

**PETTY CASH AND CHANGE FUND COUNTS
FOR FISCAL YEAR 2006**

NOVEMBER 2006




**CITY AUDITOR'S OFFICE
CITY OF GAINESVILLE, FLORIDA**

City of
Gainesville

Inter-Office Communication

November 28, 2006

TO: Audit, Finance and Legislative Committee
Mayor Pegeen Hanrahan, Chair
Mayor-Commissioner Pro Tem Craig Lowe, Member

FROM: 
Brent Godshalk, City Auditor

SUBJECT: Petty Cash and Change Fund Counts for Fiscal Year 2006

Recommendation

The Audit and Finance Committee recommend the City Commission accept the City Auditor's report.

Explanation

In accordance with our Annual Audit Plan, we performed surprise counts of petty cash and change funds during Fiscal Year 2006. Our review was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures were designed to provide reasonable assurance that adequate policies and procedures over petty cash and change funds are in place and observed. Although individual expenditures from petty cash funds are small and normally less than \$50, the volume of transactions may be moderately high. Assuming all petty cash funds are replenished bi-monthly, estimated annual expenditures from these funds are approximately \$68,000.

There are 59 active petty cash/change funds maintained in General Government and Gainesville Regional Utilities. Our procedures generally consisted of performing surprise test counts on selected funds and reviewing cash, receipts and other records as necessary to determine whether funds were adequately secured, expended for an appropriate public purpose and properly accounted for. The City Auditor's Office advises management of count results and distributes a brochure offering helpful tips to custodians.

Summary of Results

During Fiscal Year 2006, we conducted audits of nine cash funds within General Government. All funds reviewed were adequately secured, expended for an appropriate public purpose and properly accounted for. One fund contained a very small overage, which was subsequently corrected by the custodian.