

Audit Committee Meeting

May 16, 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 Thursday, May 16th, 2019, at 1:00 pm, 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.

MINUTES

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

AUDIT COMMITTEE 10:00 a.m., May 8, 2019

CALL TO ORDER 10:07 am

COMMITTEE MEMBERS

- √ Commissioner Christopher T. Ure/Chair
- √ Commissioner Andrew M. Klein (WebEx telephonic appearance)
- √ Commissioner Nancy W. Gregoire
- √ External Audit Consultant Scott Porter
- √ External Audit Consultant James Petkas

ADDITIONALLY PRESENT Commissioner Ray T. Berry, Commissioner Stacy L. Angier, Alan Goldsmith/CAO, Alex Fernandez/CFO, Jerry Del Amo/Managing Senior Associate, Brett Bauman/Associate General Counsel, Nigel Crooks/Chief Internal Auditor

Commissioner Ure modified the sequence on the agenda to allow the external auditors to speak first. He asked that item 6.5 be deleted and 6.3 and 6.4 be moved to the top of the agenda.

PUBLIC COMMENTS

- Mr. Vicente Thrower indicated that he'd like to see an increase of minority firms doing business with Broward Health.

APPROVAL OF MINUTES

5. Approval of Audit Committee meeting minutes dated April 3, 2019.

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

**APPROVE THE LEGAL AFFAIRS COMMITTEE MEETING MINUTES,
DATED APRIL 3, 2019.**

Motion *carried* unanimously.

TOPIC OF DISCUSSION

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6.3. External Auditor contract review and acceptance

CFO, Alex Fernandez, gave a brief history of the relationship between Broward Health and Warren Averett. Their agreement was extended in January 2018 until October 2019. Although the agreement was currently active, Mr. Fernandez reported that language was not included to comply with state statute. An amendment was drafted to include the renewal clause and terminate the original extension letter that was signed inappropriately. At Mr. Porter's suggestion, the Auditor General's Office was contacted to inquire if the amendment was permissible per statute. Their recommendation was that in-house legal counsel provide an opinion to be included with the amendment and that it should reference the actions that were taken to include clause language.

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

APPROVE THE EXTENSION OF CURRENT EXTERNAL AUDITOR, WARREN AVERETT, AGREEMENT FOR AN ADDITIONAL THREE (3) YEARS SUBJECT TO RECEIPT OF IN-HOUSE COUNSEL'S MEMO.

Motion *carried* unanimously.

Commissioner Angier requested the amendment and in-house legal opinion be circulated to the entire Board, prior to the meeting.

6.4. External Auditor overview for 2019 for audit engagement

Mr. Phillip Grice introduced himself and Wayne Dunn with Warren Averett and briefly described their audit approach and timeline. Mr. Grice took questions from the committee members.

6.1. Review and select Request for Proposal (RFP) for Internal Audit Department

6.2. Summary of Request of Professional Services received

- AMP Expert Solutions, LLC
- Baker Tilly Virchow Krause, LLP
- Plante Moran Audit, Tax, Consulting, Wealth Management

MINUTES

- Protiviti Internal Audit, Risk, Business & Technology Consulting

Discussion ensued related to the wide range of costs between firms, in addition to the wide range in labor hours proposed. Mr. Porter, Mr. Petkas and Commissioner Ure all shared the same opinion in that the driving factor for them was each firm's experience in healthcare and the volume of external quality assessments they had undertaken.

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

INVITE THE FINAL THREE AUDITING FIRMS, AMP, BAKER TILLY AND PROTIVITI, TO BE INTERVIEWED AT THE NEXT AUDIT COMMITTEE MEETING.

Motion *carried* unanimously.

Discussion ensued regarding the structure and expectations of the interviews. Commissioner Ure proposed each firm be given ten minutes to introduce themselves and share their firm's presentations, followed by a twenty minute Q&A interaction. He also asked staff to propose a joint venture, if necessary, in that one firm act as main auditor and the other as subcontractor.

The following instructions were given to staff.

- Invite AMP, Baker Tilly and Protiviti to present at the next committee meeting.
- Verify references and provide a summary of discussion and whom it was with.
- Inform each firm that they are limited to 10 minutes for presentation and 20 minutes for Q&A interaction.
- Broach the subject of a joint venture/subcontracting with another firm, should there be a need for two.
- Perform an exhaustive conflict check.

Mr. Porter requested that staff provide interview prompts. For consistency, Commissioner Ure suggested Mr. Porter and Mr. Petkas assist staff in drafting interview questions.

ADJOURNMENT 11:37 am

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

ADJOURN THE AUDIT COMMITTEE MEETING.

MINUTES

NORTH BROWARD HOSPITAL DISTRICT

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

Motion *carried* unanimously.

Respectfully submitted,
Commissioner Ray T. Berry, Secretary/Treasurer

DRAFT

Thursday, May 09, 2019

AMP Expert Solutions LLC
Angela Poole
apoole@ampexpertsolutions.comProtiviti Inc
William Thomas
william.thomas@protiviti.comBaker Tilly Virchow Krause LLP
Mark Laccetti
mark.laccetti@bakertilly.com**Re: Proposal for Quality Assessment Review of Internal Audit Department - Oral Presentations**

Dear Corporate Representative:

Congratulations, your firm has qualified to participate in Oral Presentations for the Quality Assessment Review of the Broward Health Internal Audit Department.

Presentation length will be ten (10) minutes followed by an additional twenty (20) minutes of Q&A.

Your firm is responsible for providing all materials necessary for your presentation (ie. printed handouts). If you will be providing handouts as part of your presentation, please bring at least twelve (12) copies.

Presentations will take place on Thursday, May 16, 2019 1:00 PM to 3:00 PM at:

Broward Health Corporate Office
1700 NW 49 Street suite #150
Ft. Lauderdale, FL 33309

Please submit your responses to the following questions before 12:00PM on Tuesday May 14, 2019 to bids@browardhealth.org.

1. Is your firm willing to JV or sub contract this engagement with another firm?
2. Does your firm have any conflicts to completing this engagement?
3. Is your firm excluded from doing business with Broward Health for any reason?

References that were provided in original proposals will be verified prior to oral presentations.

Thank you for your participation in the Oral Presentations for the Quality Assessment Review of the Broward Health Internal Audit Department. If you have any questions, please contact us at bids@browardhealth.org.

Sincerely,



Diana Gomez

Supply Chain Bids Manager

Re: Proposals for Quality Assessment Review of Internal Audit Department
Broward Health

cc: A. Fernandez, P. Alfaro, J. Hernandez