

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

AUDIT COMMITTEE MEETING **10:00 a.m., Tuesday, January 18, 2022**

The Audit Committee Meeting of the North Broward Hospital District was held at 10:00 a.m., on January 18, 2022, at the Broward Health Corporate Spectrum Location, 1700 NW 49th Street, Suite 150, Fort Lauderdale, Florida 33309.

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 Stacy L. Angier at 10:23 a.m.

3. ROLL CALL

Present:

Vacant, External Consultant
Bill G. Benson, External Consultant
Nancy W. Stamper, Vice Chair
Stacy L. Angier, Chair

Not Present:

Marie C. Waugh, Commissioner

Senior Leadership

Additionally Present:

Levi G. Williams, Jr., Commissioner
Christopher J. Pernicano, Commissioner
Shane Strum, President, Chief Executive Officer
Ken Hetlage, Interim Chief Operating Officer
Alex Fernandez, SVP, Chief Financial Officer
Linda Epstein, Corporate General Counsel

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4. PUBLIC COMMENTS

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

5. APPROVAL OF MINUTES

Without objection, Chair Angier approved the minutes, dated October 20, 2021.

Motion *carried* without dissent.

6. TOPIC OF DISCUSSION

- 6.1. Fiscal Year 21 Single Audit Results (Presenters - Phillip Grice, CPA, Michelle Sanchez, CPA - Warren Averett, CPAs & Advisors)

Warren Averett representatives, Mr. Phillip Grice, CPA & Michelle Sanchez, CPA, attended via Teams. Mr. Grice advised the Single Audit started mid-late September 2021 and testing completed in December 2021. Mr. Grice introduced Ms. Michelle Sanchez, CPA to review the Fiscal Year '21 Single Audit Results independent auditor's report. For further detail, related slides are available within the January 2022 Audit Committee Meeting book on the Board of Commissioners' webpage.

- Single Audit Results included the following information:
 - Schedule of Functional Expenses of Broward County Grants
 - Schedule of Revenues, Expenses, and Cash Receipts of Broward County Grants
 - Schedule of Substance Abuse and Mental Health Services (Baker Act Contract) – Actual Expenses and Revenues
 - Baker Act Contract – Schedule of Bed-Days Available Payments
 - Baker Act Contract – Schedule of State Earnings
 - Schedule of Expenditures of Federal Awards and State Financial Assistance.
 - Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
 - Schedule of Findings and Questioned Costs
 - Summary Schedule of Prior Audit Findings
 - No material weaknesses in internal control over financial reporting or compliance were identified.
- Noted the following programs were determined to be major federal programs:
 - 93.461 - COVID-19 HRSA COVID-19 Uninsured Program
 - 93.498 - COVID-19 Provider Relief Fund
 - 21.019 - COVID-19 Coronavirus Relief Fund
 - 32.006 - COVID-19 Telehealth Program

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- Noted the following program was determined to be a major state program:
 - 64.075 – Trauma Center Financial Support (Red Light)
 - No reportable findings or questioned costs were noted.

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

The Audit Committee recommends that the Board of Commissioners of the North Broward Hospital District approve the Fiscal Year 21 Single Audit Results, as presented.

Motion confirmed by roll call.

YES Bill G. Benson, External Consultant

YES Nancy W. Stamper, Vice Chair

YES Stacy L. Angier, Chair

Motion *carried* 3/0.

- 6.2. Audit Department Activities Update (Presenters - Brian Kozik, Interim Chief Internal Auditor & Cynthia Norris, AVP, Internal Audit)

Mr. Kozik highlighted the following summary of the FY22 Current Work / Audit Status:

Current Work / Audit Status			
	Audit Name	Objective	Status
1	Vendor Compliance – OneBlood Contract (carryover FY21)	To evaluate internal controls over vendor monitoring to ensure that contract deliverables are met.	Completed / Executive Summary was added into portal for review.
2	Patch & Vulnerability Review (carryover FY21)	Review the process BH Information System uses to conduct reoccurring scanning & patch activities across Broward Health's information system.	In progress / Fieldwork Note: Scope change; Additional testing underway.
3	Ryan White Grant Review	Verify compliance with grant and deliverable requirements.	In progress / Reporting
4	Escheatment Audit	Verify operational effectiveness of internal controls and compliance with Florida and/other states regulatory requirements around handling of credit balances and/or abandoned property.	In progress / Reporting
5	Balanced Scorecard Annual Review	Verify the final balanced scorecard data to source documents, which are used to determine management bonuses for the year.	In progress / Reporting
6	Imaging Equipment Maintenance Audit	Verify the operational effectiveness of internal controls over ensuring completion and timely	In progress / Fieldwork

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Current Work / Audit Status			
	Audit Name	Objective	Status
		maintenance of select imaging equipment by external vendors.	
7	Telehealth Audit	To verify that BH's Telehealth operations, throughout the duration of the Public Health Emergency and legislated Emergency Orders enacted in FL, comply with state and federal regulations, as well as organizational policies and procedures.	In progress / Fieldwork
8	BH Foundation Donations Audit	Verify operational effectiveness of controls in place to ensure donations to the Foundation are utilized in compliance with the donor wishes, whether restricted or unrestricted.	In progress / Planning
9	Uniform Data System (UDS) Table Validation	Assist the Community Health Services Quality & Outcomes Manager, BH IT, and the Cerner project team to validate reports being developed to assist with meeting various periodic reporting requirements to the Health Resources and Services Administration about grant activity.	In progress / Fieldwork
10	Laboratory Operations Audit	Evaluate the effectiveness and efficiency of laboratory service controls, turnaround times, and critical values, for all four hospitals, including verifying compliance with state and federal regulations, as well as organizational policies and procedures.	In progress / Planning
11	Validation Unit Mapping Review	To verify hospital units (floors) are properly identified and mapped for accurate and complete reporting of infection data to the National Safety Healthcare Network (NHSN), in compliance with regulatory guidelines.	In progress / Planning

Ms. Norris shared the following summary of the 1Q22 Quarterly Continuous Monitoring Audits (for July – September 2021):

Quarterly Continuous Monitoring (for 1Q22 July – September 2021)			
	Audit Name	Objective	Status
1.	Offboarding Terminated Employees	Verify ServiceNow offboarding procedures are operating as intended, including completion of ServiceNow offboarding forms; badges were returned and building access deactivated; all system access terminated; equipment returned.	In progress / Fieldwork

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2.	ServiceNow (SN) Service Level Agreements	Verify SN tickets are closed within five business days or that a reasonable explanation exists for the incomplete ticket. Verify the overdue SN ticket is being monitored and tracked for completion.	In progress / Reporting
3.	System Security Audit Report (SSAR) Quarterly Reviews	Verify SSAR's are reviewed quarterly and follow-up steps noted in corrective action plan (CAP) are followed.	In progress / Fieldwork
4.	Fixed Asset Management / Inventory	Obtain understanding of fixed asset / inventory tagging policy. Verify fixed asset purchases for the quarter are tagged for tracking in the asset inventory application.	In progress / Fieldwork
5.	Suspense Account Review	Identify population of suspense accounts, sample, and verify items aged over 90 days have a reasonable explanation for remaining suspended. Verify the item is being monitored and tracked for resolution.	In progress / Reporting
6.	Advanced Beneficiary Notices (ABN) Utilization for Medicare Patients	Review Process Improvement Opportunity related to Incorrect Estimated Cost of Service, included in recent ABN report, and which the Patient Access Executive Director said is being implemented. Sample and test for operational effectiveness.	In progress / Reporting
7.	Corrective Actions Plans (CAPs) - Multiple	As CAPs become due, verify implementation and operating effectiveness of the CAP.	Ongoing

Mr. Kozik advised of the following IT audits currently on the FY '22 Audit Plan that are proposed to be postponed. Noted that decision will be reported at the April 2022 Audit Committee Meeting.

Propose Postponing: IT Audits; Until FY23 Currently on the FY22 Audit Plan		
	Audit Name	Objective
1	IT Application (Software) Lifecycle	Verify operational effectiveness of controls in place over the IT Application (software) Lifecycle, including purchasing, installation, licensing & renewals, and sunseting.
2	Business Continuity Plan Audit - IT	Verify operational effectiveness of internal controls and regulatory requirements around business continuity planning, including verifying the existence of an up to date BCP that has been tested and is readily available for all workforce members.
3	IT Equipment (Hardware) Lifecycle	Verify operational effectiveness of controls in place over the IT Equipment (hardware) Lifecycle, including purchasing, receiving, distribution / installation to end users, and disposal.

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Ms. Norris provided a staffing update.

(6) open positions:

- IT Audit Supervisor (1) posted Apr 2021
- Clinical Audit Supervisor (1) Moved into a management role in BH Nursing (Nov 2021)
- Financial Audit Supervisor (1) left the organization 1.7.2022
- Internal Auditor (2) - posted Aug 2021 and Oct 2021
- Sr IT Auditor (1) – Moved into a management role in BH IT (Oct 2021)

Ms. Norris advised that the Senior Internal Auditor vacancy has been filled with a scheduled start date of 1/31/2022.

6.3 Audit Department Charter (Presenters – Brian Kozik, Interim Chief Internal Auditor)

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

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

Motion confirmed by roll call.

YES Bill G. Benson, External Consultant

YES Nancy W. Stamper, Vice Chair

YES Stacy L. Angier, Chair

Motion *carried* 3/0.

6.4 Extension of External Auditor Contract (Presenters – Alex Fernandez, SVP, Chief Financial Officer)

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

The Audit Committee recommends that the Board of Commissioners of the North Broward Hospital District approve the extension of current external auditor, Warren Averett, agreement for an additional three (3) years.

Motion confirmed by roll call.

YES Bill G. Benson, External Consultant

YES Nancy W. Stamper, Vice Chair

YES Stacy L. Angier, Chair

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Motion *carried* 3/0.

7. ADJOURNMENT

There being no further business on the agenda, the Chair adjourned the meeting at 10:45 a.m.

Respectfully submitted,
Commissioner Christopher J. Pernicano, Secretary/Treasurer

DRAFT