



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER 0

PAGE 1 OF 9

DATE: 3/24/2009

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF CONTROLS OVER CASH RECEIPTS OF THE PUBLIC HEALTH DEPARTMENT - SOUTHWEST IMMUNIZATION CLINIC**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's report of controls over cash receipts for the Public Health Department's Southwest Immunization Clinic.

BACKGROUND:

In accordance with Local Government Code, Subchapter A, Sections 115.001, Examination of Records, 115.002, Examination of Books and Reports, and 115.0035, Examination of Funds Collected by County Entity, the Auditor's Office reviewed controls over the cash receipt process at the Public Health Southwest Immunization Clinic as of September 24, 2008.

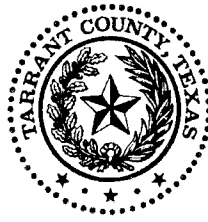
The Public Health management's response is included in the report.

FISCAL IMPACT:

There is no direct fiscal impact associated with item.

SUBMITTED BY: Auditor's

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY

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February 23, 2009

The Honorable District Judges
The Honorable Commissioner's Court
Mr. G.K. Maenius, County Administrator
Ms. Lou Brewer, Director, Public Health Department
Tarrant County, Texas

RE: Auditor's Report -- Controls Over Cash Receipts, Public Health Department

SUMMARY

In accordance with Local Government Code, Subchapter A, Sections 115.001 Examination of Records, 115.002 Examination of Books and Reports, and 115.0035 Examination of Funds Collected By County Entity, we reviewed controls over the cash receipt process at the Public Health Southwest Immunization Clinic as of September 24, 2008. The objective of our review was to determine whether controls were adequate to reasonably ensure that County funds were safeguarded from misuse. During our review, we found significant weaknesses in the controls over cash that warrant management's attention. Specifically, we found that controls over cash receipts and the daily reconciliation should be improved. Consequently, we made recommendations to address these issues.

We discussed the observation and recommendations with appropriate management and staff of the Public Health Department (PHD) on March 4, 2009. Management's response to the observation and recommendations is included in this report.

BACKGROUND

The federal Vaccines for Children (VFC) Program is authorized by the Omnibus Budget Reconciliation Act (OBRA). The Texas Vaccines for Children Program (TVFC) receives both federal and state funding to provide children across the State of Texas access to affordable immunizations. In 2008, Tarrant County received \$661,665 in federal and state grant funds.

The Texas Department of State Health Services (DSHS) prepared the TVFC Operations Manual to provide guidelines for the program. The manual addresses areas such as general program information, provider eligibility, patient eligibility, vaccine management, administrative fees, immunization documentation, consent, public education, provider recruitment, TVFC site visits, and program reports.

The screening process is a self-declaration by the parent, guardian, or patient. The PHD is not required to verify that the self-declaration is accurate. A child has to meet one of the seven eligibility criteria to qualify for TVFC vaccines. The eligibility criterion for adults varies by vaccine. Patients are required to complete paperwork, such as an immunization registration or vaccination consent form. The PHD is required to retain documentation supporting the patient's eligibility category for three years.

As a TVFC program provider, the PHD receives free vaccines from the State of Texas. As a program provider, the PHD is prohibited from charging eligible patients for the cost of the vaccine. Providers, such as the PHD, may charge an administration fee, not to exceed \$14.85 per vaccine, to eligible children. However, providers may not deny services due to a client's inability to pay the administration fee. Medicaid and CHIP patients may not be charged any out of pocket costs or for administration of the vaccine. PHD staff also files Medicaid and CHIP claims for clients.

The PHD accepts cash, checks, money orders and credit cards for payment of services. During the grant year from September 1, 2007 through August 31, 2008, approximately \$504,500 in revenue (as administrative fees) was collected by the TVFC program.

OBSERVATION AND RECOMMENDATION

Controls over cash and the daily reconciliation process should be improved.

Background

Administrative fees are established by the Tarrant County PHD. Clinic staff attempts to collect the full administrative fee whenever possible prior to clients receiving their immunization(s). Since providers may not deny services due to a client's inability to pay, clinic staff negotiates with clients to collect as much as possible to cover the administrative fees. Therefore, partial payments are accepted if that is all the client can pay.

Refunds are issued to clients when a service is not needed or can not be provided. At times, the nurse determines that the client doesn't need a particular vaccine or the clinic doesn't have the required vaccination. Since the client has pre-paid, a refund is due. According to PHD staff, if the client paid in cash, clinic staff refunds the amount paid for the vaccine to the client in cash.

If the client paid for the vaccine with a check, then the check is returned to the client. If the client paid with a credit card, then the vaccine charge is credited to the credit card.

The *Tarrant County Public Health, Cash Management Policies and Procedures*, includes guidelines related to collecting, refunding, and recording fees.

Observation

During our review, we found that the same staff person negotiates, collects, records, and subsequently prepares the deposit of collected fees. We reviewed a sample of immunizations forms and found that PHD staff typically recorded the amount received for TVFC immunization(s) in the upper right-hand corner of the form. However, these forms were not used to reconcile the daily financial activity. Furthermore, clients did not sign the form certifying the amount charged and paid for the immunization(s).

We also observed that the policies and procedures do not address how refunds are tendered depending on whether the client pays with cash, check, money order, or credit card. Per our discussions with PHD staff, clients do not acknowledge the amount of the refund received when services are not provided.

As a result of these conditions, a significant risk exists whereby funds could be misappropriated.

Recommendations

Since staffing limitations do not always allow for incompatible duties to be segregated, mitigating controls should be implemented to reduce the risk of misappropriation of funds. We recommend that either current immunization forms are revised or a new form is developed whereby the amounts charged, received, and refunded are recorded. Furthermore, the forms should include verbiage whereby the client certifies:

- the amount charged and paid by his/her signature; and
- the amount refunded.

PHD management should consider consulting with the District Attorney's Office for the appropriate verbiage. These forms should be used to reconcile the end of day activities to the total amount collected and deposited.

We also recommend that the *Tarrant County Public Health Department, Cash Management Policies and Procedures Manual* be updated to address full and partial refunds for specific tender types and the daily reconciliation process.

Management's Response

The Director of Public Health provided the following response to this report:

"In order to strengthen the control over cash receipts, Tarrant County Public Health is initiating the following changes:

- *The intake form has been revised to include the type payment. (Attachment A)*
- *The intake form has been revised to include client signature certifying services were rendered, the amount paid and type of payment. The verbiage has been approved by the District Attorney's Office. (Attachment A)*
- *A daily verification form will be used to reconcile the end of the day activities. This form requires the clinic supervisor or staff not collecting revenue to reconcile the daily activity. (Attachment B)*
- *A refund form requiring the client signature will be used for all refunds. The District Attorney's Office has been consulted for the appropriate verbiage. (Attachment C)*
- *The refund form includes the client's method of payment and requires two staff signatures prior to any refund. (Attachment C)*
- *Public Health Cash Management Policies and Procedures Manual will be updated to include the new Daily Verification Form and Refund Form procedures.*

We appreciate the Auditor's Office recommendations to help strengthen the cash controls."

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our review was to determine whether controls were adequate to reasonably ensure that County funds were safeguarded from misuse. The implementation and application of effective internal control is the responsibility of the management. It is our responsibility to review and assess the effectiveness of controls. Internal control is broadly defined as a process designed to provide reasonable, not absolute, assurance regarding the achievement of objectives such as the safeguarding of assets, reliability of financial reporting, and compliance with applicable laws and regulations.

CLOSING REMARKS

We appreciate the cooperation of the Public Health Department during our review. If you have any questions concerning this report, please don't hesitate to call.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Attachments:

Attachments A, B, and C provided by the Public Health Department

Team:

Kim Trussell, Audit Manager
Julie Hillhouse, Senior Internal Auditor

Distribution:

Ann Salyer-Caldwell, Associate Director, Community Health
Marsha Gillespie, Business Manager, Public Health Fiscal Services
Frances LaDay, Assistant Business Manager, Public Health Fiscal Services

TARRANT COUNTY PUBLIC HEALTH

Arlington/Southeast Center 817-548-3990
 Bedford/Northwest Center 817-285-4155
 Lake Worth/Northwest Center 817-238-4441

Child Health

Description	CPT Code	✓	CPT Code	Fee
Routine WCC less than 185% (includes physical, vision, hearing, hgb, and urine dip stick)				\$30.00
Routine WCC more than 185% (includes physical, vision, hearing, hgb, and urine dip stick)				\$60.00
Pediatric Follow-Up Visit			99211	\$15.00

Medications and Vaccines

Description	CPT Code	✓	Fee
DT	90702		
Td (7yrs - 18 yrs)	90718		
DTAP	90700		
Pediarix (DtaP, HepB, IPV)	90723		
Convax (Hib & HepB)	90748		
Hep B	90744		
HIB	90645		
IPV	90713		
MMR	90707		
Hep A	90633		
PCV-7 Prevnar	90669		
Varticella	90716		
<i>Total immunizations give for this child.</i>			
			\$

The fee for children's immunizations are based upon the quantity of shots received:
 1 Shot Per Child \$14.00
 2 or more shots \$20.00 Per Child
 The above price includes all vaccines listed on the left

Lab Services

Description	Fee	✓	Fee
Lead Screening	\$25.00		
Urinalysis by Dip Stick	\$5.00		
Cholesterol Screening	\$10.00		
Hemoglobin Type	\$10.00		
Lipid Profile	\$21.00		
Hemoglobin with Counseling	\$15.00		
New Born Screen	\$10.00		
RPR	\$10.00		
Urine HCG	\$10.00		

I certify that the above services were rendered and _____ was paid by _____

	CASH
	CHECK
	CR/DB Card
	Money Order
	Other

Signature of Client or Guardian _____

Date _____

AWIT RESPONSE ATTACHMENT A

Bagsby-Williams Center 817-531-6738
 La Gran Plaza Mall 817-920-5752
 South West Center 817-370-4530

TYPE	AMOUNT	STAFF SIGNATURE
CASH		
CHECK #		
CR/DB CARD		
MEDICAID		
W	R	

Office Procedures/Test & Misc Services

Description	CPT Code	✓	Fee
Vision Screening	92499		\$10.00
Hearing Screening	92551		\$10.00
O.V.			\$15.00
Videos			\$60.00
Bullying Video			\$30.00
Nutritional Counseling			\$5.00
Immunization Record (Computer)			\$5.00
Immunization Record (Manual search)			\$10.00
Other			\$
Other			\$
Other			\$
Other			\$
Other			\$

PUBLIC HEALTH USE ONLY:

Name: _____ DOB: _____
 Date: _____
 Provider: _____
 Income Status: _____
 Visit Status: N B W R C O
 Race: H B W O
 Return Appt: _____
 Comments/Misc Orders _____

**TARRANT COUNTY PUBLIC HEALTH
REFUND**

CUSTOMER INFORMATION (Please Print Legibly)	CLINIC INFORMATION
NAME: _____	Location: _____
ADDRESS: _____	_____
TELEPHONE: _____	Public Health Division

REFUND JUSTIFICATION

CERTIFICATION
I affirm that I paid \$ _____ via check # _____, cash _____ or credit/debit card _____ and that I am entitled to a refund in the amount of \$ _____ for the reason (s) claimed above.
Signature: _____ Date: _____
Print Name Legibly _____

FOR PUBLIC HEALTH USE:
2) PUBLIC HEALTH SIGNATURES ARE REQUIRED BEFORE A REFUND CAN BE MADE
REFUND AMOUNT \$ _____ CASH _____ CHECK # returned to customer
_____ CREDIT/DEBIT CARD REFUND TRANSACTION#
REQUESTED BY:
Print Legibly _____ Full Signature (not just initials) _____ Date _____
APPROVED BY:
Print Legibly _____ Full Signature (not just initials) _____ Date _____