



FY 2021/22 AUDIT RESULTS

San Francisco Health Service System

November 10, 2022



Summary

1. Financial Statements Audit

- Auditor's report – unmodified opinion
- *Government Auditing Standards* report
 - no control deficiencies reported

2. Report to the Health Service Board, Honorable Mayor and Members of the Board of Supervisors

- Required communications

Responsibilities

Management Responsibilities

- Prepare and fairly present financial statements in accordance with U.S. general accepted accounting principles (U.S. GAAP)
- Design, implement, and maintain effective internal controls over financial reporting
- Evaluate going concern considerations

Auditor Responsibilities

- Exercise professional judgment and maintain professional skepticism
- Identify and assess the risk of material misstatements and design and perform audit procedures responsive to those risks
- Obtain an understanding of internal control relevant to the audit
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates
- Conclude whether there are any conditions or events that raise substantial doubt about going concerns

Audit Results, Required Communications, and Other Matters

<p>Significant accounting policies</p>	<p>No changes in policies during 2022. No lack of authoritative guidance in policies used.</p>
<p>Significant accounting estimates: fair value of investments</p>	<p>Based on Trust’s position in city treasurer’s pool and the fair value of the pool’s investments.</p> <p>We reviewed the Trust’s pool shares and current market prices of the pool’s investments.</p>
<p>Significant accounting estimates: reserves for claims</p>	<p>Based on actuarial calculations of claims reported and includes assumptions of claims incurred but not report.</p> <p>We engaged an independent actuary to review the calculations for reasonableness and adherence to ASOPs. No significant discrepancies between work of our actuary and Aon.</p>

Audit Results, Required Communications, and Other Matters

Corrected and uncorrected audit misstatements	No matters to report
Financial presentation and disclosure omissions	No matters to report
Significant unusual transactions	No matters to report
Significant financial statement disclosures	Note 4 – reserve for claims for self-insured plans (medical, prescription drugs, and dental). No matters to report.
Difficulties encountered in performing the audit	No matters to report
Disagreements with management	No matters to report
Management consultations with other independent accountants	No matters to report
Subsequent event	Note 7 – received distribution of a settlement award from Sutter Health. No matters to report.

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Questions?

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