

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

AUDIT COMMITTEE MEETING
Immediately Following the Pension and Investment Committee Meeting
Wednesday, December 16, 2020

The Audit Committee of the North Broward Hospital District was held on December 16, 2020, immediately following the Pension and Investment Committee Meeting, at the Broward Health Corporate Spectrum Location, 1700 NW 49th Street, Suite 150, Fort Lauderdale, Florida 33309.

1. **NOTICE**

Official notice and agenda of this meeting is attached to the minutes, as EXHIBIT I and EXHIBIT II, as 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 11:31 a.m.

3. **COMMITTEE MEMBERS**

Present:

James Petkas, Expert Consultant
Scott Porter, Expert Consultant
Ray T. Berry, Commissioner
Nancy W. Gregoire, Vice Chair
Stacy L. Angier, Chair

Senior Leadership

Additionally Present:

Gino Santorio, President/Chief Executive Officer
Alan Goldsmith, Chief Operating Officer
Alex Fernandez, Chief Financial Officer
Linda Epstein, Corporate General Counsel
Jerry Del Amo, Deputy General Counsel

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 21, 2020.

Motion *carried* without dissent.

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6. TOPIC OF DISCUSSION

- 6.1. Department Activities (Presenters – Brian Kozik, Internal Chief Auditor; Cynthia Norris, Manager Internal Audit)

Mr. Kozik briefly gave the status of department activities and a brief overview of current audits within the plan.

For further detail, related slides are available on the Board of Commissioners' webpage.

Audit Activities and Updates

- Fiscal Year 2021 Work Plan
 - 25, audits planned.
 - 7, in progress.
 - 18, pending commencement.
- Gold Coast Home Health Care Audit
 - In process.
 - Objective is to verify that Gold Coast Home Health Services' operations comply with Federal/State and Medicare requirements and Broward Health policies and procedures. Identifying key risks, controls, and documenting processes.
 - Rollover audit from FY20.
 - Auditors reviewing Medicare requirements in our Broward Health policies; identifying key risk controls and documenting their understanding of the process.
- Vendor Compliance, Pyxis Contract
 - In process.
 - Objective is to evaluate the internal controls over vendor monitoring to ensure that contract deliverables are met; in addition to review the controls ensuring the safe use of Pyxis device in the medication use process.
 - Rollover audit from FY20.
- Diversion Audits
 - Two in process.
 - Objective is to review the current internal controls in place to detect and prevent diversion of medications.
 - Rollover audit from FY20.
 - Two separate audits.
 - Ambulatory clinics.
 - Hospitals.

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- Accounts Payable
 - Pending commencement.
 - Objective is to evaluate the adequacy and effectiveness of internal controls over the accounts payable process.
 - Audit for FY21.
- Transaction Posting – Central Billing Office (CBO) and Professional Billing Office (PBO), fieldwork
 - Completed.
 - Objective is to ensure the internal controls in place for transaction posting and processing under the CBO and PBO are compliant with Broward Health's established policies.
 - Two separate audits.
 - PBO fieldwork complete; awaiting report.
 - CBO fieldwork almost complete; awaiting support for testing.
- Vendor Compliance
 - Pending commencement.
 - Objective is to evaluate internal controls over vendor monitoring to ensure that contract deliverables are met.
 - Pending selection of one of Broward Health's largest vendors for internal control testing.

Miscellaneous Updates

- Hospital Based and Physician Relocation Agreement Committee
 - Attended first meeting.
 - Documenting roles.
- InstaMed PCI Conversion Meetings for Internal Audits
 - Objective is to maintain awareness and oversight of conversion projects.
 - Senior Auditor participating.

Staffing

- IT Auditor – replaced Clinical Auditor position due to business need for an IT Auditor. Position has been posted and initial candidate applications have been received.
- Internal Auditor.
 - First new-hire started on November 3, 2020.
 - Second new-hire started on December 15, 2020.

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Single Audit (Presenter – Zsolt Czira, Assistant Controller)

- Received two new COVID grants in 2020.
 - Uninsured COVID Testing and Treatment Program.
 - Provider Relief Funds, \$37.7m.
- Office of Management and Budget to provide grant guidance, due in the fall of 2020.
- Expected to wrap up audit by next Audit Committee Meeting.
- To distribute final audit report draft to Audit Committee when it is available.

Additional comments regarding Department Activities (Presenter – Cynthia Norris, Assistant Vice President, Internal Audit)

- Transaction Posting Review, fieldwork
 - Completed.
 - To finalize corrective action plans and submit to vendor for inclusion in final report.
 - Vendor completed fieldwork and shared draft report.
- IT Senior Auditor participating in the InstaMed PCI Conversion meetings for oversight of conversion activities.
 - Internal Auditors.
 - One candidate began employment on November 2, 2020.
 - Second candidate began employment on December 14, 2020.

6.2. Fiscal Year 2021 Audit Plan with Budgeted Hours (Presenter – Cynthia Norris, Manager Internal Audit)

Ms. Norris reported the following budgeted hours' activity as it relates to future audits.

- Added 90-day time period to future audits.
- Added 350-400 hours per audit.

6.3. Draft Competency Framework (Presenter – Cynthia Norris, Manager Internal Audit)

Ms. Norris gave a high-level overview of the performance evaluation templates listed below.

For further detail, related slides are available on the Board of Commissioners' webpage.

- 6.3.1. Internal Auditor Performance Evaluation Template
- 6.3.2. Senior Internal Auditor Performance Evaluation Template
- 6.3.3. Senior IT Auditor Performance Evaluation Template
- 6.3.4. Supervisor Clinical Audit Performance Evaluation Template

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6.3.5. Supervisor Financial Audit Performance Evaluation Template

- Performance Evaluation Templates drafted.
- There are 10 items within the evaluations. Five are standard core performance goals system wide, and five are related to the individual's job description.

6.4. Payroll Review Report

- Testing completed.
 - Current employees, 40.
 - Terminated employees, 35.
- Issues identified, and corrective actions plans defined.
 - Several corrective action plans implemented.
 - Remaining plans to be implemented by end of 2020.
- Blanket time sheet signoff.
 - Corrective action plans have been implemented to ensure timely payroll processing.
 - Results will be shared with the Audit Committee upon completion.
 - Corrective action plans should be finalized within the next six months.
- It was noted that the payroll audit covered the time period from July 2018 through June 30, 2019.
- Reeducation to be implemented via written formats (e.g. Health Stream, email).

6.5. Inventory Evaluation Fiscal Year 2020, completed

- No issues identified.

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

The Audit Committee recommends that the Board of Commissioners of the North Broward Hospital District approve the Payroll Review Report, 2020-A242, and Inventory Evaluation Fiscal Year 2020, 2020-A228, as presented.

Motion *carried* unanimously.

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6.6. Internal Audit Staff (Presenter – Cynthia Norris, Manager Internal Audit)

- Internal Auditors
 - First new-hire started on November 3, 2020.
 - Second new-hire started on December 15, 2020.
- IT Auditor – replaced open Clinical Auditor position due to business need for an IT Auditor. Position has been posted and received initial candidate application.
- Senior Auditor – current auditor pursuing Certified Information Specialist Auditor (CISA) certification. Testing completed; attaining required experience.

Ms. Norris noted that she is developing an internal audit methodology and templates for the team to reference as audits are completed.

- Transaction Posting Review, fieldwork, completed
 - To finalize corrective action plans and submit to vendor for inclusion in final report.

7. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 12:11 p.m.

Respectfully submitted,

Commissioner Marie C. Waugh, Secretary/Treasurer