



Final Audit Follow-Up

Cash Counts Audit - Fleet Management

Report #AR-2502
November 12, 2024

Original Report #AR-2303 Issued June 1, 2023
Follow-Up Period Ending March 31, 2025

Summary from Original Report

We performed several audits throughout the City to determine whether petty cash/imprest funds existed as recorded in City records and were properly accounted for at the time of the cash count. For this audit, we determined whether Fleet Management properly maintained its petty cash fund, ensured the funds were reasonably safeguarded from loss, and provided recommendations to strengthen and improve internal controls when issues were identified.

One of our audit procedures, a surprise cash count of Fleet Management's petty cash fund, evidenced that the funds were securely located and access to the funds was appropriately restricted to the fund custodian. However, we also identified areas that could be improved to enhance internal controls and compliance with City Administrative Policy and Procedure No. 614, *City of Tallahassee Policy on Petty Cash Disbursements*. Specifically, we noted periodic reconciliations of the petty cash fund had not been performed as required by APP 614, resulting in a variance of \$21.54; no evidence management verified that petty cash purchases served an authorized and necessary business purpose; Petty Cash Reimbursement Forms had not been prepared to support petty cash transactions; and one petty cash reimbursement that exceeded the \$50 maximum established by APP 614. Additionally, due to the fund's limited use, we recommended that the petty cash fund balance be returned to the Revenue Division and the petty cash fund dissolved. Accordingly, we did not offer recommendations to address the specific issues identified.

This status report is the first and final follow-up on Audit Report #AR-2303.

Complete

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In Progress

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Needs Attention

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Action Plan Step

Fleet Management concurred with the recommendation to return the petty cash fund balance to the Revenue Division and dissolve the petty cash fund.

Action Plan Status: COMPLETE

Fleet Management returned their petty cash fund balance to the Revenue Division, and the petty cash fund was dissolved.

Conclusion

To address the four observations in the original audit report (Report #AR-2303), management developed a corrective action plan that concurred with our recommendation to return the petty cash fund balance to the Revenue Division and dissolve the petty cash fund. Management completed the action plan by returning the petty cash fund balance to the Revenue Division and dissolving the petty cash fund.

Appointed Official's Response

City Manager:

Fleet has demonstrated good fiscal stewardship and worked swiftly to complete the action plan. I appreciate the Audit team's efforts in closing out this final report and your continued support of sound management practices.

Acknowledgements

We appreciate the cooperation and assistance provided by management and staff during this audit follow-up.

Project Team

Engagement conducted by: Travis Britt - Staff Auditor
Engagement supervised by: Shane Herman, CPA - Audit Manager
Engagement Approved by: Dennis R. Sutton, CPA, CIA, CIG - Inspector General

Statement of Accordance

The Office of Inspector General's mission is to advance integrity, accountability, transparency, and efficiency and effectiveness within City government by providing professional, independent, and objective audit and investigative services.

We conducted this audit follow-up in conformance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, and Generally Accepted Government Auditing Standards. Those standards require we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

Please address inquiries regarding this report to the Office of the Inspector General at (850) 891-8397 or inspector.general@talgov.com.

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