

ENTITY 2020 Audit Programs

June 30, 2020

HOSPITAL – RECEIPTS/REVENUES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Only receipts/revenues available and measurable in this fiscal year have been recorded and are valid. (5,8)					
B. All receipts/revenues available and measurable in this fiscal year have been recorded. (6,8)					
C. Receipts/revenues have been properly billed or charged in accordance with legal requirements and have been recorded at the correct amounts. (7)					
D. Receipts/revenues are properly classified in the entity-wide financial statements and/or the fund financial statements and related disclosures are adequate. (9,10,11,12,13)					
Audit Procedures:					
A. Service Revenue and Deductions - Make sufficient tests of both service revenue and deductions therefrom to obtain satisfaction they are properly recorded and classified. Consider the following procedures with respect to service revenue:					
1. Where appropriate, test to determine revenue is accrued as service is performed and related contractual, charity or other allowances are accounted for in accordance with the respective contracts and the Hospital's policies.	D				
2. For material items, compare revenues of the current period with those of the previous period and obtain an explanation for unusual variances.					
3. Test propriety of charges to patient accounts by comparing with patients' medical records. Also, compare patients' medical records to patient accounts.	B,C				
4. Compare patient charges and the Hospital's standard billing rates on a test basis.	C				
5. Where applicable, review statistical reports (of patient days and lab tests, for example) to consider reliability of statistical records.					
6. Where applicable, perform overall tests of revenue using days of care and other service statistics.					

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7. Where applicable, test the accuracy of revenue recorded based on DRG assignments by reviewing the results of the PRO's DRG validation audits, PRO reviews of the appropriateness of admissions and related denials and PRO reviews of the medical necessity of outlier days and service costs.					
8. With respect to deductions from revenue, auditing procedures for revenue deductions closely parallel those applicable to revenue and ordinarily are performed in conjunction with the examination of accounts receivable and revenue.	A,B				
a. Where applicable, review third-party payor contracts and methods of payment.					
b. Test the computation of estimated adjustments to revenue required under such contracts.					
c. Compare prior-year settlements to prior-year estimates and determine all material differences have been accounted for properly.					
9. Determine the reasonableness of third-party revenues and related receivables and the adequacy of disclosures in accordance with Statement of Position (SOP) 00-1.	A,C,D				
B. Other Operating and Non-operating Revenue					
1. Review supporting documentation underlying contributions, including correspondence, acknowledgement receipts and notifications and minutes of governing board and committee meetings, to determine:	A,B,C				
a. Related revenue is properly recorded in the correct fiscal year and classified in compliance with GASB 33.					
b. Restrictive covenants are properly complied with.					
c. Adequate procedures exist for receipt and acknowledgement.					
2. Test research grants and other restricted receipts for compliance with the significant provisions of the applicable contracts and agreements by reviewing:	B,C				
a. Budgets of related projects.					
b. Billing procedures and cost reports.					

