

OFFICE OF THE COUNTY AUDITOR

KANE COUNTY GOVERNMENT CENTER

WILLIAM F. KECK, CPA
KANE COUNTY AUDITOR



719 S. BATAVIA AVENUE
GENEVA, IL 60134

JOHN F.X. HARAHAH
DEPUTY AUDITOR

630-232-5915
630-208-3838 (FAX)

To: Deb Seyller, Circuit Clerk
From: William F. Keck, Auditor
Re: Petty cash fund

Enclosed is the Auditor Office review of the Circuit Clerk petty cash fund from January 2011 to March 2012. Our findings, conclusion, recommendations and Lisa Smith's reply are contained therein.

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

Report of Petty Cash Fund for Circuit Clerk

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 a locking file drawer and 4 other employees also have access to the cash. The fund balance should be \$500. We counted \$200 in cash and \$100 in receipts for a total of \$300.00. We also counted \$449.25 in a cash drawer. No pre-numbered vouchers are used to record transactions. From January 2011 to March 2012 there were ten (10) requests for reimbursement for a total of \$841.73. County policies are being followed as to compliance with most procedures, adequacy of funds and documentation for expenditures with the exception of pre-numbered vouchers. Sales tax was also paid on some office supplies. Purchases \$100 and over had appropriate approval & there were no purchase for over \$200. The main purchases are for gift cards used for employee recognition.

Conclusion and Recommendation: The amount of a petty cash fund depends on the department's needs. A fund balance of \$300 is adequate for their needs. To adhere to the county's financial policies pre-numbered vouchers should be used. We recommend that the custodian keep some Sales Tax Exemption letters with the cash box and hand them out when needed to avoid paying any future sales tax.

Keck, Bill

From: Smith, Lisa
Sent: Monday, May 14, 2012 4:05 PM
To: Keck, Bill
Cc: Seyller, Deb; Johnson Greiter, Lori
Subject: Draft Copy Petty Cash Audit
Attachments: SKMBT_C35212051414190.pdf

Bill,

Thank you for your prompt response to the audit that you and Lynn came in to our office on Friday, May 4th and conducted. We had just missed each other as I started my day bright and early at 6:30 a.m. that morning. Deb was not here either as she had a previous commitment. You were serviced by Lori Johnson-Greiter our Accounting Supervisor and Ann Lambert, Customer Service Manager.

In past practice, you have contacted either Deb or myself to arrive in the early morning of your choosing (prior to court-for remote multiple work areas) to conduct such an audit ("confidentially") upon the various many areas of petty cash that we have. I would have thought this might be in your files regarding our office or perhaps noted from the balances showing in Petty Cash. We have actually \$3,350.00 of which is represented in our internal records that is usually part of the audit performed by you internally as a whole.

Based upon your findings and the documentation presented in your memo dated May 7, 2012; we are to have \$ 750.00 and not a balance of \$ 500.00 in the area of petty cash that you specifically focused on during your visit with the supplied copy of a county resolution you presented compared to our departments policy/needs. There were a couple quarters in a cup with the paper clips that were not located during the audit. It is our understanding that initially the review was \$ 100.00 off and a few coin but then was readded up for your further correction to result in your findings as Lori requested it be readded however; the coin was not actually located until the clips were dumped for further locating the balance discrepancy. I have further provided the other detail that is relevant to the *Petty Cash-Cash on Hand* within this office to properly identify for any future audits or a continuation of this one should you desire to set something up ("confidentially") with either Deb or myself. We would like to thank you for your function in doing this audit and your recommendations you have provided.

Lisa Smith , C.F.O.
Kane Co. Circuit Court Clerks Office
Office of Deborah Seyller,
X23580