



Department of Finance

POLICY AND PROCEDURE

POLICY NUMBER: 880
VERSION: 1

SUBJECT: Deposit Audit

PURPOSE:

To verify that all collections are properly accounted for and deposited.

POLICY:

An individual independent of the cash receipting/depositing function reconciles receipts, cash and checks to the deposit permits (DPs) before the deposit is sent via County messenger to the Treasurer and Tax Collector (TTC). Two approvals on all DPs are applied by the department. The DPs are then electronically work flowed to TTC for final approval after receipt and verification of the funds.

PROCEDURE:

I. Deposit

- A. Once the deposit is prepared by the cashier, it is kept in the safe until the audit.
- B. The deposits are audited twice weekly, on Tuesday and Thursday mornings.

II. Deposit Permits

- A. The cashier prepares one DP for cash (Attachment I) and one DP for checks (Attachment II) for each facility (i.e., High Desert Health System, Antelope Valley Health Center, South Valley Health Center, Lake Los Angeles Community Clinic and Littlerock Community Clinic) for which there are funds.
- B. The cashier attaches the DPs, an envelope containing pink receipts and cash, and a separate envelope containing pink receipts and checks to the paperwork for each facility.
- C. The auditor verifies the paperwork and funds for one facility at a time.
- D. For each deposit, there will be a handwritten DP and four copies of the eCAPS DP.
- E. The auditor compares the following items on the handwritten DP to the eCAPS version:

1. Depositing Organization (always HO);
2. Deposit Unit No. (28301, 28401, 28501, 28601 or 28701);
3. Preparation Date;
4. Dept (always HO);
5. Unit (must be the same as the Deposit Unit No.);
6. Rev;
7. Dollars;
8. Comment (e.g., High Desert Health System Deposit Date xx/xx/xx);
9. Total; and
10. Distribution of Total (cash or check and must be the same as Total).

III. Cash

- A. The auditor removes the cash, cash register tape and pink receipts from the envelope.
- B. The pink receipts are stapled together by revenue code.
- C. The auditor verifies that the revenue codes are the same on all pink receipts that are stapled together.
- D. The auditor then adds the pink receipts for each revenue code and verifies that the total matches the dollar amount listed for each revenue code on the DP.
- E. The auditor verifies that the total of all pink receipts matches the Total and the Distribution of Total on the DP.
- F. The auditor then counts the cash and coins, and verifies that this also matches the Total and the Distribution of Total on the DP as well as the cash register tape.
- G. If everything matches, the auditor paper clips or rubber bands the cash register tape to the cash, puts it back in the envelope along with one copy of the DP, and tapes the envelope shut.
- H. The auditor attaches the second copy of the DP to the cashier's paperwork.

IV. Checks

- A. The auditor removes the checks, two cash register receipts, yellow and pink TTC forms (Attachment III), and pink receipts from the envelope.
- B. The auditor verifies that the following information has been entered on the pink TTC form by the cashier:

1. Assigned Batch # (from the yellow TTC form);
 2. Dept. Name (e.g., High Desert Health System);
 3. Dept. No. (always 64);
 4. Receive Date (deposit date);
 5. Check Amount (DP Total); and
 6. Prepared By (cashier's signature).
- C. Again, the pink receipts are stapled together by revenue code.
- D. The auditor verifies that the revenue codes are the same on all pink receipts that are stapled together.
- E. The auditor then adds the pink receipts for each revenue code and verifies that the total matches the dollar amount listed for each revenue code on the DP.
- F. The auditor verifies that the total of all pink receipts matches the Total and the Distribution of Total on the DP.
- G. The auditor verifies that each check has the cashier's initials and "64" stamped on the front and is endorsed with a stamp on the back.
- H. The auditor then adds the checks and verifies that this also matches the Total and the Distribution of Total on the DP.
- I. If everything matches, the auditor paper clips or rubber bands everything together in the following order: cash register receipt, yellow TTC form, pink TTC form, duplicate cash register receipt and then the checks. The auditor puts it all back in the envelope along with one copy of the DP and tapes the envelope shut.
- J. The auditor attaches the second copy of the DP to the cashier's paperwork.
- K. The auditor staples the cashier's handwritten self-pay log (Attachment IV) to the DPs and back-up paperwork.
- L. The auditor verifies the deposit codes and corresponding dollar amounts on the cashier's deposit log (Attachment V) and paper clips it to the stapled paperwork.
- V. Receipt Sequence Log
- A. The cashier lists each pink receipt number on the receipt sequence log (Attachment VI) by revenue code and facility.
 - B. The auditor verifies that every receipt number has been logged appropriately.

- C. If there is a voided receipt listed on the receipt sequence log, the auditor verifies that it has been shown as voided on the paperwork attached to the deposit and has also been noted on the cashier's voided receipt log.

VI. Receipt Grid

- A. The cashier writes receipts in two different receipt books. One is for High Desert Health System payments. The other is for miscellaneous payments for all other facilities. Likewise, the cashier at South Valley Health Center has one receipt book for that facility and another receipt book for all other facilities.
- B. There is a blue folder for High Desert Health System receipt grids (Attachment VII) and a red folder for South Valley Health Center receipt grids.
- C. The auditor writes each receipt number on the appropriate receipt grid, draws a red line around that day's entries, and initials and dates the form.
- D. The auditor also notes any voided receipts on the grid.
- E. If there are any missing receipt numbers, the auditor asks the cashier for an explanation (e.g., the receipt will be on the next deposit).

NOTE: The auditor repeats steps II – VI above for each facility's deposit. Any discrepancies must be corrected by the cashier. If there are any discrepancies on the DP, it must be rejected by the auditor and corrected and resubmitted by the cashier.

VII. Cash Bag

- A. Once each facility's deposit has been verified, the auditor rubber bands all of the envelopes containing cash, checks and deposit permits together, places them inside the cash bag and locks it.
- B. The auditor folds the mail receipt (Attachment VIII) and inserts it in the plastic window on the cash bag.
- C. The auditor paper clips the Treasurer Tax Collectors Bags form (Attachment IX) to the plastic window on the cash bag.
- D. The cash bag containing the deposit is placed in the safe to be picked up by the County messenger.
- E. Cash bags returned by TTC are delivered by the County messenger to either the Warehouse or Cashier's Office.
- F. The auditor unlocks cash bags returned by TTC and removes any paperwork. TTC receipts are given to the Patient Accounts Manager. All other paperwork is given to the cashier.

VIII. First Level Approval

The auditor does the eCAPS first level approval of all DPs in the deposit.

IX. Distribution of DP Copies

- A. The auditor attaches the third copy of all DPs in the deposit to a copy of the Receipt Sequence Log and delivers it to Accounting.
- B. The auditor delivers the pink receipts and the fourth copy of all DPs in the deposit to the Patient Accounts Manager.

X. Second Level Approval

The Patient Accounts Manager or her alternate does the eCAPS second level approval of all DPs in the deposit.

Approved By: Candy Smith (FISCAL OFFICER II, HEALTH SERVICES)	
Date: 05/08/2014	Original Date: 06/01/1993
Reviewed: 05/08/2014	Next Review Date: 05/08/2015
Supersedes:	