

# Audit Committee Meeting - HALF HOUR MEETING

Sep 11, 2019 1:00 PM EDT

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# NOTICE OF MEETING

## **NORTH BROWARD HOSPITAL DISTRICT**

### **BOARD OF COMMISSIONERS**

An Audit Committee meeting will be held on Wednesday, September 11<sup>th</sup>, 2019, immediately following the Human Resource Committee meeting, at the Broward Health Corporate Spectrum Location: 1700 Northwest 49 Street, Fort Lauderdale, Florida, 33309. The purpose of this committee meeting is to review and consider any matters within the committee's jurisdiction.

Persons with disabilities requiring special accommodations in order to participate should contact the District by calling 954-473-7100 at least 48 hours in advance of the meeting to request such accommodations.

Any person who decides to appeal any decision of the District's Board with respect to any matter considered at these meetings will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made which record includes testimony and evidence upon which the appeal is to be based.

North Broward Hospital District Board Of Commissioners  
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, 33309

### AUDIT COMMITTEE MEETING 10:00 a.m., August 21, 2019

#### 1. NOTICE

Notice of this meeting is attached to the official Minutes as EXHIBIT I. The official Agenda for this meeting, as presented for the consideration of the Committee, is attached to the official Minutes as EXHIBIT II.

#### 2. CALL TO ORDER 10:03 a.m.

#### 2. COMMITTEE MEMBERS

3.  Commissioner Christopher T. Ure/Chair
4.  Commissioner Andrew M. Klein
5.  Commissioner Nancy W. Gregoire
6.  External Audit Consultant Scott Porter
7.  External Audit Consultant James Petkas

**ADDITIONALLY PRESENT** Commissioner Ray T. Berry, Commissioner Stacy L. Angier, Gino Santorio/President/CEO, Alan Goldsmith/CAO, Alex Fernandez/CFO, Linda Epstein/General Counsel, Jerry Del Amo/Managing Sr. Associate, General Counsel, Nigel Crooks/Chief Internal Auditor

#### 3. PUBLIC COMMENTS None.

#### 4. APPROVAL OF MINUTES

- 5.1. Approval of Audit Committee meeting minutes, dated May 16, 2019

**MOTION** It was *moved* by Commissioner Gregoire, *seconded* by Mr. Petkas, to:

**APPROVE THE AUDIT MEETING MINUTES DATED MAY 16, 2019, AS PRESENTED, UPON REVISION OF ONE TYPOGRAPHICAL ERROR TO WORD BROWARD.**

Motion *carried* unanimously.

- 5.2. Approval of Audit Committee meeting minutes, dated May 08, 2019

**MOTION** It was *moved* by Commissioner Gregoire, *seconded* by Mr. Petkas, to:

**APPROVE THE AUDIT MEETING MINUTES DATED MAY 08, 2019, AS PRESENTED.**

Motion *carried* unanimously.

### 6. TOPIC OF DISCUSSION

#### 6.1. Internal Audit Dept. & Audit Committee Quality Assurance Review Results, AMP

Expert Solutions, LLC

Ms. Angela Poole, with AMP Expert Solutions, presented on the Quality Assurance Review of Broward Health's Internal Audit Department and Audit Committee.

Ms. Poole gave an overview of what the quality review consisted of, as referenced below.

- Assess whether or not the internal audit department was operating in accordance with the Institute of Internal Auditors (IIA) standards and code of ethics.
- Evaluate the effectiveness of the performance of the internal audit department.
- Identify opportunities for continuous improvement.

Ms. Poole's conclusion of Broward Health's Internal Audit Department was that it generally conformed to IIA's standards and code of ethics. She described the department as functioning with appropriate independence and objectivity, and that the Chief Internal Auditor had established a quality audit improvement process that demonstrated a commitment to continuous improvement. Ms. Poole confirmed that the department's skill set was appropriate to meet the annual audit work plan objectives and risks. In addition, Ms. Poole assured the committee that her firm would be able to assist in supplementing vacancies and provide assistance on requested projects, when needed. It was confirmed that a 90 day status report follow-up would be provided, as referenced in the agreement.

As a result of the findings, Commissioner Ure made recommendations as seen below.

- Human Resource Committee perform a salary review and evaluation of the Chief Internal Auditor.
- Legal Department's review of the charter, addressing sections related to whistleblower and associated issues. Provide recommendations while being sensitive to the fact that Broward Health is a public body.

**MOTION** It was *moved* by Commissioner Gregoire, *seconded* by Mr. Petkas, to:

**APPOINT COMMISSIONER URE TO REVIEW THE AUDIT CHARTER AND PROVIDE RECOMMENDATIONS, ENSURING CONFORMITY WITH THE INSTITUTE OF INTERNAL AUDIT STANDARD AUDIT CHARTER.**

Motion *carried* unanimously.

North Broward Hospital District Board Of Commissioners  
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, 33309

### 6.2. Presentation and Approval of the 2020 Fiscal Year (FY) Audit Plan, Budget, and FY 2019 Audit Activities

Chief Internal Auditor, Nigel Crooks, gave a report on the results of the Fiscal Year 2019 Audit Plan.

- 42 approved audits in 2019
- 7 unplanned audits requested by board members, senior management or legal department
- 32 audits completed
- 12 audits carrying over to 2020 audit plan
- 5 of 49 audits remained in progress

Discussion ensued on unplanned audits requiring authorization by the board as per charter.

Mr. Crooks continued to report on the 2019 fiscal year audit activities and described the types of audits received throughout the year.

Mr. Crooks informed the committee that the presented audit plan was a place holder draft and would be updated once the Enterprise Risk Assessment was completed. Mr. Goldsmith clarified that there were 15 questions left to score on the Enterprise Risk Assessment and that once the scoring was completed, it would feed into the Internal Audit and Compliance plans moving forward.

Mr. Crooks briefly introduced the Internal Audit department's budget. Discussion ensued regarding permanent staffing versus outsourcing, as appropriate. The committee agreed to defer Approval of the 2020 Fiscal Year Audit Plan and Budget until a thorough revision had been conducted.

### 6.3. External Auditor Update, Warren Averett, CPAs

Commissioner Ure announced that Warren Averett was unable to attend the meeting, however they reported that senior management and staff as a whole, were very responsive in providing materials requested. Mr. Fernandez and the finance department were especially recognized for their support. Warren Averett's audit was on schedule and final results were expected to be completed in October.

### 7. ADJOURNMENT 11:59 a.m.

**MOTION** It was *moved* by Commissioner Gregoire, *seconded* by Mr. Petkas, to:

### **ADJOURN THE AUDIT COMMITTEE MEETING**

Motion *carried* unanimously.

Respectfully submitted,  
Commissioner Stacy L. Angier, Secretary/Treasurer

**Internal Audit Department**  
**Fiscal Year 2020 Budget**  
**Explanation of Key Variances**  
**Act V. Budget 2019 & 2020**

	<b>a</b>			<b>b</b>			<b>c</b>		
	<b>2020 Budget</b>	<b>2019 Actual</b>	<b>Var. Inc. (Dec.)</b>	<b>2020 Budget</b>	<b>2019 Budget</b>	<b>Var. Inc. (Dec.)</b>	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>Var. Inc. (Dec.)</b>
Salary	1,092,921	800,212	292,709	1,092,921	1,088,767	4,154	1,088,767	800,212	(288,555)
Benefits	86,040	64,032	22,008	86,040	76,214	9,826	76,214	64,032	(12,182)
Outside Services	475,000	169,000	306,000	475,000	250,000	225,000	250,000	169,000	(81,000)
Professional	75,000	25,000	50,000	75,000	9,600	65,400	9,600	25,000	15,400

Note

- a.** Salaries and benefits increased when comparing 2020 budget to 2019 actual spending. This is due primarily to additional full time equivalent (FTEs), market adjustment and annual raise.  
 Outside services increased due to: 1) the need for specialized audit skills, and 2) size of audit engagements , e.g. IT and Revenue Cycle.  
 Professional education & training increased to equip auditors with knowledge relating to healthcare, and to build internal skill sets; also reducing future outside resources.
- b.** Minimal increase in salaries for 2020 versus 2019 budgets.  
 Outside services increased due to: 1) the need for specialized audit skills, and 2) size of audit engagements , e.g. IT and Revenue Cycle.  
 Anticipated additional training and education based on AMP quality review report.
- c.** Actual salaries, benefits and outside services were less than the budget for 2019.  
 Professional education & training increased because of the implementation of new audit software - Teammate .

**Internal Audit Department  
Fiscal Year 2020 Budget  
Account Unit Cost Center -119460**

Title & Account Description	Period												FY 2020	FY 2019	Diff. Inc. (Dec)	FY 2019	2020 Budget v. Act Variance Notes	
	1	2	3	4	5	6	7	8	9	10	11	12	Budget	Actual	Budget			
<b>Questioned Costs/Savings</b>	----->												<b>20,000,000</b>	<b>30,000,000</b>	<b>(10,000,000)</b>	<b>3,000,000</b>	IA anticipates \$20M in "Questioned Cost" based on opportunities that will arise from Revenue Cycle, Fixed Assets, and IT/Physical Security audits	
<b>Salaries 60001</b> Chief Internal Auditor	15,000	15,000	15,000	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	20,500	229,500	183,000	46,500	210,000	Salary increase reflects market rate adjustment over two years. Current based compensation is at the 48 percentile of BH scale and there is no long term incentive. Budget increase is based on 65th percentile of BH's base compensation. Gallagher's compensation report indicated most BH executives base compensations are at 50 - 75 percentile.
Audit Manager (open)	-	-	-	-	-	-	12,500	12,500	12,500	12,500	12,500	12,500	12,500	75,000	125,000	(50,000)	130,000	Decrease due late anticipate hiring for the last six (6) months of the year
Audit Supervisor Finance	7,480	7,480	7,480	8,225	8,225	8,225	8,225	8,225	8,225	8,225	8,225	8,225	8,225	96,465	-	96,465	125,000	Promoted staff on 8/30/2020 into the supervisor position
Audit Supervisor Clinical	7,223	7,223	7,223	8,225	8,225	8,225	8,225	8,225	8,225	8,225	8,225	8,225	8,225	95,694	-	95,694	-	Promoted staff on 8/30/2020 into the supervisor position
Senior Auditor	6,966	6,966	6,966	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	88,399	83,595	4,804	85,000	Increase in salary to bring employee's salary to market plus anticipated annual adjustment
Senior Auditor	6,417	6,417	6,417	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	86,751	77,002	9,749	80,000	Increase in salary to bring employee's salary to market plus anticipated annual adjustment
Senior Auditor (open \$90K)	-	-	-	-	-	-	7,500	7,500	7,500	7,500	7,500	7,500	7,500	45,000	89,752	(44,752)	76,000	Anticipate hiring for the last 6 months of the fiscal year
Senior IT Auditor (open \$90K)	-	-	-	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	67,500	-	67,500	105,500	Anticipate hiring IT Auditor for the last nine (9) months of the fiscal year 2020
Clinical/Revenue Auditor (open \$90K)	-	-	-	-	-	-	7,500	7,500	7,500	7,500	7,500	7,500	7,500	45,000	86,674	(41,674)	82,000	Anticipate hiring a staff level Clinical Auditor for the last six (6) months of the fiscal year
Staff Auditor	6,516	6,516	6,516	6,711	6,711	6,711	6,711	6,711	6,711	6,711	6,711	6,711	6,711	79,947	78,187	1,760	75,267	Traditional three percent (3%) annual increase for fiscal year 2020
Staff Auditor	6,417	6,417	6,417	6,610	6,610	6,610	6,610	6,610	6,610	6,610	6,610	6,610	6,610	78,741	77,002	1,739	74,000	Traditional three percent (3%) annual increase for fiscal year 2021
Staff Auditor (open)	-	-	-	-	-	-	6,500	6,500	6,500	6,500	6,500	6,500	6,500	39,000	-	39,000	-	Anticipate hiring Staff Auditor for the last nine (6) months of the fiscal year 2020
Internal Audit Analyst/Researcher	5,373	5,373	5,373	5,534	5,534	5,534	5,534	5,534	5,534	5,534	5,534	5,534	5,534	65,926	-	65,926	46,000	Traditional three percent (3%) annual increase for fiscal year 2020
<b>Salaries Total</b>	<b>61,392</b>	<b>61,392</b>	<b>61,392</b>	<b>78,305</b>	<b>78,305</b>	<b>78,305</b>	<b>112,305</b>	<b>112,305</b>	<b>112,305</b>	<b>112,305</b>	<b>112,305</b>	<b>112,305</b>	<b>112,305</b>	<b>1,092,921</b>	<b>800,212</b>	<b>292,709</b>	<b>1,088,767</b>	Total salary increase of \$290K (36%) due primarily to new hires and market adjustment.
<b>Benefits:</b>																		
60212 Disability Leave	300	300	300	300	300	300	300	300	300	300	300	300	300	3,600	2,670	930		
69500 Salary Slippage																		
61003 Social Security Taxes	6,870	6,870	6,870	6,870	6,870	6,870	6,870	6,870	6,870	6,870	6,870	6,870	6,870	82,440	61,362	21,078	76,214	
<b>Benefits Total</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>7,170</b>	<b>86,040</b>	<b>64,032</b>	<b>22,008</b>	<b>76,214</b>	Total benefit is a bi-product of salary.
<b>Print 72000</b> Print Shop Cost	244	244	236	244	236	244	244	229	244	236	244	236	244	<b>2,885</b>	<b>2,100</b>	<b>785</b>		To augment the shortage in resources, we will use outside vendors to perform some audits - IT, Security Revenue, and Construction

**Outside Services 72015:**

**Internal Audit Department  
Fiscal Year 2020 Budget  
Account Unit Cost Center -119460**

Title & Account Description	Period												FY 2020	FY 2019	Diff. Inc. (Dec)	FY 2019	2020 Budget v. Act Variance Notes
	1	2	3	4	5	6	7	8	9	10	11	12	Budget	Actual	Budget		
System Wide IT Audit & Physical Security Review ~ \$150K	-	-	-	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	150,000	-	150,000	Hire outside service to conduct system-wide IT and Physical Security audits that augments the IT Auditing engagement.	
Audit Committee Cost (AMP Expert Solutions ~ \$64k)	-	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	30,000	44,000	(14,000)	Internal Audit quality assurance review and subsequent follow-up based on audit committee request.	
Revenue Cycle Audit ~ \$200K	-	-	-	22,222	22,222	22,222	22,222	22,222	22,222	22,222	22,222	22,222	200,000	-	200,000	250,000	Outside Service vendor to conduct comprehensive revenue cycle audit
Fixed Asset Follow-Up ~ \$20K	-	-	-	-	-	-	3,333	3,333	3,333	3,333	3,333	3,333	20,000	125,000	(105,000)	Follow-up of the Fixed Asset reconciliation	
Construction Audit ~ \$75K	-	-	-	-	-	-	12,500	12,500	12,500	12,500	12,500	12,500	75,000	-	75,000	Outside Service vendor to conduct comprehensive review of construction projects	
<b>Total Outside Services</b>	-	-	-	<b>38,889</b>	<b>38,889</b>	<b>38,889</b>	<b>59,722</b>	<b>59,722</b>	<b>59,722</b>	<b>59,722</b>	<b>59,722</b>	<b>59,722</b>	<b>475,000</b>	<b>169,000</b>	<b>306,000</b>	<b>250,000</b>	Up swing in outside service over prior year of about \$300K due to high risk areas e.g. IT, Revenue Cycle, and Physical Security
<b>Office Supplies</b>	833	833	833	833	833	833	833	833	833	833	833	833	<b>10,000</b>	<b>3,000</b>	<b>7,000</b>	<b>5,000</b>	Increase due to additional FTEs
<b>Utilities</b> Cellular Phone	59	59	59	59	59	59	59	59	59	59	59	59	<b>713</b>	<b>713</b>	<b>(0)</b>		
<b>Professional Expenses</b> Education (CPE), Subscriptions & Training	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	<b>75,000</b>	<b>25,000</b>	<b>50,000</b>	<b>9,600</b>	Training and seminar for Audit staff on healthcare hot topics, revenue cycle, IT, construction audits. This will lower Outside Services in subsequent years
<b>Travel</b>	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	<b>12,000</b>	<b>3,500</b>	<b>8,500</b>	<b>1,500</b>	
<b>Depreciation</b> 92100 Depreciation Expense	2,043	2,043	2,043	2,043	2,043	2,043	1,942	1,942	1,942	1,942	1,942	1,942	<b>23,906</b>	<b>23,000</b>	<b>906</b>	<b>23,000</b>	
<b>Total Department Costs</b>	<b>78,992</b>	<b>78,992</b>	<b>78,984</b>	<b>134,794</b>	<b>134,786</b>	<b>134,794</b>	<b>189,526</b>	<b>189,510</b>	<b>189,526</b>	<b>189,518</b>	<b>189,526</b>	<b>189,518</b>	<b>1,778,465</b>	<b>1,090,557</b>	<b>687,908</b>	<b>1,454,081</b>	An approximately 60% increase in total Department costs due to primarily to Outside Services.



**Internal Audit Questioned Costs - January 1, 2017 to November 2018**

**Questioned Costs** - costs incurred due to a potential violation of law, regulation, contract, policy, or other agreement or document governing the expenditure of funds; lack of adequate documentation; or where the intended purpose is unnecessary or unreasonable.

**Purpose:** Document the amount of questioned cost discovered by the Internal Audit (IA) Department since January 1, 2017 to present

<b>Audit Report Issued Date</b>	<b>Audit Report Number</b>	<b>Audit Name</b>	<b>Reason for Questioned Costs</b>	<b>Amount of Questioned Costs</b>
Mar-17	N/A	Vendor Payment Reconciliation - BHP JumpStart Inc.	Paid in excess of the amount allowed by the contract	\$ 1,690,522
Mar-17	2017-146	EmCare Payments Reconciliation Review	Overpayments to EmCare Physicians	\$ 5,350
Mar-17	2017-146	EmCare Payments Reconciliation Review	535.5 hours certified by EmCare's physicians and paid by BH, but did not go through BH's electronic approval process in T.E.R.M.S.	\$ 87,320
Oct-17	2017-162	Vendor Payment Review - G4S Security	No justification and explanation for 6,972 additional hours of security services	\$ 122,072
Oct-17	N/A	Physician Contract Review - Dr. Maini	Compensation for one (1) day that exceeded the maximum days allowed for CME seminars per the contract terms	\$ 1,548
Oct-17	N/A	Physician Contract Review - Dr. Rodriguez-Cortes	Compensation for one (1) day that exceeded the maximum days allowed for CME seminars per the contract terms	\$ 1,327
Jan-18	2018-166	Surgical Instrument Review	Inadequate tracking of the contractual terms between IMS and BH for instrument repair	\$ 14,097
Mar-18	2018-170	Anesco Contract Review	Overpayment for anesthesiological services: (1)Incorrect use of the CPI rate for 2017 and (2) increased anesthesiology contract deliverable (base site) and payment without an amendment	\$ 102,126
Mar-18	2018-M171	Dr. Logan Payment Review	Paid for work performed outside of the contract period Inaccurate coding for billing Unallowable payment for travel and CME	\$ 19,799
Jul-18	2018-M175	CHS Travel Seminar and Vendor Payment Review	Improper authorization for seminar and travel expenses by former CHS management personnel and staff	\$ 9,242
Sep-18	2019-M187	Fraudulent Checks Review	The Positive Pay is ineffective as it failed to identify the altered checks.	\$ 24,500
Nov-18	2019-A195	Compensation and Benefits	Salary increases issued without the required Department Head and/or Regional Chief HR Officer signatures	\$ 315,000
			Hire-on bonus of \$5,000 paid to an employee who had already been working for BH for over two years	\$ 5,000
			No Board approval for MTO cash payment	\$ 4,700,000
Jan-19	2019-A192	Non-Focus Vendors Contract Process Review	BH overpaid Fort Lauderdale Magazine by \$240 for advertising services	\$ 240
			BH paid MPL Services \$98,156 in FY 2018 without referring the procured service for a formal bid	\$ 98,156
Jan-19	2019-A197	Non-Focus Arrangements and Payments Review - Legal and Compliance Departments	Vendors that were approved for payments by BH's Legal department for legal services in FY 2017 and 2018, were missing a fully executed engagement letter/contract, where signatures were missing or contracts could not be located.	\$ 450,000
			The engagement letter for one (Bradley Arant Boult) of the 68 vendors was executed after payments (\$842,015) had already initiated	\$ 842,015
			Thirty-seven (37) of the 56 contracts/engagement letters for legal professional services were executed by only the former General Counsels. No other BH's Executive seems to be aware of these agreements.	\$ 3,356,966
			Twenty-one (21) of the 56 engagement letters for legal professional services were not included in BH's centralized contracts management system (C360); thus, they were executed without going through the established contract work flow process.	\$ 2,504,078
			Nine (9) invoices for FY 2017 did not have the appropriate supporting documentation (e.g. receipts for travel, photo-copying expenses, etc.).	\$ 1,097
			Fifty-eight (58) invoices FY 2018 did not have the appropriate supporting documents (e.g. receipts for travel, photo-copying expenses, etc.).	\$ 103,107

			for FY 2017, the details (description of service, attorney titles, etc.) on 34 invoices were inadequate, and there was no discernible support for payments	\$ 2,927,056
			For FY 2018, the details on 102 invoices were insufficient to support payments.	\$ 4,417,299
			For FY 2017, the former General Counsel authorized 29 invoices or \$3,717,906 that (in aggregate) exceeded the authorization levels of a VP (up to \$50,000) pursuant to BH's Procurement Policy.	\$ 3,717,906
			For FY 2018, forty-one (41) invoices or \$5,682,624 were approved by the former General Counsel that exceeded the Vice President (VP) limits pursuant to BH Procurement Policy.	\$ 5,682,624
			For FY 2018, one (1) invoice or \$55,405 was approved by the former Chief Compliance Officer that (in aggregate) exceeded the VP limit pursuant to BH Procurement Policy.	\$ 55,405
			For FY 2017, 24 invoices or \$101,055 were deemed incorrectly paid	\$ 101,055
			For FY 2017, there was no contract or letter of engagement initiated for one vendor for whom payments totaled \$328,042.	\$ 328,042
			For FY 2018, there were no contracts or letter of engagements for three (3) vendors to whom payments totaled \$976,607	\$ 976,607
			Payments totaling \$970,159 were made to five (5) attorneys that were not contracted by BH, but instead contracted by five (5) individual BH employees and board members.	\$ 970,159
			A deposit of \$25,000 was paid to a vendor (Doctors Management, LLC) on November 8, 2016 for audit and education services and compliance risk analysis, but there was no indication that the deposit was offset against a subsequent invoice.	\$ 25,000
			A duplicate payment (\$22,625) was made to a vendor (Baker Donelson). The invoice was approved by former Chief Compliance Officer, and processed by the accounts payable department. The vendor notified Compliance department of the discrepancy and the amount was credited against a subsequent invoice.	\$ 22,625
			For FY 2017, eight (8) or \$1,177,089 that belonged to the compliance department's cost center (119550) were improperly authorized and approved by the former General Counsel.	\$ 1,177,089
			For FY 2018, eight (8) invoices or \$2,078,603 were improperly authorized and approved by the former General Counsel.	\$ 2,078,603
Feb-19	2019-A202	340B Medication Program	Approximately 11,108 (\$1.2M) medication transactions were in violation of the 340B program for the six months reviewed.	\$ 1,200,000
Apr-19	2019-A208	Accounts Payable Process	Broward Health is paying for 35 pay phone services that are no longer located in the District. BH has overpaid \$972.05 per month (\$11,664 yearly) for pay phone services.	\$ 972
			Lack of supporting documents to justify payment transactions – four (4) payment transactions totaling \$4,469.96 could not be traced to an invoice.	\$ 4,470
			Four (4) check request payments totaling \$189,395.16 were missing the appropriate level of management approval.	\$ 189,395
			An employee was reimbursed for mileage at a higher rate of 57.5 cent per mile when the allowable 2018 mileage rate was 54.5 cents per mile. The employee received \$14.90 more than the allowable amount.	\$ 15
			The CDTC used petty cash to reimburse an employee for the purchase of seven (7) bottles of wine totaling \$46.67. AP reimbursed the CDTC for the purchase of the alcoholic beverages.	\$ 47
<b>Total Amount of Questioned Costs</b>				<b>\$ 38,327,931</b>
				<b>\$ 36,283,770</b>

**§ 200.84 Questioned cost.**

*Questioned cost* means a cost that is questioned by the auditor because of an audit finding:

(a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;

(b) Where the costs, at the time of the audit, are not supported by adequate documentation; or

(c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.