

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

AUDIT MEETING
Immediately following the Compliance and Ethics Committee Meeting
September 24, 2020

The Audit Committee Meeting of the North Broward Hospital District was held on September 24, 2020, at 1:30 p.m., via WebEx video conference.

1. **NOTICE**

Official notice and agenda of this meeting is attached to the Minutes, as EXHIBIT I and EXHIBIT II, as presented for consideration of the Committee.

2. **CALL TO ORDER**

Chair Ure requested that the vice chair lead the meeting due to internet access issues.

There being a quorum present, the meeting was called to order by Vice Chair Nancy W. Gregoire at 1:31 p.m.

3. **COMMITTEE MEMBERS**

Present:

Commissioner Christopher T. Ure, Chair
Commissioner Nancy W. Gregoire, Vice Chair
Commissioner Ray. T. Berry
James Petkas, External Audit Consultant
Scott Porter, External Audit Consultant

Senior Leadership

Additionally Present:

Marie C. Waugh/Commissioner, Gino Santorio/President/Chief Executive Officer, Alan Goldsmith/Chief Administrative Officer, Alex Fernandez/Chief Financial Officer, Linda Epstein/Corporate General Counsel, Jerry Del Amo/Deputy General Counsel

4. **GOVERNOR'S EXECUTIVE ORDER ANNOUNCEMENT**

General Counsel delivered the Governor's Executive Order for the record.

"This public board meeting is being conducted through communications media technology in accordance with the Governor's Executive Order No. 20-69, as extended by the Governor's Executive Order No. 20-193 and Section §120.54(5)(b)2 of the Florida statutes. This meeting is

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open to the public who are able to attend this meeting via telephone conference call. The conference call information is currently posted on Broward Health's website. All the requirements of the Florida's Sunshine Law are still in effect, including the memorialization of minutes. While not a requirement under Florida law, we will attempt to record this meeting and post it on Broward Health's website for the public and for those who may not be able to attend this live telephone conference."

5. PUBLIC COMMENTS

Chair Gregoire opened the floor for public comments, in which there were none.

6. APPROVAL OF MINUTES

The Audit Committee of the North Broward Hospital District approve the minutes from May 27, 2020.

Motion *carried* without dissent.

7. TOPIC OF DISCUSSION

7.1. External Audit Update – presented by Phillip Grice, CPA, Warren Averett

- Report is 85-90% completed.
- Upcoming focus is on Disclosures and the presentation of a Financial Statement.
- Field work started July 27 and ended September 25.
- Major open items.
 - Inventory delayed due to COVID-19; received this week.
 - Investments pending outstanding market valuations.
 - Employee pensions pending an actuarial report.
- Federal awards audit.
 - Two-week field work started this week.
 - Target for audit completion is December.
- Audit adjustment possibility.
 - Overstatement of investments due to a cutoff issue.

7.2. Department Activities – presented by Brian Kozik, Interim, Internal Chief Auditor

- Reviews ongoing in the following areas:
 - Audit of cash posting process at the central billing office and professional billing office, in progress.
 - Finalizing audit assistance with external auditors for hospital inventory and pricing.
 - Review of reimbursement rates for HMOs for commercial insurance, in progress.
 - Payroll processing, in progress.

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- Pyxis contract and internal controls, in review.
- Broward Health medication diversion prevention program, in progress.
- Payment card industry process, in progress.
- Planning a table exercise for November for patient privacy during a cyber-attack.
- An internal Audit Department staff member joined the Auditing and Monitoring Sub-Committee Meeting to present any outstanding recommendations.
- IT auditor, Kevin Kull, participating in monthly meetings between Compliance Privacy and IT Security.
- IT auditor, Kevin Kull, participating in the ERH system evaluation of Cerner and Epic.
- Meeting held with external auditors August 13, 2020 to review type of communications that occur with the Board of Commissioners and the executive team. There was also discussion regarding any fraud, noncompliance or legal audits, to which there were none.
- Provided external auditors a requested copy of the IRO report, as well as the year 4 report submitted to the Office of the Inspector General (OIG).

7.3. Final Reports Issued – presented by Brian Kozik, Interim Internal Chief Auditor

- Physician Relocation Agreement Review, June 2020.
- Broward Health Foundation Review, June 2020.
- Healthcare for the Homeless Subgrantee, Monitoring of Memorial Health System, June 2020.
- Uninsured Patient Access, Medical Options for Patient Eligibility Department, Medicaid Eligibility Unity, and Central Financial Assistance – all reviews had some minor findings of internal control improvement.

Mr. Kozik confirmed that the following items would be added to the next Audit Committee Meeting agenda:

- Process for Audit Committee approval of reports.
- Motion to approve audit reports.
- Motion to approve revised Audit Committee policies made in May 2020.
- Discussion regarding a requirement for management to respond to comments in audit reports.

7.4. Approval of Audit Work Plan – Fiscal Year 2021 – presented by Brian Kozik, Interim Internal Chief Auditor

MOTION It was *moved* by Commissioner Ure, *seconded* by Mr. Petkas, that:

The Audit Committee recommends that the Board of Commissioners of the North Broward Hospital District approve the Audit Work Plan-Fiscal Year 2021, as presented.

MINUTES

NORTH BROWARD HOSPITAL DISTRICT

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Motion was confirmed by roll-call vote:

YES Commissioner Nancy W. Gregoire, Vice Chair

YES Commissioner Ray T. Berry

YES Mr. James Petkas, External Audit Consultant

YES Mr. Scott Porter, External Audit Consultant

YES Commissioner Christopher T. Ure, Chair

Motion *carried* 5/0.

7.5. Staffing – presented by Brian Kozik, Interim, Internal Chief Auditor

- Manager – Cynthia Norris introduced herself and shared her educational background and leadership experience in both operational compliance and regulatory audit.
- Internal Auditor – two openings; interviews in process.
- Clinical Auditor – interviews in process.

8. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 2:00 p.m.

Respectfully submitted,
Commissioner Marie C. Waugh, Secretary/Treasurer