

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

AUDIT COMMITTEE MEETING **2:00 p.m., May 27, 2020**

The Audit Committee of the North Broward Hospital District was held at 2:00 p.m., on May 27, 2020 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

There being a quorum present, the meeting was called to order by Chairman Christopher T. Ure at 2:02 p.m.

3. COMMITTEE MEMBERS

Present: Commissioner Christopher T. Ure, Chair
Commissioner Marie C. Waugh
James Petkas, External Audit Consultant
Scott Porter, External Audit Consultant

Not Present: Commissioner Nancy W. Gregoire, Vice Chair

Senior Leadership

Additionally Present: Ray T. Berry/Commissioner, Stacy L. Angier/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, as seen below.

"This public meeting is being conducted through communications media technology in accordance with the Governor's Executive Order No. 20-69, as extended by Governor's Executive Order § 20-123 and section 120.54(5)(b)2., Florida Statutes. This meeting is 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 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

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Health’s website for the public and for those who may not be able to attend this live telephone conference meeting.”

5. PUBLIC COMMENTS

None.

6. APPROVAL OF MINUTES

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

Staff Recommendation: That the Audit Committee approve the meeting minutes for February 26, 2020.

Staff recommendation carried unanimously.

7. TOPIC OF DISCUSSION

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

Mr. Grice noted additional Warren Averett team members in attendance: Chris Smith, Paul Perry, Michael Robarcheck, and In-Mi Matsunaga.

Broward Health’s CFO, Alex Fernandez and Zsolt Czira, Assistant Controller, were complimented for keeping to the pre-COVID-19 scheduled dates.

The Warren Averett team presented slides on the subjects below, which are available on the Board of Commissioners (BOC) website and within the meeting video also available on the BOC website.

- Audit Schedule
 - Planning weeks: May 11 and 18.
 - Fieldwork scheduled to start July 27 for six weeks.
 - Target date for issuance – October Board meeting.
- COVID-19 – presented by Ms. In-Mi Matsunaga.
- Planning – presented by Mr. Michael Robarcheck.
- Interim Procedures – presented by Michael Robarcheck.
- Significant Areas (Assets) – presented by Phillip Grice.
 - Significant Areas = 96% of Total – Assets.
- Significant Areas – Liabilities
 - Significant Areas = 100% of Total – Liabilities.
- Risk Assessment – IT Environment – presented by Paul Perry.
 - Information Technology General Controls Review.
- Single Audit – presented by Mr. Chris Smith.

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- Single Audit Overview
 - Schedule of Expenditures of Federal and State Awards.
 - Major Program Determination.
 - Audit Process – Compliance Supplement.
 - Timing of Single Audit.
- SEFA, expected late July early August.
 - Field work, expected late August early September.
 - Issued Reports.
 - Expect to deliver reports in December.

At the closing of Warren Averett's presentation, questions were taken from the committee.

7.2. Department Activities - Presenter - Brian Kozik, Chief Compliance & Privacy Officer

Mr. Kozik noted that although the system was going through a pandemic crisis, the Audit Department continued in its efforts to maintain the audit plan.

7.2.1. Staff Meetings

- Commenced audit monthly staff meeting.
- Audit department staff periodically attends the compliance department monthly staff meetings.

7.2.2. One on Ones

- Extremely important for Interim Chief Internal Auditor to meet monthly with each individual staff member.
 - Discuss expectations.
 - Their role in the department.
 - What the Interim Chief Internal Auditor does to ensure their success.
 - Initial meetings successful.

7.2.3. Attendance at Regional Compliance Meetings

- Exposure to hospital operations will ensure success of internal audits.
- Builds relationships.
- One audit member attending monthly compliance regional meetings.
- If they have an agenda item, it will be added to the meeting.
- Meetings are chaired by the hospital CEO and regional compliance manager.

7.2.4. Attendance at Quarterly Privacy/Security Meetings

- Meetings include the Manager of Privacy, IT Security Manager and, HIM Directors from around the system.
- Included the IT Auditor as a member of this group.
 - To build relationships with other members of the system responsible for protecting patient's health information.

- Group will also ensure IT internal audits are successful.

7.2.5. Attendance at Auditing/Monitoring Meetings

- Group's recommendations added to compliance sheet to track outstanding compliance responses.

7.2.6. Attendance at Record Retention and Destruction Meetings

- Group led by Alex Fernandez.
- The system has not been regularly destroying any records.
- Work group analyzed state and federal requirements and developed a policy and procedure for retention and destruction.
- IT Auditor joined work group.
- Workgroup includes Legal, Information Technology, Compliance, Physician Leadership and, HIM departments.
- Additional goal to reduce significant costs for maintaining records at off-site storage facility.
- Audit department member added to the group.

7.2.7. Closing Meetings Attendance and Objectives (Revised)

- Reviewed internal audit's process in conducting closing meetings with management and the objectives of the meeting.
- Extremely important for management of area under review to participate in closing meetings.
- Reviewed process of draft reports and level of management that should be provided a draft.
- Reorganized the closing meeting process and issuance of draft report.
- Implemented new process on patient access report.
- Revisited management responses.
 - Upon revisions to the process, closed meeting held again with audit team and Alex Fernandez, Chief Financial Officer.
 - Redrafted report in new format.
 - Exchange of information was valuable to both internal audit and finance management.
 - Goal to ensure audits are collaborative and proper communication occurs.

7.2.8. Staff Education

- Education is key to success, individually and for system audits.
- Individual staff meetings discussed educational opportunities.
- Feedback extremely positive.
- Staying current on audit topics and methodologies ensures a successful audit function.

- 7.3. Policy: GA-031-001 Broward Health Internal Audit Policy and Procedure (Revised) an audit manual on how internal audits are conducted.
- Mission of the Internal Audit Department
 - Key Terms used by the Internal Audit Department
 - Independence and Objectivity
 - Professional Proficiency and Due Professional Care
 - Services Provided by the Internal Audit Department
 - Describes Internal Audit Planning Process
 - Describes the Audit Fact Finding Process
 - Describes Audit Documentation supporting the audit
 - Closing Meeting Guidelines
 - Draft Report Guidelines
 - Management's Response to Identified Issues Guidelines
 - Final Report Guidelines and, Final Report Distribution
- 7.4. Policy: GA-031-002 Broward Health Internal Audit Assistance to Management Policy and Procedure (Revised).
- Focus of policy was to document functions that Internal Audit performs.
 - Policy also covers the process to be followed if management requests specific audits and/or assistance.
 - Such requests must be reviewed and approved by the Chief Internal Auditor.
 - Audit Committee must be informed.
 - If request significantly impacts the Audit Work Plan, Audit Committee approval is necessary.
- 7.5. Policy: GA-031-003 Broward Health Internal Audit Report Policy and Procedure (Revised)
- Focus of policy was to provide guidelines for reporting writing.
 - Policy describes the characteristics of each report and required format, based upon IIA Standards for the design and content of the report.
 - Title page
 - Table of contents
 - Executive summary
 - Audit objectives
 - Audit scope
 - Background
 - Part I Observations, Recommendations and Management Responses
 - Part II Opportunity for Improvement
 - Part III Appendix
 - General Information
 - Attachments
 - Policy also covers the process for discussing and issuing draft and final reports.

7.6. Patient Access Report (Revised – New Format)

- Report was tabled in the February meeting.
- Revised report was put into the new format.
- Issued new draft to management, which they approved.
- Scheduled new closing meeting with CFO and Director of Patient Access.
- Discussion was collaborative.
- Auditors engaged in ensuring factual accuracy of findings.
- Physician Relocation – The department held closing meetings and issued draft reports in the following areas:
 - Broward County Contract – Draft issued.
 - Foundation – Draft issued.

Meeting with external auditors, May 15, 2020 via WebEx

Following topics covered:

- Audit Plan for Fiscal Year 2020 provided to auditors.
- Audit Reports Issued in Fiscal Year 2020 provided to auditors.
- Internal Audit's role in the financial statement audit.
- Assistance with the physician inventory count that was postponed in March and April due to COVID-19. Re-scheduled July 6, 2020 through July 22, 2020.
- Accounts payable – control testing.

7.7. Status of Fiscal Year for Fiscal Year 2020 Audit Plan (Impacted by COVID-19)

- Due to COVID-19 crisis, staff being on Holiday PL and staff vacancies, the Fiscal Year 2020 Audit Plan completion will not occur.
- It is essential to revise plan to include audits that can be completed within fiscal year.
- The fiscal 2020 audit plan included 39 items, which is not realistic, even with full staff.
- To date:
 - Eleven (11) audits completed and final reports issued.
 - Five (5) audits are currently in process.
 - One (1) audit, (Two-Midnight Rule) removed from Plan.
 - One (1) audit, (Physician Credentialing Process) had an external review.
 - Eleven (11) audits will roll over to the Fiscal Year 2021 plan.
 - One (1) audit was removed, (Compliance C360 Control Process.)
 - Nine (9) audits will be completed this fiscal year.

7.8. Open Positions

- Meeting held with Human Resources (prior to the COVID-19 pandemic) to discuss actively recruiting four open positions.
 - Manager
 - Senior Internal Auditor

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- Clinical Auditor
- Staff Auditor

It was determined that moving forward, acronyms within the reports would be defined.

8. ADJOURNMENT

There being no further business on the agenda, the Chair adjourned the meeting at 3:17 p.m.

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

APPROVED