MINUTES

North Broward Hospital District
Board of Commissioners
1601 South Andrews Avenue, Suite 100
Fort Lauderdale, FL 33316

AUDIT COMMITTEE MEETING
Wednesday, July 29, 2026
Immediately following the Legal Affairs and Governmental Relations Committee Meeting

The Audit Committee Meeting of the North Broward Hospital District was held at the Broward Health Sports Medicine Building, 1601 South Andrews Avenue, Suite 100, Fort Lauderdale, FL 33316.

1. **NOTICE**

Although the public notice listed the Compliance Committee meeting first, the Audit Committee meeting was convened first. The Compliance Committee meeting followed.

2. **CALL TO ORDER**

There being a quorum present, the meeting was called to order by Chair Christopher J. Pernicano at 2:47 p.m.

3. **ROLL CALL**

Present:	William G. Benson, External Consultant Vice Chair Stacy L. Angier Chair Christopher J. Pernicano
Not Present:	Commissioner Ray T. Berry

4. **PUBLIC COMMENTS**

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

5. **APPROVAL OF MINUTES**

Approval of the Audit Committee Meeting Minutes dated April 29, 2026.

Without objection, the Committee approved the minutes.

Motion ***carried*** without dissent.

6. **TOPIC OF DISCUSSION** (Presenter: Drew Cobb, Internal Audit Director, KPMG LLP)

6.1. **Internal Auditor Report**

Mr. Cobb presented the Internal Audit Report, providing an overview of the Fiscal Year 2026 internal audit activities and the proposed Fiscal Year 2027 audit initiatives. The presentation included a

DRAFT

review of the Fiscal Year 2026 Audit Scorecard, the proposed Fiscal Year 2027 Internal Audit Department Charter, the proposed Fiscal Year 2027 Internal Audit Plan and audit schedule, and an overview of the COSO Internal Control Framework used to support Broward Health's enterprise risk management and governance activities.

The Fiscal Year 2026 Audit Scorecard summarized audit activities completed through June 30, 2026, including audits of employee onboarding and offboarding, contract management, front-end revenue cycle, denials management, cybersecurity, business continuity, connected medical devices, Epic segregation of duties, quality reporting, and annual physical inventory. Audit findings were categorized according to risk level, and management continued implementing corrective actions in response to identified recommendations. Emphasis was placed on strengthening identity and access management controls and recognizing management's commitment to continuous improvement in quality reporting and patient satisfaction initiatives.

The presentation also included an overview of the COSO Internal Control Framework, highlighting its five components—Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities—and their role in establishing an effective system of internal controls. The COSO principles were discussed in the context of Broward Health's enterprise-wide and facility-level risk management strategy and their integration into the Internal Audit Department's risk-based audit methodology.

6.2. **Approval of the Internal Audit Department's Fiscal Year 2027 Internal Audit Plan**

The proposed Internal Audit Plan for Fiscal Year 2027 was presented for Committee review and approval. The plan outlines a risk-based audit schedule that includes follow-up cybersecurity audits, AI governance, cash handling and fraud risk reviews, medical necessity and authorization denials, physician credentialing and privileging, accounts receivable write-offs, contract compliance, contract lifecycle governance, grant administration, and annual inventory reviews.

MOTION It was ***moved*** by Mr. Benson, ***seconded*** by Commissioner Angier, that:

The Audit Committee recommends that the Board of Commissioners of the North Broward Hospital District approves the Internal Audit Department's Fiscal Year 2027 Internal Audit Plan, as presented.

Motion ***carried*** unanimously.

6.3. **Approval of the Internal Audit Department Charter**

The Internal Audit Department Charter was reviewed. The Charter reaffirms the Department's mission to provide independent and objective assurance and advisory services that strengthen governance, internal controls, and enterprise risk management. It further outlines the Internal Audit Department's authority, independence, reporting structure, responsibilities, and adherence to the COSO Internal Control Framework and Institute of Internal Auditors (IIA) Standards.

MOTION It was ***moved*** by Commissioner Angier, ***seconded*** by Mr. Benson, that:

The Audit Committee recommends that the Board of Commissioners of the North Broward Hospital District approves the Internal Audit Department Charter, as presented.

Motion ***carried*** unanimously.

7. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 2:53 p.m.

Respectfully submitted,
Secretary/Treasurer Nancy W. Stamper

DRAFT