

OFFICE OF THE CITY CONTROLLER



SOLID WASTE MANAGEMENT DEPARTMENT

**UNANNOUNCED PETTY CASH AUDIT
ACCOUNT NO. 0155**

Annise D. Parker, City Controller

Steve Schoonover, City Auditor



OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

ANNISE D. PARKER

June 7, 2005

The Honorable Bill White, Mayor
City of Houston, Texas

SUBJECT: Solid Waste Management Department
Unannounced Petty Cash Audit-Account No. 0155 (Report No. 05-20)

Dear Mayor White:

The City Controller's Office Audit Division has completed an Unannounced Petty Cash Audit of the \$1,000 fund at the Solid Waste Management Department (Department) for the period of July 1, 2004 through April 13, 2005. The audit's objective was to assist management with the assessment of the adequacy of internal controls related to the overall petty cash process. Additionally, the audit evaluated the Department's compliance with Administrative Procedure (AP) 5-3.

The report, attached for your review, concludes that the internal controls over the petty cash fund at the Department are adequate to provide management with reasonable assurance that the fund is adequately safeguarded, disbursed and replenished in compliance with AP 5-3. Draft copies of the matters contained in the report were provided to Department officials.

We appreciate the cooperation extended to our auditors by Department personnel during the course of the audit.

Respectfully submitted,

Annise D. Parker
City Controller

xc: City Council Members
Anthony Hall, Chief Administrative Officer
Michael Moore, Chief of Staff, Mayor's Office
Thomas Buchanan, Director, Solid Waste Management Department
Judy Gray Johnson, Director, Finance and Administration Department

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CONTENTS

LETTER OF TRANSMITTAL	i
SCOPE AND PURPOSE	1
CONCLUSION	1

SCOPE AND PURPOSE

We have completed an unannounced audit of the \$1,000 Petty Cash Fund (Account No. 0155) at the Solid Waste Management Department for the period of July 1, 2004, through April 13, 2005. Our objective was to assist management with the assessment of the adequacy of internal controls related to the petty cash process. Additionally, the audit evaluated compliance with Administrative Procedure (AP) 5-3.


The scope of our work did not constitute an evaluation of the overall internal control structure of the Department. Our examination was designed to evaluate and test compliance with procedures and internal controls related to the petty cash fund. This audit was executed in accordance with Generally Accepted Government Auditing Standards.

Department management is responsible for establishing and maintaining a system of internal controls to adequately safeguard cash as an integral part of the Department's overall internal control structure. The objectives of a system are to provide management with reasonable, but not absolute assurance that petty cash is used in accordance with administrative procedures and is safeguarded against loss.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected timely. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with procedures may deteriorate.

CONCLUSION

Based on the results of our audit, we conclude that internal controls over petty cash at the Solid Waste Management Department are adequate to provide management with reasonable assurance that this fund is adequately safeguarded, disbursed and replenished in compliance with AP 5-3.



Dennis Frazier
Auditor-in-charge



Kenneth Teer
Audit Manager



Steve Schoonover
City Auditor