

OFFICE OF THE COUNTY AUDITOR

KANE COUNTY GOVERNMENT CENTER

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719 S. BATAVIA AVENUE
GENEVA, IL 60134

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

To: Doug Naughton, Court Administrator

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 Judiciary petty cash fund from January 2011 to June 2012.
Our findings, conclusion and recommendations are contained therein.

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

Report of Petty Cash Fund for Judiciary

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 locked file cabinet and no other employees have access to the cash. No pre-numbered vouchers or any other vouchers are used to record transactions. In 2011 there were two requests for reimbursement for a total of \$102.80 and in 2012 there was one invoice for \$111.19. A review of the expenses shows that sales tax was paid on most of the transactions. There were no amounts over \$200 and proper approval was on all forms.

There is a new custodian to this account and she had saved five receipts for \$48.48 that was from 2011 that have been submitted for reimbursement. She also stated that the cash box had been in an unlocked drawer when she started the position and that she has never balanced the account.

The fund balance should be \$150. We counted \$18.61 in cash and \$57.84 (including the old receipts) in receipts for a total of \$76.45. The fund is short by \$73.55. There are no records of account reconciliations.

After the Audit the custodian emailed (see attached- Amendment A) saying she found 2 more receipts for a total of \$43.73 and additional cash for \$13.61. With these additions this would bring the cash balance to \$32.22 and outstanding receipts to \$101.57 for a fund balance of \$133.79. The fund is still short \$16.21.

Conclusion and Recommendation: The amount of a petty cash fund depends on the department's needs. The current fund balance should be \$150 and the department states they would like an increase in the fund 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. To adhere to the county's financial policies for petty cash pre-numbered vouchers are to be used for each transaction. We further recommend that the petty cash fund be balanced monthly and have given the custodian forms she can use to perform this task.

Amendment A

Carlstrom, Lynn

From: Willey, Su
Sent: Tuesday, July 03, 2012 9:22 AM
To: Carlstrom, Lynn
Subject: RE: 2 Receipts from November 2011

I forgot to tell you, in my excitement, in the envelope with those receipts was \$13.61. I will check with Doug and see if by chance he may have an overnight mail receipt.

From: Carlstrom, Lynn
Sent: Tuesday, July 03, 2012 8:34 AM
To: Willey, Su
Subject: RE: 2 Receipts from November 2011

You don't need to scan them- I will just add this email to my audit.
Thanks,

Lynn Carlstrom
Kane County Auditor's Office
Administrative Officer
Office: 630-232-5915
Fax: 630-208-3838

From: Willey, Su
Sent: Monday, July 02, 2012 5:43 PM
To: Carlstrom, Lynn
Subject: 2 Receipts from November 2011
Importance: High

Lynn,

I have 2 receipts from November 2011 that total \$43.73, for Judge Parkhurst swearing-in, for paper products and cake. Do you want me to scan them and send them over to you?

I still have not checked with Doug to see if he has any.

Thank you.

Su Willey

Su Willey, Assistant to the Chief Judge
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16th Judicial Circuit
Kane County Judicial Center
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