



June 27, 2023

Honorable Board of Supervisors
County Government Center
Hall of Administration
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Receive and File the County of Ventura Single Audit Report for the Year Ended June 30, 2022, Corrective Action Plan, Summary Schedule of Prior Audit Findings, and Auditor's Communication with Those Charged with Governance.

RECOMMENDATIONS:

1. Receive and file the Single Audit Report, the Corrective Action Plan, and the Summary Schedule of Prior Audit Findings for the year ended June 30, 2022.
2. Receive and file the Auditor's Communication with Those Charged with Governance.

FISCAL/MANDATES IMPACT: None.

DISCUSSION:

Single Audit Report – Exhibit 1

The Single Audit Report for the year ended June 30, 2022 was issued by the County's external auditor, Eide Bailly LLP (EB), in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The Single Audit Report was filed with the Federal Audit Clearinghouse, the State Controller's Office, and the California Department of Transportation in June 2023.

The Single Audit is designed to evaluate the financial management and accountability of the County's federal financial assistance programs (grants). The County complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs. The audit opinion is unmodified for all major programs, which is the best opinion an auditor can provide.

EB also audited the County's basic financial statements and issued its unmodified opinion in a report dated March 23, 2023 which is included in the County's Annual Comprehensive Financial Report for the year ended June 30, 2022 (ACFR). The ACFR was received on April 11, 2023. In planning and performing their audit of the County's financial statements, EB considered the County's internal control over financial reporting and identified certain deficiencies in internal control. Their report on internal controls over financial reporting is included in the Single Audit Report (beginning on page 1). Section II – Financial Statement Findings, beginning on page 29, identifies two findings summarized below. The two findings (2022-001 and 2022-002) are considered a significant deficiency in internal control, which is less severe than a material weakness, yet important enough to merit the attention to those charged with governance.

1. Financial Reporting (2022-001) – The County did not accurately detect the over accrual of year-end receivables.
2. System Procedures Related to Patient Accounts and Patient Credits (2022-002) – The Medical System did not maintain policies and procedures to document the review and approval of the write-off of each patient credit balance.

The County's response and planned corrective action to these findings are detailed in the **Corrective Action Plan (Exhibit 2)**.

The Single Audit includes a listing of the County's federal grants on the Schedule of Expenditures of Federal Awards beginning on page 7, totaling \$327,957,000, a decrease of \$51,093,000 compared to the prior year. The decrease in total awards is primarily due to the decrease in relief funding for the Coronavirus pandemic.

Pursuant to the Uniform Guidance, all federal agencies and departments, to the extent practicable, rely upon and use the audit work.

The Office of Management and Budget Compliance Supplement identifies compliance requirements that are applicable to each of its major federal programs for the year ended June 30, 2022 and requires the auditor to report any instance of noncompliance with those requirements. Section III – Federal Award Findings and Questioned Costs, beginning on page 32; no findings were identified.

Summary Schedule of Prior Audit Findings – Exhibit 3

The Summary Schedule of Prior Audit Findings details the status of prior audit findings. Corrective action has been implemented or is in progress on all prior findings.

Auditor's Communication with Those Charged with Governance – Exhibit 4

Auditing standards require that auditors communicate with those charged with governance certain significant matters related to the audit. Auditing standards use the term "those charged with governance" to refer to those with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, including overseeing the entity's financial reporting process. The attached letters disclose those matters to the County's Board of Supervisors.

If you have any questions, please call me at (805) 654-3151.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Burgh', with a large, sweeping loop at the end.

JEFFERY S. BURGH
Auditor-Controller

Exhibits:

- Exhibit 1 - Single Audit Report
- Exhibit 2 - Corrective Action Plan
- Exhibit 3 - Summary Schedule of Prior Audit Findings
- Exhibit 4 - Auditor's Communication with Those Charged with Governance

c: Dr. Sevet Johnson, County Executive Officer
Tiffany N. North, County Counsel