

**CITY OF SYRACUSE
REPORT OF THE
ELECTED CITY AUDITOR**

**CASH AUDIT OF THE
DEPARTMENT OF FINANCE
PARKING VIOLATIONS BUREAU**

**PHILIP J LATESSA
SYRACUSE CITY AUDITOR**

**Report of the Elected City Auditor
Philip J LaTessa**

Matthew J. Driscoll, Mayor
City of Syracuse, New York

Members of the Common Council
City of Syracuse, New York

Brian L. Roulin, Commissioner, Department of Finance
City of Syracuse, New York

This report presents the results of our cash audit of the Department of Finance-Parking Violations Bureau as of June 13, 2005.

We conducted our examination in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States and *Standards for the Professional Practice of Internal Auditing*, as promulgated by the Institute of Internal Auditors. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under examination. An audit also includes assessments of applicable internal control and compliance with requirements of law and regulations when necessary to satisfy audit objectives. The management of the City of Syracuse, New York, is responsible for establishing, maintain and complying with the internal control structure and for compliance with applicable laws, regulations and contracts.

This report is intended solely for the information of the Mayor, the Common Council and the Department of Finance of the City of Syracuse, New York. However, this report is a matter of public record and its distribution is not limited.

We would like to thank all the Department of Finance and Parking Violation Bureau personnel who assisted and cooperated with us during our examination. If you have any questions, please contact the Department of Audit

Philip J. LaTessa
City Auditor

June 20, 2005

**City of Syracuse
Department of Audit
June 20, 2005**

Cash Audit of the Department of Finance – Parking Violations Bureau (PVB)

Introduction:

As authorized by Section 5-503 of the City of Syracuse Charter, an examination by the Auditor in matters of moneys in possession of the city shall be substantially continuous. An unannounced cash audit of the Parking Violations Bureau, Department of Finance was conducted on June 13, 2005. The examination was administered in accordance with the *Government Auditing Standards*, issued by the Comptroller General of the United States and *Standards for the Professional Practice of Internal Auditing*, as circulated by the Institute of Internal Auditors.

These standards necessitate that the audit is planned and performed to attain a reasonable foundation for the judgments and conclusions regarding the function under examination. This review also included evaluations of applicable internal controls and compliance with requirements of law and regulations when necessary to satisfy audit objectives.

The management of the City of Syracuse, New York, is responsible for establishing, maintaining and complying with the internal control structure and for compliance with applicable laws, regulations and contracts.

This report is intended solely for the information of the Mayor, the Common Council and the Department of Finance of the City of Syracuse, New York yet it is understood to be a matter of public record and its distribution is not limited. Further information regarding this audit is available at the City of Syracuse's Audit Department upon request. The Audit Department would like to thank the Department of Finance and Parking Violations Bureau personnel who assisted and cooperated with us during our audit.

OBJECTIVES:

1. Determine if Cash is adequately safeguarded and accounted for
2. Gain a general understanding of the operation to support future risk analysis

SCOPE & METHODOLOGY

Our examination entailed a physical count on June 13, 2005, of the cash and checks in the two cashiers' drawers and reconciliation of cash and checks on hand to the daily imprest

balances plus the cash and checks collected over the counter that day per the computerized parking ticket collection system utilized by the Parking Violations Bureau. In addition, checks were examined with regard to date, payee and endorsement. We also interviewed PVB personnel responsible for daily cash drawer and management with regard to daily cash handling procedures. We gathered written procedures and documented others disclosed during our interviews. Our examination included testing of cash on hand only and did not encompass cash in banks. In addition, our examination did not entail the examination of cash in any other department of the City of Syracuse other than the PVB.

CONCLUSION:

A little over one year ago, a cash audit was conducted in the Parking Violations Bureau. At that time, the Bureau was partially through a conversion to a new parking ticket collection system that had originally been scheduled for June 30, 2003 but had stalled. We found that the Parking Violations Bureau was operating two systems at the same time, doubling the work of clerical staff and creating significant problems to accounting controls and complicating the reconciliation process. Since then, the Bureau has completed the conversion and the problems we encountered have now been rectified.

With reasonable assurance, the Department of Audit determined that on June 13, 2005 the cash on hand and prior day's receipts were adequately safeguarded and accounted for at the Parking Violations Bureau. The Department of Audit also determined the receipts were properly and timely deposited in appropriate depository institutions.

ADDITIONAL AUDITOR'S NOTES:

Note #1: Accounting controls for timely processing of cash receipts have been implemented.

In our cash audit of the Parking Violations Bureau, performed in April, 2004, we included a finding that accounting controls for daily processing of cash receipts were lacking. At that time, we found that the daily report used to reconcile the receipts was not complete and was not clear and easily understood by an independent observer. It should also have been reviewed by the supervisor of the collection bureau in a timely manner, as evidenced by a signature and date. We recommended changes to the internal controls to address our findings.

In the year since our original audit, management has simplified and revised the presentation of the receipt data and improved the managerial controls by providing the bureau manager with a space to sign and date to signify regular review. The conversion to the AIMES System has provided the Bureau with a system that allow for better presentation and controls.

Note #2: Change made to Bank Deposit Procedures.

It was observed during the cash audit in April 2004 that the Parking Violations Bureau had continued the practice of having a manager take the cash and checks received over the counter to the bank on a regular basis; this was a hold-over practice from when the Bureau was located at the Public Safety Building and separate bank deliveries were required. The Audit Department made a verbal recommendation in April 2004 that with the relocation of the operations to City Hall that the bureau's management should discontinue the separate bank deliveries and instead deposit the daily proceeds via cash sheet summaries with the Finance Department's Bureau of Treasury. It is noted in the current cash audit of the Parking Ticket Collection Bureau that the verbal recommendation has been implemented and the Audit Department endorses the initiative taken by the Bureau in this matter.

Philip J. LaTessa
Syracuse City Auditor
June 20, 2005