

OFFICE OF THE COUNTY AUDITOR

KANE COUNTY GOVERNMENT CENTER

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To: Sandy Wegman, Recorder
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 Recorder petty cash fund from January 2011 to March 2012.
Our findings, conclusion, and recommendations are contained therein.

Cc: D. Rickert
Finance Dept.
Finance Budget Committee
Public Service Committee

Report of Recorder Petty Cash Fund

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 safe and the keys to the box are kept in a separate office. The fund balance should be \$300 for the Automation fund & \$500 for the General Fund. We counted \$300 in cash for the Automation Fund and \$500 for the General Fund with no outstanding receipts. Duplicate vouchers are used to record transactions. From January 2011 to March 2012 there were seven (7) requests for reimbursement for a total of \$1,130.74. All County policies are being followed as to compliance with procedures, adequacy of funds and documentation for expenditures.

Conclusion and Recommendation: The amount of a petty cash fund depends on the department's needs. An Automation fund balance of \$300 and a General fund balance of \$500 seem adequate for their needs. As stated above duplicate vouchers are used in place of pre-numbered vouchers required in the County's financial policy. Since the bottom copy of the voucher is maintained in the voucher book this system maintains the same control as pre-numbered vouchers. We have no recommendations as they are meeting all the County's policy and procedures for petty cash funds.