



NORTH BROWARD HOSPITAL DISTRICT  
BOARD OF COMMISSIONERS  
**AUDIT COMMITTEE MEETING**  
1700 NW 49<sup>th</sup> Street, Ste. 150  
Fort Lauderdale, FL  
March 21, 2018

**\*MINUTES**

**MEETING CALLED TO ORDER:** 9:03 am

**BOARD MEMBERS:**

- ✓ Commissioner Rodriguez
- ✓ Commissioner Ure, Chairperson
- ✓ Commissioner Wellins
- ✗ Commissioner Klein
- ✓ Commissioner Gregoire

**PUBLIC COMMENTS:** No public comments at this meeting

**APPROVAL OF MINUTES:**

1. Request approval of the Minutes from Audit Meeting held on October 23, 2017

**MOTION:**

Motion was made by Commissioner Wellins to approve the meeting minutes from the Audit Committee Meeting held on October 23, 2017. The motion was seconded by Commissioner Rodriguez.

**Motion carried unanimously.**

## **TOPIC OF DISCUSSION:**

1. Commissioners discussion and/or recommendation of volunteer members of the Audit Committee

Commissioner Ure explained that the Audit Committee is still missing two outside independent members, with one of those members needing to be a CPA. This has been an ongoing issue that he hopes could be advanced as it's an important requirement for this Committee.

Commissioner Rodriguez interjected with the policy of giving new applicants full consideration as the original group of applicants received.

Commissioner Wellins stated that he does not believe the Committee could technically recommend or advance any applicants forward as Board per policy. He asked General Counsel for guidance on whether they could narrow down the selection.

Commissioner Ure stated that he did not want to discuss candidates twice.

Ms. Barrett listed the steps that were approved by the Board in June 2017. The policy talks about the information being collected and reviewed by the Chief Ethics and Compliance Officer. The Board shall review the applicants and the information provided by the Chief Ethics Officer and determine which applicants, if any, should be invited for an interview with the Board at a subsequent meeting. Broward Health staff shall be responsible for scheduling the interviews for the applicants. Once interviews are conducted, the Board shall follow its normal processes for voting on an applicant for the position of outside Member of the Audit Committee.

Commissioner Wellins echoed Commissioner Ure's statement in that he did not want to have to discuss the candidates twice as it would probably be a waste of time and outside of the Board policy. He also agreed with Commissioner Ure in that the two positions that need to be filled are very important.

Commissioner Ure shared that he was disappointed that he was being told now that they could not move forward with narrowing down the selection and would have preferred it not be on the Agenda.

Mr. Nyamora asked if the Commissioners felt he should do anything with the new candidates between the time of the current meeting and the upcoming Board meeting scheduled on the 28<sup>th</sup>, seven days later.

Ms. Barrett stated that she was not sure that there would be enough time to vet the additional candidates.

Commissioner Ure reported that he did not want to bring anyone to the Board, not in person or on a piece of paper to discuss, debate or otherwise vote on if they have not been vetted as eligible candidates that meet the policy's criteria. It would be ideal if they could be vetted for the next Board meeting, but if the time would not allow it, then he would like to discuss the four that have been patient and passed the vetting process. He also stated that there were 6 candidates, but two have dropped out probably because the Committee was unfortunately dragging its' feet. Commissioner Ure went on to say that this was not

a criticism of anyone else except probably himself since he was the Chair of the Audit Committee. Again he said that the two volunteers are an important component for the Audit Committee and the independence that it needed to operate with.

Commissioner Rodriguez stated that a personal criteria for him in regards to choosing applicants was to take into account where the applicants actually live, as Community means the boundaries that they serve.

Commissioner Ure stated that although Commissioner Rodriguez's point was well taken, he first and foremost wants to choose the two best people they could find, one being a CPA. If two were CPAs, he believed that would be even better. Commissioner Ure further stated that these roles were very different than the roles Governor Scott appointed in terms of choosing the Board and Committee members. This is an independent outside set of eyes. He stated that while he would never have as a requirement that the person a resident of the Broward Hospital District, he also wouldn't require that they be a non-resident. Commissioner Ure stated that their independence, in his opinion, is potentially enhanced by the fact that they're not a resident of the North Broward Hospital District.

Commissioner Rodriguez reinforced his earlier statement by stating that although he wanted to make sure that the candidates be qualified and that it would be fine if two of them were CPAs, to build goodwill within the Community, he felt it would mean they consider the candidates be from within the Community they serve.

Commissioner Wellins agreed with Commissioner Ure in that having a skillset and independence was much more important than where the Audit Volunteers resided.

Commissioner Rodriguez stated that perhaps once the candidates were all vetted, the resumes could be circulated to the Board and that a Special Board Meeting could be scheduled to discuss the best candidates and narrow down the selection. He asked Chief Compliance Officer, Nick Hartfield, how long would it take Compliance and Ethics to vet the new candidates.

Mr. Hartfield explained that the process to vet the additional applicants would depend on how quickly they would receive the documents. He was just informed the night before of the additional candidates so they would need to see what their conflict of interests contained, what their financial disclosure forms contained, and how quickly they could get the candidates to fill in the blanks by answering questions they may have with the information that was provided.

Commissioner Ure requested that Mr. Hartfield's team be diligent in the process and Mr. Hartfield confirmed that they would be. Commissioner Ure then reiterated that since Commissioner Rodriguez was willing and kind enough to call a Special Board Meeting, they could discuss all of the candidates at one time once vetted.

Mr. Nyamora asked for direction from the Board on when to close the search process.

**MOTION:**

Commissioner Wellins made a motion to recommend that at the Board Meeting the following week, the search process for Independent Audit Committee Member be closed. The motion was seconded by Commissioner Rodriguez.

**Motion carried unanimously.**

2. Internal audit activities update

Mr. Nigel Crooks, from Internal Audit, introduced Maria Molina as the new Audit Department Assistant. He also mentioned that Michael Flanagan, a bright star from his department, was promoted to Senior Auditor. They are in the process of hiring a Staff Auditor and IT Auditor. There are currently six FTE's (full time equivalent individuals) in place.

Mr. Crooks reported that in terms of internal audit activity last year twenty six audits were completed, some of which identified that there were improvements needed. He wanted to congratulate the new Management Team for addressing most of the risks and for rectifying the issues by putting controls in place. Mr. Crooks informed the Committee of the audits that were being worked on, currently four. The surgical equipment audit is completed and that the Management Team put controls into place to mitigate the risks found. Audit department found improvements related to tracking the surgical equipment, maintenance, records and services. The on-call is still in progress, however controls have been put into place to reduce those risks as well. The Contract Process is in progress and it appears that the new Director and CFO have totally revamped the system to run the process smoother. The last audit report is comprised of several follow up reviews that have been completed. On one report, it is referenced that several issues were found.

Mr. Crooks explained that they have put a very aggressive plan in place, which lists all of the new audits that need to be done. His department is also working in tandem with Management to facilitate reviews and investigations.

Commissioner Ure asked Mr. Crooks to update him on the IT Audit Software they had previously discussed that may help move the auditing processes forward.

Mr. Crooks confirmed that they are very diligent in their work and currently researching what software would be best help flesh-out the IT audits. In regards to hiring the remaining positions in the Audit Department, he reported that they were working aggressively with the Human Resource Department to hire the right people.

Commissioner Ure shared concern that several months had passed since their last conversation about hiring key positions and that he was concerned that they were not going to be placed in time or thoroughly.

Mr. Crooks stated that even if they had identified software, it would only be as good as the person working it. They would still need an auditor within their department to manage it, interpret data and analyze it.

He also reported that last year there were less people in the department yet they still completed their entire audit plan, therefore Mr. Crooks does not see an issue completing the plan this year with more people on the audit team this year.

Commissioner Ure asked if Mr. Crooks is then reconsidering needing eight people on the team after all. He also stated that although he appreciated Mr. Crook's assurance, he remains concerned that the software is not in place to with the IT audits.

Commissioner Rodriguez inquired how the Audit Department is doing in regards to the bureaucracy in working with the Procurement Department. He said purchasing of software is predicated on the Procurement Department. Mr. Crooks said yes.

Mr. Crooks explained that there is a process in place dependent on the amount, in which you have to have three or more bids submitted that there is good visibility for the public of what you're buying.

**Meeting Adjournment:**

**MOTION:**

Commissioner Rodriguez motioned to adjourn the meeting, seconded by Commissioner Wellins.

**Motion carried unanimously.**

Meeting was adjourned at 9:48 am

Meeting presided by: Commissioner Christopher Ure, Chairman of the Audit Committee

Authentication of Minutes: Patricia Alfaro, Special Assistant to the Executive Office

Audiotape available upon request.