

**COUNTY OF VENTURA, CALIFORNIA**  
**MANAGEMENT LETTER**  
**FOR THE YEAR ENDED JUNE 30, 2018**



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

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To the Board of Supervisors  
County of Ventura, California

In planning and performing our audit of the basic financial statements of the County of Ventura (County) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

We have previously reported on the County's internal control in our report dated January 30, 2019, in accordance with *Government Auditing Standards*. This letter does not affect our report dated January 30, 2019, on the financial statements of the County.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These observations and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

## **CURRENT YEAR MANAGEMENT LETTER COMMENTS**

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### **PHYSICIAN CONTRACTS AND PAYMENTS – VCMC**

#### **OBSERVATION:**

During our testing of physician contracts and payments, we noted that payments were supported by invoices. However, we observed that the level of underlying supporting documentation for each compensation type was inconsistent and could be improved. Further, the Medical Center would benefit from formalizing policies and procedures related to these invoices as the support may come from different sources of the operations (i.e. on-call schedules, clinic schedules or electronic health records).

#### **RECOMMENDATION:**

We recommend the Medical Center review its current policies and formalize procedures related to the documentation requirements over its physician contracts and invoices.

#### **MANAGEMENT'S RESPONSE:**

HCA Management concurs that Medical Center review its current policies and formalize procedures related to the documentation requirements over its physician contracts and invoices.

HCA believes policies and procedures related to documentation requirements for all compensation types would benefit the County and to ensure consistency throughout the agency, HCA is in the process of creating a provider manual outlying what documentation will be accepted for each payment type. HCA has set a goal to have the new provider manual with policies and procedures supporting the industry best practices related to documentation requirements for each compensation type fully implemented by July 1, 2019.

Name of Responsible Person: Terry Garman, Director, Contracts Management

Implementation Date: July 1, 2019

## **PRIOR YEAR MANAGEMENT LETTER OBSERVATIONS**

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Summarized below is the current status of observations reported in the management letter for the year ended June 30, 2017:


<b>Topic</b>	<b>Current Status</b>
1 Patient Services Charges	Implemented

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Our audit procedures are designed primarily to enable us to form our opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the County gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This communication is intended solely for the information and use of the Board of Supervisors, management, and others within the County and should not be used by anyone other than these specified parties.



Rancho Cucamonga, California  
March 26, 2019