

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

AUDIT COMMITTEE MEETING **10:00 a.m., Wednesday, October 20, 2021**

The Audit Committee Meeting of the North Broward Hospital District was held at 10:00 a.m., on October 20, 2021, 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 10:19 a.m.

3. ROLL CALL

Present:

Vacant, External Consultant
Bill G. Benson, External Consultant
Marie C. Waugh, Commissioner
Stacy L. Angier, Chair

Senior Leadership

Additionally Present:

Shane Strum, President, Chief Executive Officer
Alan Goldsmith, EVP, 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 August 18, 2021.

Motion *carried* without dissent.

6. TOPIC OF DISCUSSION

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

Warren Averett representatives, Mr. Phillip Grice, CPA, Member & Michael Rebarchak, CPA, Senior Manager, presented the completed Financial Statement Audit for the Fiscal Year 2021. Mr. Grice noted that fieldwork commenced on August 2, 2021 and concluded on September 24, 2021, from which point Warren Averett reviewed and finalized Note Disclosures (for detail, see October 20, 2021 Audit Committee Book):

- 6.1.1 - Financial Statement – Warren Averett issued an unmodified opinion that Broward Health was free of material misstatements and that reports within the fiscal year’s financial statements were clear and consistent.
- 6.1.2 - Required Communication Letter
- 6.1.3 - No Material Weakness Letter

Commissioner Waugh complimented the Warren Averett team for their diligence amidst the pandemic.

Chair Angier recognized the following Broward Health finance team members:

- Alex Fernandez, CFO
- Alisa Bert, Vice President, Financial Operations
- Zsolt Czira, Assistant Controller
- Damaris Alvarez, Director, Accounting Services

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

The Audit Committee recommend that the Board of Commissioners of the North Broward Hospital District approve the Warren Averett Audited Fiscal Year 21 Financial Statements, as presented.

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Motion was confirmed by roll-call vote.

YES Bill G. Benson, External Consultant

YES Marie C. Waugh, Commissioner

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)

Ms. Norris advised of the following staffing – open positions:

- IT Audit Supervisor
- Internal Auditor
- Senior IT Auditor

In addition, Ms. Norris shared the following summary of the Inventory Evaluation FY 2021; dated August 26, 2021.

➤ Following are the three (3) rolled-over FY 2021 audits:

	Audit Name	Carryover Reason	Objective	Status
1	FY 2021 Inventory Review (carryover FY21)	This is our department’s annual assistance to the external auditors, which, usually starts at the tail end of the current fiscal year.	To provide reasonable assurance that Broward Health’s (BH) inventory count and valuation (costing) are accurate and reasonably stated	Completed. Executive Summary in portal for review. No findings
2	Vendor Compliance – OneBlood Contract (carryover FY21)	This carried over due to ongoing internal and external discussions with OneBlood on contract deliverables.	To evaluate internal controls over vendor monitoring to ensure that contract deliverables are met.	In progress. Reporting
3	Patch & Vulnerability Review (carryover FY21)	Due to the sensitivity of the information needed to be exchanged with the external security firm	Review the process BH Information System uses to conduct reoccurring scanning & patch activities across Broward Health's information system.	In progress. Reporting

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	Audit Name	Carryover Reason	Objective	Status
		assisting us, Alan Goldsmith asked that this review not be done externally, but on-site.		

Ms. Norris highlighted the following FY22 Current Work / Audit Status:

FY22 Current Work / Audit Status				
	Audit Name	Objective	Status	
1	Ryan White Grant Review	Verify compliance with grant and deliverable requirements.	In progress.	Fieldwork
2	Escheatment Audit	Verify operational effectiveness of internal controls and compliance with Florida regulatory requirements around handling of credit balances and/or abandoned property.	In progress.	Reporting
3	Imaging Equipment Maintenance	Verify the operational effectiveness of internal controls over ensuring completion and timely maintenance of select imaging equipment by external vendors.	In progress.	Planning
4	Telehealth	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.	Planning
5	BH Foundation Donations	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
6	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.	

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6.3. Update on Chief Internal Auditor Search (Presenter – Mark Sprada, SVP, Chief Human Resource Officer)

Mr. Sprada provided the Committee with an overview of the Chief Internal Auditor Applicant’s Summary, which included the Board approved timeline (below).

	Date	Action
A	August 18, 2021	Request permission to post the Chief Internal Auditor position. Request for the Board of Commissioners to authorize the formation of a Board subcommittee. The Subcommittee will be tasked with evaluating the candidates for the Chief Internal Auditor position and provide the HR Committee with a summary report. Note: This committee would be subject to Sunshine Laws.
B	August 18, 2021	Position posted.
C	September 30, 2021	Close position posting.
D	October 20, 2021	The Board sub-committee will provide the Board with a summary report and candidate names for Board interview.
E	November Board Meeting	Interview finalist(s).
F	December Board Meeting	Approve Chief Internal Auditor employment agreement.

Mr. Sprada reported that nine (9) applicants applied for the position before the closing date of September 30, 2021. Of the nine (9) applicants, only one (1) had the requisite experience in the Board approved job description.

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

The Audit Committee recommend that the Board of Commissioners of the North Broward Hospital District adopt Staff’s recommendation to engage *Diversified Search Group* to expand the applicant pool for the role of Chief Internal Auditor and lift the search deadline until *Diversified Search Group* provide information as to when candidate presentations are expected.

Motion confirmed by roll call.

YES Bill G. Benson, External Consultant
YES Marie C. Waugh, Commissioner
YES Stacy L. Angier, Chair

Motion *carried* 3/0.

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7. ADJOURNMENT

There being no further business on the agenda, the Chair adjourned the meeting at 10:51 a.m.

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

DRAFT