

**AUDIT COMMITTEE MEETING
10:00 a.m., October 30, 2018**

CALL TO ORDER 10:24 a.m.

MEETING ADJOURNED 10:59 a.m.

COMMITTEE MEMBERS Chair Ure, Commissioner Gregoire, Commissioner Wellins, Member Scott Porter, Member James Petkas

PRESENT Beverly Capasso/CEO, Gino Santorio/COO, Alan Goldsmith/CFO, Lynn Barrett/General Counsel, Nigel Crooks/CIA, Commissioner Klein, Commissioner Angier, Commissioner Berry

PUBLIC COMMENTS None.

APPROVAL OF MINUTES None.

TOPIC OF DISCUSSION

1. Introduction of Outside Expert Consultants

Commissioner Ure introduced Mr. Scott Porter, CPA, who serves as one of two expert consultants for the Audit Committee.

Mr. Porter gave a brief description to his background and work history.

Mr. James Petkas, the Audit Committee's second expert consultant, had not yet arrived, however the Liaison notified the Chair that Mr. Petkas was on his way.

2. External Auditor Discussion - Fiscal Year 2018 Audited Financial Statement

Mr. Phillip Grice with Warren Averett's Audit Assurance Group, introduced himself and Mr. Wayne Dunn to the members of the Audit Committee. Mr. Grice and Mr. Dunn work as outside auditors for Broward Health.

3. Presentation, review and acceptance of Audited Financial Statements from external auditors

Mr. Philip Grice, reported the audit findings for three (3) Governmental Accounting Standard Boards (GASB), which impacted financial benefits, GASB No. 75, GASB No. 84, and GASB No. 89.

Mr. Grice reported on the Statement of Net Positions (page 11) as the following:

- Total assets \$1,641,339 million dollars
- Total liabilities \$758,111 million dollars

- Total of net positions of \$903,459 million dollars, resulting in a \$120 million dollar increase in net position vs. prior year after GASB No. 75

Mr. Grice clarified the two (2) new changes in this year's net positions statement from last year

- Project fund from dept issuance in the amount of \$26,981 million dollars is set aside from bond issuance from capital improvements
- Other postemployment benefits program liability has increased to \$158,175 million dollars vs. \$99 million dollars from previous year

Mr. Grice reported that on the statement of revenues, expenses and changes in net position (page 12), there was an improvement from the \$48,037 from operating loss vs \$149 million from last year and an increase on OPEB liability.

Mr. Grice briefly reported on fiduciary activities (page 26) GASB No. 84 (pages 15 & 16).

The District was issued \$317.3 million dollars of Revenue Bonds, which paid series 2005A, 2008A and 2007 fines (page 34).

Mr. Grice briefly went over changes in the total OPEB Liability on (page 48).

Mr. Grice highlighted the Corporate Integrity Agreement on (pages 56-59) from an audit standpoint.

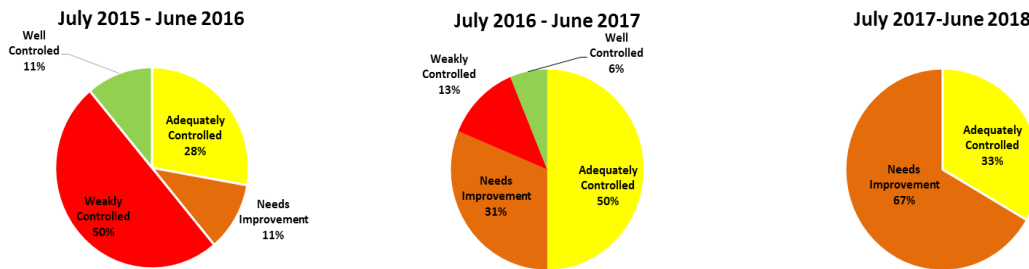
MOTION It was *moved* by Commissioner Gregoire, *seconded* by Mr. Petkas that:

THE AUDIT COMMITTEE RECOMMEND THAT THE BOARD APPROVE THE AUDITED FINANCIALS AS PRESENTED.

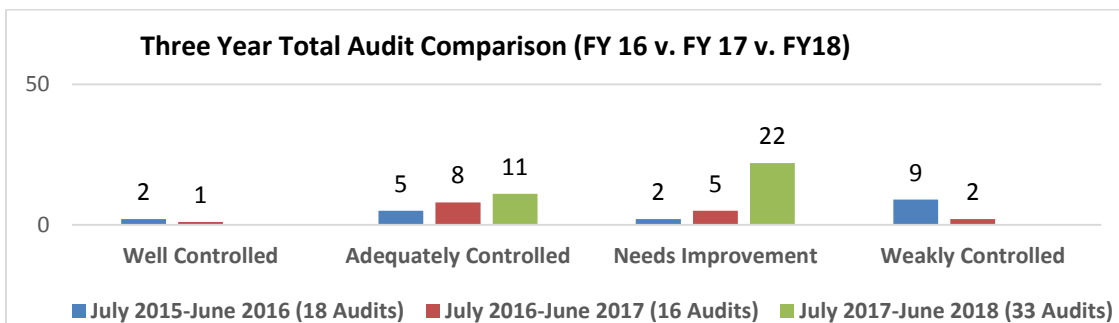
Motion *carried* unanimously.

4. Internal Audit Update – Nigel Crooks

4a. Mr. Crooks presented the Internal Audit activity for the fiscal years – 2016, 2017 & 2018 as the following:



- The overall assessment of BH’s control framework and governance process is deemed adequately controlled. This is primarily due to comparisons of audits in fiscal years 2016, 2017 and 2018.
- For year 2018, there were no audit ratings that were weakly controlled nor well controlled.
- For year 2017, there were fewer weakly controlled audits compared to 2016.
- For year 2016, fifty percent (9 of 18) of audits performed were deemed weakly controlled.



4b. Mr. Crooks discussed the Internal Audit activities for the past 9 months, November 2017 through June 2018 and highlighted the Revenue Cycle, as well as IT activities.

Mr. Santorio clarified that Broward Health was selected for a 340B Audit, which they passed. Mr. Santorio was satisfied with the results and reported that Broward Health's risk was significantly lower.

Mr. James Petkas, CPA and second external Audit Committee Member was introduced. Mr. Petkas gave a brief description to his work history and experience.

MEETING ADJOURNED 10:59 a.m.

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

THE AUDIT COMMITTEE MEETING ADJOURN.

Motion *carried* unanimously.

AUTHENTICATION OF MINUTES Patricia Alfaro, Special Assistant to the Board of Commissioners.
*Audiotape available upon request.

Respectfully submitted,

Commissioner Ray T. Berry
Secretary / Treasurer