

**COUNTY OF VENTURA, CALIFORNIA**  
**MANAGEMENT LETTER**  
**FOR THE YEAR ENDED JUNE 30, 2017**



**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, 2017, 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 December 27, 2017, in accordance with *Government Auditing Standards*. This letter does not affect our report dated December 27, 2017, on the financial statements of the County.

During our audit we noted certain matters involving internal control or operations 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 on the accompanying pages.

## **CURRENT YEAR MANAGEMENT LETTER COMMENTS**

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### **PATIENT SERVICE CHARGES - VCMC**

#### **OBSERVATION:**

When a patient arrives for services, the registration clerk or medical staff should verify if the patient was already pre-registered in the system. A complete registration is required for all patients in order for the patient service charges to be billed. Additionally, all services performed on the patient should be authorized by the physician and documented in the medical record in order to support the services rendered. During our testing of patient files, we noted two patient service charges where the pre-registration had not been verified resulting in the creation of a new patient encounter and charge. Both exceptions resulted from a patient already being pre-registered in the system, however, when the patient arrived to receive the service, another registration was completed resulting in an additional charge. As a result, patient service charges were overstated.

#### **RECOMMENDATION:**

We recommend the Medical Center review its current policies and procedures to ensure they are properly designed and patient charges are fully supported. Further, we recommend that the Medical Center implement system controls in the CERNER system to ensure services charged to patients are supported and maintained in the electronic health records.

## MANAGEMENT'S RESPONSE:

Health Care Agency management has reviewed its current policies for pre-registration encounters to ensure that they are appropriate and that patient charges are fully supported. HCA will re-train all front line registration staff on the Encounters with Charges report. The purpose of the report is to identify encounters which incorrectly contain charges. While this report identifies all encounters containing charges, the ones the clinics focus on are "Pre reg", as these encounters should never contain charges. With the information from this report, the clinic staff is able to correct the type of encounters observed in the audit. HCA will reiterate to the clinic staff the importance of running this report on a daily basis.

Finally, the individual clinic managers will report to Ambulatory Care administration, on a monthly basis, the status of their pre-registration Encounters with Charges report. Ambulatory Care administration will monitor and track the individual clinic's experience and will identify clinics that may require additional training or assistance in clearing the report.

## 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, 2016:

Topic	Current Status
1 Year-end Closing	Implemented
2 Controls Over Payroll	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  
December 27, 2017