

August 29, 2019

**MEMORANDUM**

**TO:** Denene P. Williams  
Clinical Administrative Director

Tiffany Jones  
Manager, Business Services – Lymphoma & Myeloma Center

**FROM:** Sherri Magnus *Sherri Magnus*  
Vice President & Chief Audit Officer

**SUBJECT:** Cash Handling Review – Lymphoma & Myeloma Center  
Audit Control Number 2019-119

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**Objective and Scope**

In accordance with our fiscal year 2019 work plan, Internal Audit evaluated controls over the collection, safeguarding, and depositing of patient payments received in the Lymphoma & Myeloma Center. This included a review of Epic access and copayment collections. The review covered the period September 2017 through February 2019, and related periods.

**Results**

We identified opportunities for improvement in accountability, safeguarding and supporting documentation, as noted in the observations below. We did not identify any instances of missing funds.

Observation D-1:

**Ensure Independent Accountability for Funds**

***RANKING: Low***

Although the cashiers maintained their cash and check collections in locked bank bags and kept the bag keys on their person, we noted that two cashiers shared one bag. The Cash Handling Manual states that accountability over collections should be assigned to a specific individual. When cashiers share a bank bag, it may be difficult to establish accountability for the funds collected, and there may be an increased risk of loss or theft.

Recommendation D-1:

Each cashier should maintain his or her own separate bank bag. The cashiers should continue to ensure their bags are secured via lock and key.

Management's Action Plan:

Responsible Executive: Kent Postma

Owner: Tiffany Jones

Due Date: Implemented

*We have since acquired a third bank bag. So that going forward, each of our 3 cashiers have their own separate bank bags and the staff has been advised to keep their bags secured at all times.*

Observation D-2:

**Comply with Requirements for Change Funds**

**RANKING: Low**

Procedures were not consistently applied to ensure accountability for change funds:

- During our walkthrough, we noted that change funds had not been returned to the Cashier's Office at the end of the day. Per the December 2018 Cash Handling Training, change funds should be returned daily to the Cashier's Office.
- The daily transfer of change funds to the front desk staff was not documented. Per the Cash Handling manual, the transfer of cash items must be documented in a transfer log.

When the change funds are not returned daily as required or when the transfer of accountability for the funds is not documented, there may be an increased risk of loss or theft.

Recommendation D-2:

Change funds should be returned to the Cashier's Office daily, as required. In addition, the daily transfer of change funds to front desk staff should be documented in a transfer log.

Management's Action Plan:

Responsible Executive: Kent Postma

Owner: Tiffany Jones

Due Date: Implemented

- *We have counseled the front desk employee involved in the occurrence date and reiterated with our three front desk employees the importance of returning the cash bag daily to the cashier's office. Each day at 3:30 PM, the bag is to be returned to the cashier's office.*
- *We have placed copies of the transfer log with our front desk staff so that it is readily accessible when necessary. We have also reviewed the process of transferring change funds with each of them.*

Observation D-3:**Comply with Cash Drawer Closing Requirements****RANKING: Low**

Complete cash drawer closing documentation is not always prepared, maintained, and independently verified as required. For example:

- In some instances, the individual cash reports and Cash Drawer Closing Detail Report were not available.
- The cashiers' closing receipts were not signed or initialed by the supervisor to indicate verification and transfer of accountability for funds collected.

The Cash Handling Manual requires cash drawer closing documentation to be prepared each day. Without the required documentation, there is no assurance that the closing process and deposits were properly completed. Additionally, Treasury stated that supervisors should sign or initial the cash drawer closing receipts to document verification and chain of custody for funds. When this does not occur, there may be an increased risk of loss or theft.

Recommendation D-3:

All required cash drawer closing documentation should be prepared daily and retained. In addition, the cashiers' cash drawer closing receipts should be initialed or signed by the supervisor as evidence of verification and transfer or accountability for funds collected.

Management's Action Plan:

Responsible Executive: Kent Postma

Owner: Tiffany Jones

Due Date: Implemented

- *The occurrence identified in the audit where the individual closing reports were not included in the cash drawer closing documentation were instances in which our Outpatient Services Supervisor was absent. We have re-trained the back-up individual on the proper documentation required for daily cash drawer closing.*
- *Going forward all closing reports are printed and signed or initialed by the supervisor or responsible individual. All individuals that are responsible for daily cash drawer closing have been re-trained on the full close process which, includes proper documentation and signatures required.*

Our engagement was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and *Government Auditing Standards*. We appreciate the courtesy and cooperation extended to us by the Lymphoma & Myeloma Center.

cc: Kent Postma  
Wendy Austin  
Cammie Williams