City of Rochester

Inter-Departmental Correspondence

one city ROCHESTER

To: Thomas S. Richards, Mayor

From: George E. Markert, Director of the Office of Public Integrity

Prepared by: Daniel Mastrella, Manager of Internal Audit

Date: August 27, 2012

Subject: Unannounced Cash Count at Parking Violations (Revised)

On May 30, 2012, the Office of Public Integrity (OPI) performed a surprise cash count at the Bureau of Parking, Parking Violations located at 42 South Avenue. We arrived unannounced and counted all of the money located at the facility at the time of our visit. The objectives of the count are to determine the accountability of cash balances on hand and compliance with the City's Cash Collection Policies and Petty Cash Policy.

We noted the following during this cash count:

1. We counted a total of $4,847.31. This included:

   a. Daily receipts totaling $3,892.00.

   b. A start up change fund for the cash registers totaling $800.00.

   c. A Corn Hill parking permit payment for $20.00.

   d. A petty cash fund totaling $135.31 in cash.

2. We examined the Cash Recap Report for the day and determined that the total cash register receipts for the day of the count agreed to the $3,892.00 in daily receipts that we counted. As a result, it appears that Parking personnel collected all of this revenue on the day of the count and that no prior days daily receipts were on hand.

3. We agreed the $800.00 start-up change fund to the list of petty cash funds issued by Treasury.

4. We noted that Parking personnel received the $20.00 for a parking permit for Corn Hill on May 29, 2012, which was the day before our count. Parking personnel indicated that they deposit these payments directly at the bank and that they would deposit this on May 31, 2012.

5. We examined receipts on hand and reconciled the petty cash fund and noted the following:

   a. Treasury records indicate that this petty cash fund is $150.00. However, we noted $135.31 in cash and $64.69 in receipts indicating that the fund totals $200.00 and therefore has an overage of $50.00. The City's Petty Cash Policy requires petty cash custodians to conduct a reconciliation on June 30 and December 31 of each year and submit it to the City Treasurer. Additionally, the policy states "Any overage or shortage in the fund, which exceeds $50.00 or 10% of the petty cash fund, whichever is less, must be reported immediately to the City Treasurer. The City Treasurer will instruct the custodian on the appropriate action to resolve the discrepancy".

   ♦ Recommendation

   The fund custodian should reconcile the fund on June 30 as required by policy and report the overage to Treasury.

   b. The Petty Cash Policy states that the maximum allowable expenditure for a purchase is $40.00 and that "Purchases that are broken down into more than one receipt to stay below the petty cash limit ("split purchases") are expressly prohibited." OPI noted an occurrence of a split purchase in this petty cash fund that, in total, exceeds the $40.00 petty cash limit. The total purchase amount was $44.96 and was split into two separate payment receipts of $29.98 and $14.98 to circumvent the petty cash policy. Both transactions occurred on the same cash register within a short time of each other.

   ♦ Recommendation

   The petty cash custodian should be reminded of this policy and limit purchase amounts to the maximum permitted by the policy.

In June 2012, we informed the Director of Parking of these findings and she indicated that she would comply with the recommendations. A response from the current Interim Director of Parking follows.

DM

xc: Leonard E. Redon, Deputy Mayor
Molly Clifford, Interim Parking Director
Robert J. Bergin, Corporation Counsel
Jeffrey Eichner, Municipal Attorney IV

City of Rochester

Inter-Departmental Correspondence

one city ROCHESTER

To: Dan Mastrella, Office of Public Integrity

From: Molly Clifford, Interim Director of Parking MC

Date: August 22, 2012

Subject: Response to Unannounced Cash Count at Parking Violations

This is to respond to the Office of Public Integrity's findings from the above activity on May 30, 2012. I have interviewed the Parking Violations Bureau staff and determined the following as it relates to OPI's recommendations:

- The fund custodian did reconcile the petty cash fund on June 30th as required by policy (see attached);
- A new Petty Cash custodian (Lynn Curtice) has been named; and
- Staff have been reminded of the policy of the maximum allowable expenditure and the prohibition against the splitting of purchases.

Please do not hesitate to contact me should you have any questions or need further information.