

STPSB
REPORT RELATED TO PETTY CASH
COMPLETED BY AMELIA BARKER, CPA
8/4/2023

Complaint: N/A

Areas for Consideration: Do petty cash funds equal the general ledger balance as of June 30th 2023?

Internal Policy Reference: N/A

Related Law: N/A

Review: All petty cash boxes were audited as a part of this testing. These were performed as unannounced audits in order to ensure the testing was performed without tampering of the boxes. A total of 11 locations were audited with amounts held individually varying from \$100-\$1,000.

Findings: Out of the 11 locations audited, one location was noted to have an overage of \$32.53 in the box. This petty cash box is the central office location containing \$1,000. Per discussion with management, this box had a balance differing from the general ledger by \$12.54 in the prior year. Management is going to reduce the box balance to \$300 to help mitigate the risk of any future discrepancies. In addition, management will be using a credit card where applicable to reduce the number of transactions out of petty cash.

Recommendation: Central office petty cash needs to be reduced to \$300. Central office needs to use a credit card when applicable to reduce the number of transactions involving petty cash.

Additional Findings not related to the complaints/concerns noted: While testing, it was noted that IT petty cash was operating in reverse of the standard process of petty cash. Per policy, petty cash should be taken by the employee purchasing items. After this, the custodian of the box should submit the receipts from the employee to the central office in order to reimburse the petty cash box. However, IT was using the receipts to reimburse the employee, thus the box would never balance out. It could not be determined how long the box had been operating in reverse. IT has turned in their petty cash and will no longer operating a petty cash box.

Recommendation: STPSB needs to establish specific guidelines for timely turning in receipts and maintaining the petty cash balance.