

OFFICE OF THE COUNTY AUDITOR

KANE COUNTY GOVERNMENT CENTER

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To: Kelli Childress, Public Defender

From: William F. Keck, Auditor

Re: Petty cash fund

A handwritten signature in black ink that reads "William F. Keck".

Enclosed is the Auditor Office review of the Public Defender petty cash fund from January 2010 to July 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 Public Defender

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 1 other employee also has access to the cash. The fund balance should be \$125. We counted \$2.88 in cash and \$139.29 in receipts (from 2011 & 2012) for a total of \$142.17. The fund is over by \$17.17. From January 2010 to June 2012 there was one (1) request for reimbursement for a total of \$134.83. No purchases over \$100 were made. The main purchases are for postage & notary fees. There are no records of account reconciliations.

Conclusion and Recommendation: The amount of a petty cash fund depends on the department's needs. A fund balance of \$125 is adequate for their needs. To adhere to the county's financial policies pre-numbered vouchers should be used. We further recommend that the petty cash fund be balanced monthly and reimbursement requests be done quarterly.