

**JEFFERY S. BURGH**  
**AUDITOR-CONTROLLER**

COUNTY OF VENTURA  
800 SOUTH VICTORIA AVE.  
VENTURA, CA 93009-1540



**ASSISTANT**  
**AUDITOR-CONTROLLER**  
MICHELLE YAMAGUCHI

**CHIEF DEPUTIES**  
BARBARA BEATTY  
JASON McGUIRE  
KATHLEEN O'KEEFE  
RICHARD WHOBREY

June 04, 2024

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, 2023, 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, 2023.
2. Receive and file the Auditor's Communication with Those Charged with Governance.

**STRATEGIC PLAN PRIORITY:**

The items presented in this Board letter support making responsible and efficient use of public funds and promote economic stability and growth during a changing economy.

**FISCAL/MANDATES IMPACT:** None.

**DISCUSSION:**

**Single Audit Report – Exhibit 1**

The Single Audit Report for the year ended June 30, 2023 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 on March 29, 2024. 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, except for an instance of non-compliance on COVID-19 – Health Center Program Cluster (93.224). The audit opinion is qualified on COVID-19 – Health Center Program Cluster and unmodified for each of the other major federal programs.

EB also audited the County's basic financial statements and issued an unmodified opinion in the report dated December 28, 2023, which is included in the County's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023. The ACFR was received and filed at the February 6, 2024, Board meeting. 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 28, identifies two findings summarized below. The two findings (2023-001 and 2023-002) are considered a significant deficiency in internal control, which is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

1. System Procedures Related to Patient Accounts and Patient Credits (2023-001) – The Medical System did not maintain policies and procedures to ensure the accuracy and integrity of patient account charges, receivables, and contractual allowances.
2. Third Party Settlements and Reserves (2023-002) – The Medical System did not maintain policies and procedures to ensure that timely review of third-party settlements and reserves is being performed.

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 8, totaling \$437,586,000, an increase of \$109,629,000 compared to the prior year. The increase in total awards is primarily due to the increase in relief funding for the Coronavirus State and Local Fiscal Recovery Funds (ARPA SLFRF).

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, 2023, and requires the auditor to report any instance of non-compliance with those requirements. Section III – Federal Award Findings and Questioned Costs, beginning on page 31, identifies two findings summarized below. The finding 2023-003 is considered a significant deficiency in internal control over compliance and instance of non-compliance. The finding 2023-004 is considered a material weakness in internal control over compliance and material non-compliance.

1. Subrecipient Monitoring (2023-003) – Internal controls were not in place to ensure that the required information was communicated to subrecipients, and no documentation was in place to evaluate the subrecipient's risk of non-compliance.
2. Special Tests and Provisions (2023-004) – Policies and Procedures were not followed to ensure the sliding fee discounts to patient charges were applied consistent with its sliding fee discount program schedules.

### **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,



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