

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

AUDIT COMMITTEE MEETING **12:30 P.M., Wednesday, October 19, 2022**

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

Official notice is attached to these minutes, titled EXHIBIT I. Agenda of this meeting is attached to the minutes, titled EXHIBIT II. Supporting documents, if applicable, are attached to these minutes, titled EXHIBIT III. These exhibits are presented for consideration of the Committee.

2. CALL TO ORDER

There being a quorum present, the meeting was called to order by Chair Ray T. Berry at 12:44 p.m.

3. ROLL CALL

Present:

Vacant, External Consultant
Bill G. Benson, External Consultant
Stacy L. Angier, Commissioner
Christopher J. Pernicano, Vice Chair
Ray T. Berry, Chair

Additionally Present:

Paul C. Tanner, Commissioner
Levi G. Williams, Jr., Commissioner (via Teams)
Nancy W. Stamper, Commissioner
Shane Strum, President, Chief Executive Officer
Alan Whaley, EVP, Chief Operating Officer
Alex Fernandez, SVP, Chief Financial Officer
Linda Epstein, Corporate General Counsel

4. PUBLIC COMMENTS

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

5. APPROVAL OF MINUTES

5.1. Approval of minutes dated July 20, 2022

Without objection, Chair Berry approved the minutes, dated July 20, 2022.

Motion *carried* without dissent.

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6. TOPIC OF DISCUSSION

- 6.1. External Audit Update (Presenters - Phillip Grice, CPA, Warren Averett, CPAs & Advisors)

Warren Averett representatives, Phillip Grice, CPA, Member & Michael Rebarchak, CPA, Senior Manager, presented the completed Financial Statement Audit for the Fiscal Year 2022. Mr. Grice noted that fieldwork commenced in early August 2022 and final evidence submitted on October 5, 2022.

The following was reviewed:

- 6.1.1. - Required Communications to Those Charged with Governance, AU-C 260 Letter
- 6.1.2. - Communications of No Material Weakness, AU-C 265 Letter
- 6.1.3. - Financial Statement

Reported that financial statement disclosures are neutral, consistent, and clear.

In conclusion, reported that in testing, Warren Averett had not identified any material weaknesses or significant deficiencies in the District's control process.

Chair Berry recognized Warren Averett and the following Broward Health finance team members:

- Alex Fernandez, Chief Financial Officer
- Alisa Bert, Vice President, Financial Operations
- Zsolt Czira, Assistant Controller
- Alex Gonzalez, Director, Accounting Services/Grant Accounting

For further detail, related slides are available within the October 2022 Audit Committee Meeting book on the Board of Commissioners' webpage.

MOTION It was *moved* by Commissioner Angier, *seconded* by Commissioner Pernicano, that:

The Audit Committee recommend that the Board of Commissioners of the North Broward Hospital District approve the Warren Averett Audited Fiscal Year 22 Financial Statements, as presented.

Motion was confirmed by roll-call vote.

YES Bill G. Benson, External Consultant
YES Stacy L. Angier, Commissioner
YES Christopher J. Pernicano, Vice Chair
YES Ray T. Berry, Chair

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Motion *carried* 4/0.

6.2. Chief Internal Auditor Report (Presenters - Deborah Hall, Chief Internal Auditor)

Ms. Hall reported the following quarterly updates:

Internal Audit staffing:

- Supervisor, IT Audit
- Clinical Auditor
- Internal Auditor – interviews in progress Senior IT Auditor
- AVP, Internal Audit - pending attrition to Director

FY 2022 Internal Audit Plan:

Ms. Hall reported the below as update to the last Audit Committee quarterly meeting held on July 20, 2022:

Audits Completed (3):			
	Audit Name	Objective	Conclusion
1	Expense Reimbursement Audit	Reviewed the business process and operational controls in place to ensure employee expense approvals and reimbursements were performed in accordance with BH policies.	Issued 8/24/22; Conclusion: No significant control weaknesses were identified.
2	Annual Inventory Count & Valuation (FY22)	Reviewed cost valuations of medical/surgery and pharmacy supplies to provide reasonable assurance that BH’s inventory count and valuation (costing) are accurate and reasonably stated in BH’s financial statements.	Issued 8/31/22; No issues were identified.
3	Telehealth Audit	Reviewed the effectiveness of internal controls over Ambulatory telehealth operations and compliance with BH policies and	Issued 9/1/22; While it appears that Broward Health complied with all state and federal laws and regulations, review of operational reporting used to monitor and track the status of patient encounters discovered ineffective internal controls

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Audits Completed (3):			
	Audit Name	Objective	Conclusion
		applicable state and federal regulations.	related to obtaining outstanding requirements, and completeness of medical records necessary to file telehealth claims. Additionally, strengthened oversight is needed to ensure timely remediation of errors identified during quality review of telehealth-related claims.

Open Audits (6):			
	Audit Name	Objective	Status
1	Patch & Vulnerability Review	Review the process BH Information System uses to conduct reoccurring scanning & patch activities across Broward Health's information system.	Outsourced Audit.
2	BH Foundation Donations	To review the business process and operational controls in place to ensure donations to Broward Health Foundation are applied in compliance with the donor's intent, whether restricted or unrestricted.	In progress.
3	Ryan White Grant Review	To verify Community Health Service's (CHS) compliance with the Ryan White Grant and deliverable requirements, as well as compliance with Broward Health policies.	Reporting.
4	Escheatment Audit	To verify the operational effectiveness of internal controls and compliance with States' regulatory requirements around handling of credit balances and/or abandoned property.	Reporting.

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Open Audits (6):			
	Audit Name	Objective	Status
5	Facilities Safety and Security Audit	To verify the operational effectiveness of internal controls in place to oversee physical security measures, including patrol, camera surveillance, and controlled access to protect employees throughout the organization.	Reporting.
6	Laboratory Operations Audit	To evaluate the effectiveness and efficiency of laboratory service controls, turnaround times, and critical values, for all 4 hospitals, including verifying compliance with state and federal regulations, as well as organizational policies and procedures.	Reporting.

Additionally, Ms. Hall shared highlights of new departmental initiative, *Partners in C.A.R.E.* (*Compliance & Audit Resource Engagement*), which was developed as a means to partner with the organization on all efforts and providing tools that stakeholders can use. Noted the following as a few of the recent *Partners in C.A.R.E* initiatives:

- Robotic Process Automation (RPA) Scripts for Active Directory;
- Policy Management Reconciliation; and
- Verizon Billing Cost Savings Opportunities.

6.3 Approval of Internal Audit Department’s Fiscal Year 2023 Audit Work Plan (Presenters – Deborah Hall, Chief Internal Auditor)

MOTION It was *moved* by Pernicano, *seconded* by Angier, that:

The Audit Committee recommend that the Board of Commissioners of the North Broward Hospital District approve the Internal Audit Department’s Fiscal Year 2023 Audit Work Plan, as presented.

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Motion confirmed by roll call.

YES Bill G. Benson, External Consultant
YES Stacy L. Angier, Commissioner
YES Christopher J. Pernicano, Vice Chair
YES Ray T. Berry, Chair

Motion *carried* 4/0.

7. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 1:14 p.m.

Respectfully submitted,
Commissioner Paul C. Tanner, Secretary/Treasurer