

OFFICE OF THE COUNTY AUDITOR

KANE COUNTY GOVERNMENT CENTER

WILLIAM F. KECK, CPA
KANE COUNTY AUDITOR

JOHN F.X. HARAHAH
DEPUTY AUDITOR



719 S. BATAVIA AVENUE
GENEVA, IL 60134

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

To: Barb Jeffers, Health Dept. Director

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 Health Dept. 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
Public Health Committee

Report of Petty Cash Fund for Health

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 two other employees have access to the cash. Pre-numbered vouchers are used to record transactions. In 2010 there were five requests for reimbursement for a total of \$332.31 and in 2011 & 2012 there was no activity. A review of the expenses shows that sales tax was paid on some of the transactions and a few were missing receipts. There were no amounts over \$200 and proper approval was on all forms.

The fund balance should be \$200. We counted \$105.25 in cash and \$94.75 in receipts for a total of \$200.00. The fund is balanced at \$200. There are no records of account reconciliations.

Conclusion and Recommendation: The amount of a petty cash fund depends on the department's needs. The current fund balance of \$200 seems to meet their needs. 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. We further recommend that the petty cash fund be balanced monthly and have given the custodian forms she can use to perform this task.