

OFFICE OF THE COUNTY AUDITOR

KANE COUNTY GOVERNMENT CENTER

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To: Patrick Perez, Sheriff
From: William F. Keck, Auditor
Re: Petty cash fund

A handwritten signature in black ink, appearing to read "William F. Keck", is written over the "From:" line of the header.

Enclosed is the Auditor Office review of the Sheriff and Adult Corrections petty cash fund from January 2010 to June 2012. Our findings, conclusion, and recommendations are contained therein.

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

Report of Petty Cash Fund for Sheriff

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 cash box in locked file drawer and no other employees have access to the cash. In 2011 & April 2012 there were seventy-seven (77) requests for reimbursement that totaled \$11,988.41. Vouchers are used to record transactions but are not pre-numbered. There were no amounts over \$200 and proper approval was on all forms.

The fund balance should be \$1500. We counted \$1152.90 in cash and \$360.94 in receipts for a total of \$1513.84. The fund is over \$13.84. There are no records of account reconciliations.

Conclusion and Recommendation: The amount of a petty cash fund depends on the department's needs. The custodian stated that a \$1500 fund balance is sufficient to cover the department's needs. In order to maintain proper segregation of duties we recommend that the petty cash fund be balanced monthly by someone other than the custodian.

Report of Petty Cash Fund for Sheriff-Adult Corrections

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 cash box in safe and two other employees have access to the cash. In 2011 & 2012 there was no activity. A review of the expenses shows that sales tax was paid on some of the transactions. There were no amounts over \$200 and proper approval was on all forms.

The fund balance should be \$215. We counted \$88.40 in cash and many receipts from 2007-current and some notes for other disbursements from the fund. We were unable to have an accurate total for receipts. There are no records of account reconciliations.

Conclusion and Recommendation: The amount of a petty cash fund depends on the department's needs. According to department administration, the current fund balance of \$88.40 will be used up and not replenished as the fund is no longer needed.