

***Webb County Internal Audit Department
Report of Findings and Recommendations
Indigent Health Services
November 16, 2017***

The Internal Audit Department is conducting county wide cash counts, facility tours, separation of duties questionnaires, and internal control questionnaires to assist in the determination of each department's risk assessment.

A risk assessment is an evaluation of the department's processes, functions and internal/external interactions that may cause harm to their financial and operational systems.

The findings and recommendations noted below are limited to the study procedures noted above and do not express an opinion on the department's entire financial and operational system. The representations are based on the assertions made by department personnel and our understanding that the information provided was accurate to the best of their knowledge.

Recommendations herein promote continuous county wide operational efficiency and effectiveness and we respectfully request that management provide us with a timeframe in which recommendations will be reached so that we may conduct a follow-up in the coming fiscal year to review the department's compliance or lack of compliance with our recommendations.

Based on our findings, we conclude the Indigent Health Services Department has a low risk assessment based on their practices of financial management and implementation of policies and procedures which control risks that could affect their mission of providing medical and burial services to the indigent people of Webb County.

CASH COUNT

A cash count was performed on November 16, 2017, in accordance with Texas Local Government Code § 115.0035. There were no funds on hand or any receipts pending to be deposited at the time of the cash count.

An examination of the prior month's daily cash reports and deposits was conducted prior to the cash count. No discrepancies were noted and bank deposits are made in accordance with Texas Local Government Code § 113.022. (3-5 Business days)

Observation: Office issues manual receipts to the public.

Recommendation: We recommend the department review the receipting capabilities of the New Worlds.Net system in regards to computerized receipts in order to minimize the use of manual receipts issued by the office. Given that the department provides mobile immunization clinics, manual receipts for this activity will continue to be observed. These receipts may be entered after the fact into the system.

Observation: The office does not have a change fund.

Recommendation: Since the office receives cash, we recommend the office request a change fund as per Texas Local Government Code § 130.902 in order to provide change for cash transactions.

FACILITY TOUR

Observation: A tour of the facility allowed us to observe the department's equipment, operations, and practices. Management informed their office is adequately staffed, the workload is current, and employees are performing their duties appropriately.

We did note there were no signs posted in the lobby area stating the public must receive a receipt after payment as per Local Government Code § 113.903(e); the methods of payments accepted; and the fees for all services pursuant to Government Code § 603.008.

Recommendation: We recommend the office post signs in the lobby area stating the public must receive a receipt after payment and how to proceed when one is not issued to them, acceptable payment methods, and base fees for all services.

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SEGREGATION OF DUTIES

We found the department implements an appropriate level of segregation of duties. Receipt of payments, preparation of daily cash reports, bank deposits, and bank reconciliation activities are completed by different staff members. Additionally, the department properly segregates job duties so that no one person handles cash transactions from beginning to end and assigns responsibilities in a manner which encourages checks and balances.

INTERNAL CONTROL

Observation: Our internal control departmental questionnaire is designed as a tool for department heads to establish and monitor their department's financial management, internal processes, operations, and to identify any control weaknesses.

We concluded the Indigent Health Services Department implements continuous internal controls allowing prevention and detection measures minimizing their risk assessment. Specifically, applications submitted for benefits relating to different programs are reviewed by management for compliance with requirements; staff continuously attends training sessions; management reviews reports sent to the State for accuracy prior to approval; equipment and inventory logs are maintained; management maintains high priority for employee safety with cameras and locks; and management uses time clock plus for payroll and leave accountability.

Recommendation: None

We greatly appreciate the cooperation and assistance received from management and staff at the Indigent Health Services Department during this proceedings. Please contact us if you have any questions or concerns regarding this report.