds Is Not Adequate

The FAM Section 4.0, "General Guidelines For Cash Handling Procedure", Section 4.0.1 states the purpose is:

"To provide administrative policy, cash handling management principles, and general guidelines for cash handling procedures."

Section 4.0.2 outlines the City policy for cash handling:

"The basic administrative policy in cash handling is to adhere to a system of internal controls which will safeguard City funds, promote accuracy and reliability in accounting and operating records, and promote the efficiency of operations. A satisfactory system of internal controls segregates the performance of tasks necessary to accomplish a complete business transaction among several individuals so that no one performs all the tasks. Additionally an internal control system utilizes procedural controls which govern the flow of transactions through a system."

According to the FAM Section 4.0.3, "Cash Handling Management Principles":

"... Where a work unit is not large enough to allow for the desirable segregation of duties or if the work environment does not permit the optimal physical facilities, the extent of management oversight must be increased commensurately."

According to the CAM Purchasing procedure, to establish a petty cash fund and designate a fund custodian you must fill out Form 142-29 “Petty Cash or Change Fund Authorization.” The procedure allows the department, if desired, to delegate authority to approve petty cash transactions to someone other than the petty cash custodian. Form 142-29 provides a space to include the additional person’s name. However, we found that for 19 of 66 funds, the designated fund custodian and the additional person requesting authorization to approve petty cash transactions were the same. It should be noted that the Recreation Supervisor was performing both functions in 15 of the 19 exceptions we recorded.

PRNS operates under some unique circumstances. PRNS community centers are located throughout the City and some of the smaller centers are staffed with only one or two people. Although the recent reorganization has increased on-site supervision, some supervisors’ assignments still require off-site supervision. In our opinion, the department’s own procedures to perform semi-annual Petty Cash audits and periodic Safe Audits and document their results provide a means to increase management oversight over Petty Cash and Change Funds. Performing these independent and periodic audit functions can help mitigate PRNS’ lack of adequate separation of duties. Accordingly, it is essential that PRNS implement Recommendations #4 and #5 in this audit report.

The Safe Log Pages Should Be Numbered Consecutively

PRNS procedures require program sites to maintain a Safe Log. The current year’s date should be noted and the pages are to be consecutively numbered. Any staff depositing or removing items from the safe must sign the log with date, amount, item description, initial after depositing items, and initial and date when removing items. No exceptions were noted at any site regarding completeness of information entered on the Safe Log. However, our review revealed that four of 23 sites’ Safe Logs did not have consecutively-numbered pages.

#7 We recommend the Department of Parks, Recreation, and Neighborhood Services require each program site to ensure the Safe Log pages are numbered consecutively. (Priority 3)

Safe Combination Acknowledgements Were Not On File At All PRNS Sites

PRNS has developed Safe Procedures. PRNS' Fiscal Manual Section 430.20 Safe Procedures, stipulates all employees with safe access complete a Safe Combination Acknowledgement (Form 481-23C) and return it to the supervisor. The supervisor should retain all Safe Combination Acknowledgement forms in a separate file at the program site. Our audit found that 13 program sites did not have Safe Combination Acknowledgement Forms on file for some or all staff possessing the safe combination. As a result, PRNS is not in compliance with their Safe Procedures.

#8 We recommend the Department of Parks, Recreation, and Neighborhood Services ensure that all PRNS staff given the combination to any safe complete a Safe Combination Acknowledgement Form. Furthermore, PRNS should require the supervisor to retain the form in a separate file. (Priority 3)

None Of PRNS' Program Sites Complied With Required Change Of Fund Custodian Procedures

According to FAM Petty Cash and Change Fund Procedure, 5.6.3.2 "Change of Petty Cash Custodian":

1. *When changing custodians, the department must complete Section I only of Petty Cash or Change Fund Authorization, Form 142-29.*

2. *The original and one copy of Form 142-29 is routed to Finance/Accounting, one copy to Purchasing, and a duplicate copy retained in the department petty cash file.*
3. *Prior to the change of Custodians, both the former and new petty cash custodians are to separately reconcile and verify the fund. The supervisor must review and approve both reconciliations. The reconciliations are to be retained in the departmental petty cash file. A copy of the reconciliations are [sic] to be forwarded to the Finance Department/General Ledger Section for review. A copy will then be retained in the Petty Cash Master File.*

Our audit found that staff frequently move from one community center to another and there have been many changes in fund custodianship. Our review revealed that none of the 23 sites followed the Change of Custodian Procedure for any of the 66 funds that may have had a change in custodianship. As a result, there is no assurance that the former and new petty cash custodians reconciled and verified the fund. In our opinion, PRNS should ensure the Change of Custodian procedure is followed.

#9 We recommend the Department of Parks, Recreation, and Neighborhood Services ensure program sites follow the Change of Custodian Procedure. (Priority 3)

An Unreported \$50 Cash Shortage At One PRNS Site

On May 18, 1998, we performed a cash count at the Millbrook site. Our cash count revealed an unreported Petty Cash Fund shortage of \$50. It should be noted that there was a staff rotation at this site in October 1997. It should also be noted that according to the current Recreation Program Specialist, this Petty Cash fund has not been used since October 1997. According to FAM Section 4.5.3.1 “Reporting Cash Overages and Shortages”, all cash overages and shortages should be reported to the immediate supervisor. In addition, for cash overages and shortages of \$50 or more, within three working days the Department Director must prepare a written report describing the occurrence to the Director of Finance with copies to the City Manager and City Auditor.

In addition, if theft is suspected in a cash shortage over \$50, a Police Report must be filed.

In our opinion, PRNS should investigate this unreported cash shortage, prepare a written report, and, if theft is suspected, file a Police Report, as FAM Section 4.5 “Reporting Cash Overages and Shortages” requires.

#10 We recommend that the Department of Parks, Recreation, and Neighborhood Services investigate the unreported \$50 Petty Cash Fund shortage, prepare a written report, and, if theft is suspected, file a Police Report, as FAM Section 4.5 “Reporting Cash Overages and Shortages” requires. (Priority 3)

PRNS Needs To Document Internal Control Procedures It Has Already Implemented

Our review revealed that PRNS has implemented additional internal control procedures that are not documented in PRNS’ Fiscal Manual. Specifically,

- PRNS has developed a pre-printed ink stamp and uses it in lieu of Petty Cash Form 100-32 and
- PRNS has developed a Signature Log for Safe Usage.

We found that PRNS has not documented these internal control procedures. In our opinion, these additional procedures strengthen PRNS’ internal controls over cash handling and should be formally documented in Volume One, Cash Handling Procedures of their Fiscal Manual.

PRNS Uses A Pre-Printed Ink Stamp In Lieu Of Petty Cash Form 100-32 To Authorize Petty Cash Purchases

According to the FAM Section 5.6.3.3 Reimbursements From Petty Cash Fund, subsection 5.6.3.3.1 Reimbursements with Sales Receipt states:

*“The requester must receive authorization from their supervisor prior to making a purchase using Petty Cash. The requester must submit a sales receipt in order to obtain reimbursement from Petty Cash. **The requester writes the date, name of item(s) purchased, reason for purchase (if required) and account number to be charged on Petty Cash Receipt Form 100-32. The requester then signs the form and obtains the supervisor’s signature indicating approval. The requester then presents the Petty Cash Receipt Form (100-32) with the sales receipt attached to the Petty Cash Custodian.**”* [emphasis added]

This FAM procedure requires all petty cash reimbursements, with or without a receipt, be submitted on Petty Cash Receipt Form 100-32. The form should also be used when requesting a Petty Cash Advance. The requestor should retain the original sales receipt and write the date, the name of the item purchased, the purpose of the purchase, and the account number on the sales receipt. This information is also recorded on the Petty Cash Receipt Form 100-32 and the original receipt should be attached.

Our review revealed PRNS uses Petty Cash Receipt Form 100-32 when receipts are lost or advances are required. However, the department does not use Petty Cash Receipt Form 100-32 for regular petty cash purchases when the purchaser has the original receipt. Instead, PRNS has developed a pre-printed ink stamp with lines to record the necessary information. Original receipts that are large enough are stamped directly. Small receipts are taped on a piece of paper and the paper is stamped. In our opinion, the use of this pre-printed ink stamp is a good internal control to ensure all required information for petty cash purchase approval is submitted. We recommend PRNS formally document the accepted use of the pre-printed ink stamp for regular petty cash purchases in lieu of Petty Cash Receipt Form 100-32.

#11 We recommend that the Department of Parks, Recreation, and Neighborhood Services formally document the use of a pre-printed ink stamp for regular petty cash purchases in lieu of Petty Cash Receipt Form 100-32. (Priority 3)

Signature Logs for Safe Usage Were Either Missing or Outdated

At the beginning of the year, each PRNS site should start a new Signature Log for Safe Usage to document which employees are authorized to access the safe. The employee enters the date, prints and then signs their full name and then initials the Log. We noted that 19 PRNS program sites were lacking a current Log. It should be noted that the requirement to establish a Signature Log for Safe Usage each year is not documented in PRNS' procedures. According to a Recreation Supervisor with 24 years at the City and PRNS, "I've never even heard of a Signature Log for Safe Usage."

#12 We recommend the Department of Parks, Recreation, and Neighborhood Services document the practice of requiring program sites to verify which employees have safe access and establish a new Signature Log for Safe Usage each year. (Priority 3)

Citywide Policies and Procedures Need To Be Revised

The FAM and the CAM were last revised in May 1992 and January 1987, respectively, and need to be updated to reflect current petty cash practices. Specifically, the petty cash transaction amount limits are outdated.

Finance Administrative Manual

The FAM Section 5.6 documents the City's Petty Cash and Change Funds procedure. The procedure was effective April 1986 and has not been revised since May 1992. According to Section 5.6.2:

“ . . . Each petty cash transaction may not exceed \$100.00 including sales tax, shipping and handling charges.”

However, PRNS' Petty Cash policy states:

*“ . . . Each petty cash transaction may not exceed the **established limit** including sales tax, shipping, and handling charges.”*

Furthermore, PRNS' Petty Cash Procedure, Section 415.00 - Reimbursements From Petty Cash Funds notes:

“ . . . Items more than \$200 may not be purchased with petty cash funds.”

Our audit found that the Petty Cash Fund Transaction Limit was increased but procedures have not been revised to reflect the increased limit.

Increase In The Petty Cash Fund Transaction Limit

In September 1992 the Chief of Accounting sent Departmental Fiscal Officers a memorandum informing them that the City Manager approved an increase to the Petty Cash transaction limit from \$100 to \$200. In addition, petty cash use was extended to include training videos, considered in the same category as books and pamphlets already authorized as appropriate petty cash expenses. A copy of FAM Section 5.6, Page 1, Petty Cash and Change Funds Procedure was attached to the September 1992 memorandum with a hand-written correction to \$200. On the copy we reviewed, the hand-written change was neither dated nor signed. Our review revealed that FAM Section 5.6 Petty Cash and Change Funds Procedure still shows the \$100 transaction limit and has never been revised to reflect the approved increase. We recommend the Finance Department review and revise FAM Section 5.6 Petty Cash and Change Funds Procedure to show the approved transaction limit increase.

#13 We recommend the Finance Department review and revise FAM Section 5.6 Petty Cash and Change Funds Procedure to show the approved petty cash transaction limit increase. (Priority 3)

City Administrative Manual

The CAM also contains procedures for cash funds. Section 202: Purchasing Procedures, Part E – Petty Cash and Change Fund Procedures has the same \$100 limit as the FAM imposes. The procedure was last revised in January 1987.

#14 We recommend that City Administration revise the City Administrative Manual, Section 202: Purchasing Procedures to show the increased petty cash transaction limit. (Priority 3)

CONCLUSION

Our review of PRNS' Petty Cash and Change Funds revealed that:

- PRNS has 66 Petty Cash and Change Funds at 23 program sites;
- From July 1, 1994 through March 31, 1998, PRNS processed nearly \$800,000 in cash outlays through petty cash funds;
- PRNS' physical security over Petty Cash and Change Funds appears to be adequate and a recent departmental reorganization has strengthened controls over Petty Cash and Change Funds;
- PRNS' compliance with Citywide and departmental policies and procedures can be improved;
- PRNS needs to document internal control procedures it has already implemented; and
- Citywide policies and procedures regarding Petty Cash Funds need to be reviewed and revised.

In our opinion, to ensure established policies and procedures pertaining to Petty Cash and Change Funds are accurate, adequate, and complete, the PRNS Department should implement the recommendations in this report.

RECOMMENDATIONS

The Department of Parks, Recreation, and Neighborhood Services should,

Recommendation #1:

Verify the location, program, type, and amount of their Petty Cash and Change Funds. (Priority 3)

Recommendation #2:

Ensure each program site has a copy of the departmental Fiscal Manual and a copy of the revised Petty Cash Procedure. (Priority 3)

In addition, the Finance Department should,

Recommendation #3:

Ensure an original Form 142-29 is on file for each PRNS Petty Cash and/or Change Fund designated custodian. (Priority 3)

Moreover, the Department of Parks, Recreation, and Neighborhood Services should,

Recommendation #4:

Ensure its departmental petty cash file contains a copy of Form 142-29 for each Petty Cash and/or Change Fund designated custodian. (Priority 3)

Recommendation #5:

Ensure that independent semi-annual audits of Petty Cash and Change Funds at all PRNS program sites are performed and that the results of those audits are documented and filed appropriately. (Priority 3)

Recommendation #6:

Perform periodic Safe Audits at all cash handling locations. (Priority 3)

Recommendation #7:

Require each program site to ensure the Safe Log pages are numbered consecutively. (Priority 3)

Recommendation #8:

Ensure that all PRNS staff given the combination to any safe complete a Safe Combination Acknowledgement Form. Furthermore, PRNS should require the supervisor to retain the form in a separate file. (Priority 3)

Recommendation #9:

Ensure program sites follow the Change of Custodian Procedure. (Priority 3)

Recommendation #10:

Investigate the unreported \$50 Petty Cash Fund shortage, prepare a written report, and if theft is suspected, file a Police Report, as FAM Section 4.5 “Reporting Cash Overages and Shortages” requires. (Priority 3)

Recommendation #11:

Formally document the use of a pre-printed ink stamp for regular petty cash purchases in lieu of Petty Cash Receipt Form 100-32. (Priority 3)

Recommendation #12:

Document the practice of requiring program sites to verify which employees have safe access and establish a new Signature Log for Safe Usage each year. (Priority 3)

Furthermore, we recommend that the Finance Department,

Recommendation #13:

Review and revise FAM Section 5.6 Petty Cash and Change Funds Procedure to show the approved petty cash transaction limit increase. (Priority 3)

Finally, we recommend that City Administration,

Recommendation #14:

Revise the City Administrative Manual, Section 202: Purchasing Procedures to show the increased Petty Cash transaction limit. (Priority 3)

CITY OF SAN JOSÉ MEMORANDUM

TO: Gerald Silva, City Auditor

FROM: Mark Linder

SUBJECT: Response to Petty Cash and
Change Fund Audit

DATE: June 16, 1998

APPROVED:

Daniel Damborn

DATE:

June 16, 1998

This Department has reviewed the final draft report on *An Audit of the Department of Parks, Recreation and Neighborhood Services' Petty Cash and Change Funds*. We are generally in agreement with the results and the recommendations of the report. We were pleased to note that the comments center around documentation of compliance with procedures and that no misuse of funds was found. All of the recommendations have either been implemented or will be over the next few months. Specific responses are provided below.

Recommendation #1:

The Department of Parks, Recreation, and Neighborhood Services should verify the location, program, type, and amount of their Petty Cash and Change Funds.

The Department concurs with this recommendation. It will be fully implemented as part of the Finance-required end of year audit of all funds.

Recommendation #2:

The Department of Parks, Recreation, and Neighborhood Services should ensure each program site has a copy of the departmental Fiscal Manual and a copy of the revised Petty Cash Procedure.

The Department concurs; we have sent copies of these documents to each program site identified as lacking them.

Recommendation #3:

The Finance Department should ensure an original Form 142-29 is on file for each PRNS Petty Cash and/or Change Fund designated custodian.

The Finance Department has revised its practices to ensure that the original Form 142-29 is kept on file.

Recommendation #4:

The Department of Parks, Recreation, and Neighborhood Services should ensure its departmental petty cash file contains a copy of Form 142-29 for each petty Cash and/or Change Fund designated custodian.

The Department concurs. Each program site identified as lacking these forms has now completed them, and a copy of each completed Form 142-29 is filed in the departmental petty cash file.

JUN 16 1998

CITY AUDITOR

Recommendation #5:

The Department of Parks, Recreation, and Neighborhood Services should ensure that independent semi-annual audits of Petty Cash and Change Funds at all PRNS program sites are performed and that the results of those audits are documented and filed appropriately.

The Department concurs. An end of year audit and a second unannounced audit will be done on each fund each year. The results of these audits will be documented and filed appropriately.

Recommendation #6:

The Department of Parks, Recreation, and Neighborhood Services should perform periodic Safe Audits at all cash handling locations.

The Department concurs. We will ensure periodic Safe Audits at each site.

Recommendation #7:

The Department of Parks, Recreation, and Neighborhood Services should require each program site to ensure the Safe Log pages are numbered consecutively.

The Department concurs. The four sites identified as not having consecutively numbered Safe Log pages now have them. We shall routinely monitor this item as part of periodic Safe Audits.

Recommendation #8:

The Department of Parks, Recreation, and Neighborhood Services should ensure that all PRNS staff given the combination to any safe complete a Safe Combination Acknowledgement Form. Furthermore, PRNS should require the supervisor to retain the form in a separate file.

The Department concurs. Safe Combination Acknowledgement Forms have now been completed by all staff with access to a safe. The forms will be kept in a separate file and compliance will be monitored as part of periodic Safe Audits.

Recommendation #9:

The Department of Parks, Recreation, and Neighborhood Services should ensure program sites follow the Change of Custodianship Procedure.

The Department concurs. We will distribute a separate memo to all staff at sites with Petty Cash and/or Change Funds, reminding them of this procedure and the importance of completing it each time the custodian changes.

Recommendation #10:

The Department of Parks, Recreation, and Neighborhood Services should investigate the unreported \$50 Petty Cash Fund shortage, prepare a written report, and if theft is suspected, file a Police Report, as FAM Section 4.5 "Reporting Cash Overages and Shortages" requires.

The Department concurs. The Department is investigating the shortage and will prepare a written report as recommended.

Recommendation #11:

The Department of Parks, Recreation, and Neighborhood Services should formally document the use of a pre-printed ink stamp for regular petty cash purchases in lieu of Petty Cash Receipt Form 100-32.

The Department concurs. We appreciate the Auditor noting the value of the stamp, and we will document its use in the Department's Cash Handling Procedures.

Recommendation #12:

The Department of Parks, Recreation, and Neighborhood Services should document the practice of requiring program sites to verify which employees have safe access and establish a new Signature Log for Safe Usage each year.

The Department concurs. We shall clarify the Department's Cash Handling Procedures to include use of the Signature Log for Safe Usage and monitor compliance as part of periodic Safe Audits.

Recommendation #13:

The Finance Department should review and revise FAM Section 5.6 Petty Cash and Change Funds Procedure to show the approved petty cash transaction limit increase.

This section of the Finance Administrative Manual has been updated to reflect the increase in the petty cash limit to \$200. The Manual revision was signed off by the Director of Finance on May 7, 1998, and has been distributed to all City departments.

Recommendation #14:

The City Administration should revise the City Administrative Manual, Section 202: Purchasing Procedures to show the increased Petty Cash transaction limit.

The City Administration agrees and will revise the City Administration Manual to ensure consistency between it and the Finance Administrative Manual.

In summary, the Department appreciates the effort the Auditor's Office devoted to visiting the many sites housing our Petty Cash and Change Funds. We feel the recommendations in the audit, as well as the improvements we have made in organizing our program supervision, will further strengthen our safeguarding of City funds.



Mark Linder, Director
Dept. of Parks, Recreation
and Neighborhood Services

APPENDIX A

DEFINITIONS OF PRIORITY 1, 2, AND 3 AUDIT RECOMMENDATIONS

The City of San Jose's City Administration Manual (CAM) defines the classification scheme applicable to audit recommendations and the appropriate corrective actions as follows:

Priority Class ¹	Description	Implementation Category	Implementation Action ³
1	Fraud or serious violations are being committed, significant fiscal or equivalent non-fiscal losses are occurring. ²	Priority	Immediate
2	A potential for incurring significant fiscal or equivalent fiscal or equivalent non-fiscal losses exists. ²	Priority	Within 60 days
3	Operation or administrative process will be improved.	General	60 days to one year

-
- ¹ The City Auditor is responsible for assigning audit recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher number. (CAM 196.4)
 - ² For an audit recommendation to be considered related to a significant fiscal loss, it will usually be necessary for an actual loss of \$25,000 or more to be involved or for a potential loss (including unrealized revenue increases) of \$50,000 to be involved. Equivalent non-fiscal losses would include, but not be limited to, omission or commission of acts by or on behalf of the City which would be likely to expose the City to adverse criticism in the eyes of its citizens. (CAM 196.4)
 - ³ The implementation time frame indicated for each priority class is intended as a guideline for establishing implementation target dates. While prioritizing recommendations is the responsibility of the City Auditor, determining implementation dates is the responsibility of the City Administration. (CAM 196.4)

CITY OF SAN JOSÉ MEMORANDUM

TO: Gerald A. Silva
City Auditor

FROM: Mark Linder

SUBJECT: PRNS PETTY CASH AND
CHANGE FUNDS

DATE: May 13, 1998

APPROVED: _____

DATE: _____

In accordance with the City's Financial Administrative Manual, as well as the Department of Parks, Recreation and Neighborhood Services' Cash Handling Procedures Manual, petty cash is used for direct acquisition of materials or supplies not available through central stores. In PRNS petty cash is an essential part of program operations. It is used by staff at all levels in the organization, and the use goes far beyond that suggested in the Manuals. Examples of use are:

- Fee class supplies, including arts and crafts items, food, and admissions.
- Refreshments for SAGE and other youth programs
- Refreshments served at commission and neighborhood meetings
- Exceptional items for special events, such as helium for balloons
- Postage for outlying sites to expedite mail delivery and pay postage for returned items
- Film and processing of film for center events
- Fresh food for the Senior Nutrition Program
- Occasional entertainment costs for special events
- Thrift shop apparel for use in youth plays

There are 38 petty cash funds in PRNS at 22 outlying sites with total funds of \$6,070. In addition there is a main Administrative Services Division petty cash fund of \$20,000, which is used to reimburse and replenish the other funds as well as provide direct reimbursement for sites without funds.

Petty cash expenditures in 1994-95 totaled \$268,874. More recently, in 1996-97, the amount was \$166,336, reflecting the introduction of City authorized credit cards in that year. Since the Department's policy is to limit the use of credit cards to full-time and benefitted part-time employees, most petty cash expenditures are now handled by unbefitted part-time employees, especially Recreation Leaders associated with the many youth programs.

Change funds totaled \$1,485 during most of the year with an additional \$550 during the summer for use at the Aquatics' sites. Change funds are used to provide change where needed, for example, in the Summer Aquatics Program to provide change for machines which issue tickets for the Swim Program.

RECEIVED

MAY 14 1998

CITY AUDITOR

ACCOMPLISHMENTS RELATED TO
PETTY CASH AND CHANGE AUDIT

May 13, 1998

Page 2

As reflected in the Auditor's findings, the Department has spent a great deal of time to ensure the physical security and safety of City funds. Trainings have been held on a very regular basis to review the process for requesting and submitting petty cash expenditures for reimbursement.

The Department has been reorganized several times over the last few years. The most recent reorganization last summer has brought closer supervision to each site, enabling better management of petty cash funds and the ability to ensure required audits and requisite administrative paperwork are completed.

Since the last external audit of the Department's Petty Cash Funds, issued in December 1990, we have developed a departmental Cash Handling Manual, which goes beyond the City's Finance Manual in a number of areas. We have more recently also developed use of an internal stamp to be used on receipts to ensure approvals and charging of costs. Documentation of this procedure will further improve our controls.



Mark Linder, Director
Dept. of Parks, Recreation
and Neighborhood Services

ML:JRB:mm

APPENDIX C

PRNS' REPORTED CASH PROBLEMS AND RESOLUTIONS

EVENT DATE	LOCATION	O/S	AMOUNT	EXPLANATION	RESOLUTION
1 2/12/91	Administration Office	O	\$50.80	Petty cash custodian could (1) have claimed double reimbursement for a transaction or (2) have failed to reimburse receipt presented for payment.	All evidence leads to the conclusion that several small mishandled transactions caused the overage. Employees were admonished regarding the need for accuracy.
2 1/19/93	St. James Senior Center	S	\$100.00	Visitor may have taken money from the desktop.	Since the incident, the office was rearranged to make the desk less visible and accessible to the public.
3 4/10/93	St. James Senior Center	S	\$189.20	Theft of \$86.20 from DCR, \$43.00 from Petty Cash Fund, \$60.00 from Senior Nutrition Program Petty Cash Fund.	Conclusion was that an unauthorized staff member or volunteer working on the weekend learned the safe combination. Safe combination changed and safe contents now kept in the main office safe.
4 7/13/93	Del Mar Pool	S	\$37.00	Staff carelessly posted written instructions including the lock combination on a public bulletin board.	Less than \$50 was stolen but it was reported due to another theft soon thereafter. Safe combination and cash box location no longer posted in public view. Locks were changed and Pool Manager and Assistant Pool Manager are now the only staff to have the combination and they make sure locks are secure and entry to cash box is not observed.
5 7/27/93	Del Mar Pool	S	\$78.00	Theft from cash box - lock was cut off locker in the girls' locker room.	A smaller cash box was purchased and is now secured inside the recreation swim ticket machine that is chained in the swim office.
6 8/19/93	Roosevelt Center	S	\$305.00	June-theft of \$105.00, August-theft of \$200.00.	Cash handling procedures were revised and the cash drawer is no longer used. A drop-top safe was ordered and all cash and checks are deposited into it.
7 7/1/94	Administration Office	S	\$165.54	(1) lost page of receipts or (2) calculation error.	Petty cash responsibilities transferred due to fund custodian being on vacation. Error possibly occurred because of employee's haste to do several assignments at once. Assignments were redistributed to avoid this situation in the future.

EVENT DATE	LOCATION	O/S	AMOUNT	EXPLANATION	RESOLUTION
8 11/22/94	Project Crackdown event	S	\$148.00	Stolen from portfolio placed on volunteer table.	Employee and supervisor received training on procedures and timelines for reporting losses. Employee to do presentation to staff on reporting losses and shortages of petty cash.
9 3/17-20/95	Administration Office	O	\$386.00	Overages due to one payment for multiple courses- \$257.00, \$57.00, \$72.00.	Overages were not due to mishandling or miscounting money. Despite instructions that an individual check be sent to register for each course, several customers sent one check to register for multiple courses. When they were registered only in those courses that were open, an overage occurred when revenue was matched against receipts. In the future, such checks will be deposited as revenue and refunds issued as appropriate. This will avoid the appearance of overages. Staff will continue to remind customers of the need for individual checks.
10 7/12/96	Administration Office	S	\$50.00	Error in the petty cash advance system.	Petty cash advance forms are destroyed once receipts are received - it is possible the wrong cash advance receipt form was destroyed resulting in this \$50.00 being carried as an outstanding advance. Two changes have been made - (1) petty cash advance forms are now kept on file for three months; (2) custodian to receive all receipts and change from advances no later than the 7th day following the advance issuance.
11 7/23/96	Almaden Community Center	S	\$195.45	\$40.00 cash, Raging Waters tickets (value \$83.65), Great America tickets (value \$71.80).	The following actions were taken - 1) supervisor interviewed all staff working at the community center, 2) combinations to both safes were changed, 3) Safe Use Training was provided for staff at the center, 4) disciplinary action administered as appropriate.

EVENT DATE	LOCATION	O/S	AMOUNT	EXPLANATION	RESOLUTION
12	3/11/97 Cypress Senior Center	S	\$94.00	Checks for \$51.00 and \$5.00, and \$38.00 in cash.	Staff does not believe this was a theft but that checks and currency were either misplaced or attached inadvertently to some other documents removed from the safe. Individuals who wrote the checks were contacted to stop payment on them. The Center's Advisory Council reimbursed the cash. The staff was counseled about cash handling practices and procedures.
13	7/17/97 Community Sports/Aquatics	S	\$415.00	\$335.00 in checks and \$80.00 in cash bag-stolen.	Staff member who failed to secure the cash bag properly received documented oral counseling and additional training in proper cash handling procedures.
14	8/31/97 Camden Center Aquatics	S	\$50.00	Theft of the \$50.00 change fund.	This was clearly a theft. Staff had followed proper procedures in securing the change fund and facility the previous evening.
15	10/21/97 Project Crackdown office	S	\$122.50	Employee's wallet lost or stolen - contained petty cash reimbursement.	Uncertain whether this was a loss or theft but a police report was filed and the employee's City of San Jose credit card was cancelled. Also, the department was late reporting this incident because lost property was assumed to belong to the employee and the department was unaware that a portion of the loss was a petty cash reimbursement.
TOTAL OVERAGES AND SHORTAGES			\$ 2,386.49		

**APPENDIX D
SUMMARY OF EXCEPTIONS**

	PRNS SITE/PROGRAM	Fiscal Manual ?	Revised Petty Cash Procedure ?	Current Petty Cash Disbursement Log?	Original Receipts?	Supervisory review and approval?	Designated Custodian (Form 142-29) on File?	Adequate Segregation of Duties?	Limited Access to Funds?	Secure Location of Funds?	Petty Cash Reimbursement Request Form?	Safe Log Current?	Safe Log Pages Numbered Consecutively?	Safe Combination Acknowledgement Form on File?	Current Safe Use Signature Log?	Semi-Annual Audits Performed ?	Safe Audits Performed ?	Change of Custodian Procedure Followed?
1	Administrative Services	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	N	N
2	Camden Lifetime Activities	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Jun-96	N
	Adult Open Gym	Y	Y	n/a (1)	n/a (1)	Y	N	N	Y	Y	Y	Y	Y	N	N	Oct-94	N	N
	Adult Sports	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Oct-94	N	N
	Adult Hockey	Y	Y	n/a (1)	n/a (1)	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Oct-94	N	N
3	Alma Community Center	Y	N	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	N	N	N	N
4	Almaden Community Center	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	N	Jun-96	N
5	Berryessa Community Center	Y	Y	n/a (2)	n/a (2)	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Oct-93	Jan-94	N
6	Cypress Community Center	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Jun-96	N
	Cypress Seniors	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Jun-96	N
	Cypress Nutrition	Y	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Jun-96	N
7	Evergreen Community Center	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	Jul-96	N
8	Gardner Community Center	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	N	Y	N	Jun-96	N
9	George Shirakawa Community Center	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y	N	N	N	N
	Iola Williams Senior Nutrition	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Y	N	N	N
10	Grace Baptist Community Center	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	Y	N	N	N
11	Hank Lopez Community Center	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Mar-94	Mar-94	N
	Hank Lopez Senior Nutrition	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Mar-94	Mar-94	N
12	Kirk Community Center	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	N	N	N	N
	Kirk Community Center-Fee Classes	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	N	N	N	N
	Kirk Seniors	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	N	N
13	Mayfair Community Center	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	N	N	Jun-96	N
14	Millbrook Community Center	Y	Y	Y	n/a (3)	Y	N	Y	Y	Y	n/a (3)	Y	Y	N	N	N	N	N
15	Office on Aging	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	N	N	N	N	N
16	Outreach	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
	OTS Administration	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
	Recreational Community Training	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
	TRS Center	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
	TRS Outreach 1	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
	TRS Outreach 2	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
	TRS BRAC	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
17	Roosevelt Community Center	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	N	Jul-94	Jun-96	N
18	Solari Community Center	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Jun-96	N
19	Southside Community Center	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	N	N	N	N
	Southside Seniors	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Apr-94	N	N
20	Starbird Community Center	N	N	Y	Y	Y	Y	N	Y	Y	Y	Y	N	N	N	N	N	N
21	St. James Community Center	N	N	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	N	N
	St. James Senior Nutrition	N	N	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	N	N
22	Watson Community Center	N	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	N	N	N	N	N
23	Willows Community Center	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	N	N
	Willows Senior Nutrition	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	N	N	N
	EXCEPTIONS	8 of 23	4 of 23	None	None	None	23 of 66	19 of 66	None	None	None	None	4 of 23	13 of 23	19 of 23	58 of 66	53 of 66	66 of 66
	n/a (1) Change Fund only																	
	n/a (2) Spring classes not yet begun; no current petty cash transactions at the time of our review																	
	n/a (3) Not reimbursing petty cash purchases at this site																	