

# Agenda Report

DATE: December 10, 2001

**TO:** CITY COUNCIL  
**THROUGH:** AUDIT COMMITTEE  
**FROM:** CITY MANAGER  
**SUBJECT:** 4<sup>TH</sup> QTR FY 2001 & 1<sup>ST</sup> QTR FY 2002 INTERNAL AUDIT REPORTS  
(Information Only)

**RECOMMENDATION:**

It is recommended that the following implemented reports for the fourth quarter of fiscal year ending June 30, 2001 and the first quarter of fiscal year ending June 30, 2002 be received by the City Council:

- Human Services/Recreation Cash Training
- Petty Cash Policy Review
- Citywide Petty Cash Audits

**BACKGROUND:**

Chapter 2.05.160 of the Pasadena Municipal Code requires the Finance Committee of the City Council to perform the functions of an audit committee and convene as such at least three times each year. As stipulated in the Internal Audit Policy, audit reports completed by the City's Internal Auditor will be distributed to the Audit Committee members.

**Human Services/Recreation Cash Training**

The Department of Human Services, Recreation, and Neighborhoods requested cash training including a review of related policies and procedures. Analysis was required of each program's operation and structure in order to customize the training and procedures. Cash control guidelines were presented to those who have responsibility and access to cash receipts, collection, and balancing within both the Aquatics and Youth Sports programs.

Petty Cash Policy Review

A review was made of the draft petty cash policy to be distributed Citywide once approved. The policy is a direct result of the prior year's petty cash audit and includes procedures for proper maintenance, reimbursement, reconciliation, replenishment, establishment, and termination of petty cash funds. Training will also be provided.

Citywide Petty Cash Audits

Annual petty cash audits have been performed on the 57 funds in the City totaling \$153,000. The audit included an evaluation of whether cash is secured and accounted for, and expenses are appropriate. Management comments have been provided and are included in the attached report.

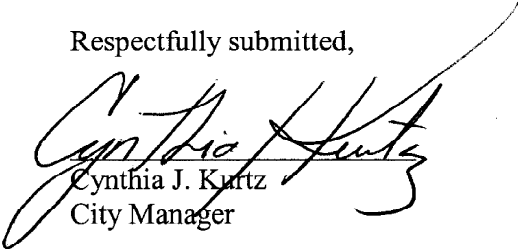
Comprehensive Annual Financial Report (CAFR) Preparation

A review was made of the annual financial statements including all sections, footnotes, and supporting schedules for accuracy and completeness in a timely manner. The Department of Finance was able to present the first fully audited CAFR to City Council by the deadline required in the City Charter. The review did not result in the issuance of a separate report.

**FISCAL IMPACT:**


There is no fiscal impact as result of this report.

Respectfully submitted,



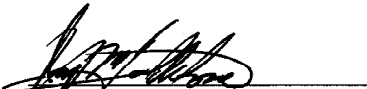
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City Manager

Prepared by:



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Approved by:



Jay M. Goldstone  
Director of Finance