

OFFICE OF THE COUNTY AUDITOR

KANE COUNTY GOVERNMENT CENTER

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To: Lisa Aust, Court Services Director

From: William F. Keck, Auditor

A handwritten signature in black ink, appearing to read "William F. Keck", is written over the printed name.

Re: Petty cash fund

Enclosed is the Auditor Office review of the Court Services petty cash fund from January 2011 to June 2012. Our findings, conclusion, and recommendations are contained therein.

Cc: D. Rickert
D. Naughton
Finance Dept.
Finance Budget Committee
Judicial/Safety Committee

Report of Petty Cash Fund for Court Services

Introduction: Petty Cash Funds have been established to handle disbursements for incidental departmental expenses or a significant volume of recurring expenditures. A cash box is used for incidental expenses. A checking account is used for recurring expenditures. Incidental expenses include miscellaneous office supplies and expenses whereas recurring expenditures represent mileage reimbursements in departments with frequent travelers.

When a petty cash fund is established within a particular department, a petty cash custodian is designated who is responsible for disbursements, replenishment and balancing of the fund. Whenever the Petty Cash custodian decides that the fund needs to be replenished, the reimbursement is requested on a personal expense voucher submitted to the Auditor's Office. Prior to processing this request for replenishment of the Petty Cash fund to its original balance, the Auditor's Office will audit supporting documentation and then approve the request. A copy of the written procedures was given to the Custodian at the time of the audit.

Our audit includes a review of petty cash funds for (1) compliance with procedures, (2) adequacy of the fund and (3) documentation in support of expenditures.

Findings: The petty cash custodian keeps the petty cash checks in a locked file cabinet and no other employees have access to the checks with the exception of the Executive Director who is the only authorized signer on the account. The account is held at the State Bank of Geneva and is reconciled monthly by the custodian. In 2011/2012 there were six requests for reimbursement for a total of \$78.90. A review of the expenses shows that county guidelines are being followed on all purchases. There were no amounts over \$200 and proper approval was on all forms.

The fund balance should be \$5,000. There are two outstanding receipts for \$20.00 and a checking account balance of \$5,011.76. The fund is over by \$31.76.

Conclusion and Recommendation: The amount of a petty cash fund depends on the department's needs. The current fund balance should be \$5,000 and the department states they may consider a decrease to the fund based lack of need. It is recommended that a check be written to the Kane County Treasurer from the petty cash account for \$31.76 to eliminate the overage that has been in the account since 2007. In order to have a more proper segregation of duties, we recommend that someone independent of the cash receipts and disbursement functions reconcile the monthly bank statement.