

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, January 20, 2021**

The Audit Committee Meeting of the North Broward Hospital District was held at 10:14 a.m., on January 20, 2021, 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, titled 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 10:14 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 December 16, 2020.

Motion *carried* without dissent.

6. TOPIC OF DISCUSSION

- 6.1. Broward Health Single Audit (Presenter - Christopher L. Smith, CPA, Warren Averett)

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

Mr. Smith reviewed the Single Audit independent auditor's report. (For details, please see pages 8 through 117 of the Meeting Book.)

Two auditor reports were issued:

- Government Auditing Standards Report (unmodified report).
 - No material weaknesses were identified.
 - No reportable non-compliance issues were identified.
- Report on each major program in accordance with the uniform guidance under the federal rules and the rules of the auditor general for the state of Florida (unmodified report).
 - No material weaknesses in internal control were identified.
 - No reportable non-compliance issues were identified.
 - Uninsured COVID Testing and Treatment was the major program audited this year.
 - Compliance opinion included in this report (unmodified).

It was defined that an unmodified opinion states that, in all material respects, the compliance requirements were met.

- A new paragraph was added in the current year's report to note that the Children's Diagnostic and Treatment Center (CDTC) engaged its own auditors to perform an audit of their federal and state programs.
- A new paragraph was added to the notes of the Schedule of Expenditures of Federal Awards, related to the Provider Relief Funds that the District received in response to COVID. Said information was excluded from the 2020 audit; however, will be included in the 2021 audit report.
- It was clarified that the section titled Schedule of Findings and Questioned Costs on pages 98-99 were brief summaries of the outcomes presented in the auditors' reports.
 - This is the first year Broward Health qualified as a low-risk auditee since Warren Averett has been contracted with Broward (2016), indicating a notable improvement.
- Management letter required by the Auditor General of the State of Florida. No information was included to report any findings or noncompliance.

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

The Audit Committee recommend that the Board of Commissioners of the North Broward Hospital District approve Broward Health's Single Audit, as presented.

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

Motion confirmed by roll call.

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

Motion *carried* 5/0.

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

Mr. Kozik briefly shared department updates and the status of current audits within the plan.

Audit Activities and Updates

- Fiscal Year 2021 Audit Plan
 - 25, audits in total.
 - 7, in process.
 - 6, Internal Audit.
 - 1, External Audit Consultant (Baker Newman Noyes).
 - 18, pending commencement.
- Vendor Compliance, Pyxis Contract
 - In process.
 - Objective is to evaluate the internal controls over vendor monitoring to ensure that contract deliverables are met.
 - The Pyxis device ensures safe medication dispensing and management.
 - Anticipate moving to fieldwork week of 1/18/2021.
- Broward Health Home Health Audit (fka Gold Coast Home Health Care Audit)
 - In process.
 - Objective is to verify that Broward Health Home Health's operations comply with Federal, State, and Medicare requirements, in addition to BH policies and procedures.
 - Rollover audit from 2020.
 - Auditors reviewing Medicare requirements within Broward Health policies; identifying key risk controls and documenting their understanding of the process.
 - Anticipate moving to fieldwork week of 1/18/2021.

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

- Diversion Audits
 - Two in process.
 - Drug Diversion Program Audit CHS (3 ambulatory clinics).
 - Drug Diversion Program Audit – Inpatient (4 hospitals).
 - Objective is to review the current internal controls in place to detect and prevent diversion of medications.
 - Rollover audit from 2020.
 - Anticipate moving to fieldwork week of 1/18/2021.

- Accounts Payable
 - In process.
 - Objective is to evaluate the adequacy and effectiveness of internal controls over the accounts payable process.
 - Anticipate moving to fieldwork week of 1/18/2021.

- Vendor Compliance, Aramark Contract Audit
 - In planning.
 - Objective is to evaluate internal controls over vendor monitoring to ensure that contract deliverables are met.

- Transaction Posting – Central Billing Office (CBO) and Professional Billing Office (PBO)
 - Completed.
 - Objective is to perform transaction testing (under the CBO and PBO) to verify compliance with BH's established policies.
 - Two separate audits.
 - PBO fieldwork complete; Corrective Action Plans (CAPs sent to vendor for report.
 - CBO fieldwork almost complete; CAPs sent to vendor for report.

Status of Audit Memos and Reports (Presenter – Cynthia Norris, AVP, Internal Audit)

- Balanced Scorecard – The Associate Vice President of Internal Audit completed a review of the balanced scorecard. An issue was identified specific to Net New Provider Growth, which was identified prior to the final scorecard draft being shared. A report with corrective action was issued on January 12, 2021.

The Audit Committee stated that final audits should be shared with the committee no less than one week prior to future meetings.

- CBO/PBO Transaction Testing - Awaiting draft report from the external consultant, Baker Newman Noyes.

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

In regard to outstanding items from the May 2020 meeting, Ms. Norris shared updates with the committee.

- Audit Methodology Process
 - In process.
 - Objective is to document the audit methodology process, review the audit phases, documentation requirements, and templates for the team to use as an audit team manual.
 - Manual to be reviewed with the committee at a future meeting.
- Based on Ms. Norris's analysis of her first 100 days' analysis with the department, the following matters were identified:
 - Additional staff – Pending discussion with Human Resource and Finance departments related to adequate approvals/budget.
 - At a minimum, the department needs:
 - Clinical Auditor
 - IT Audit Supervisor
 - Training opportunities, both internal and external experts.
 - Ms. Norris gave an overview of the team's strengths and weaknesses.
 - Strengths
 - Clinical nursing experience.
 - External audit experience.
 - Weaknesses
 - Individuals needing training to improve audit skills in identification of controls and how to draft test plans.

At Mr. Porter's request, a budget amendment would be drafted by the Audit and Finance departments to be presented at a future committee meeting.

- As a cost-savings, the Audit Department will be transitioning from TeamMate to the KaiNexus platform for testing, workflows, and tracking.

Staffing (Presenter – Cynthia Norris, AVP, Internal Audit)

- IT Auditor
 - Three candidates interviewed; offer extended to one candidate with response pending.
- Internal Auditor
 - One new-hire started on December 15, 2020.

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

- **Current Staffing**
 - Clinical Supervisor (1)
 - Financial Supervisor (1)
 - Senior IT Auditor (1)
 - Senior Auditor (2)
 - Internal Auditors (4)

6.3. **Audit Process Discussion/Follow Up from May 2020 Meeting**
(Presenter – Cynthia Norris, AVP, Internal Audit)

Ms. Norris gave an overview of the audit process, from initiation to planning to field work to final reporting.

Process documentation will be added to the Board Portal upon completion.

7. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 11:14 a.m.

Respectfully submitted,

Commissioner Marie C. Waugh, Secretary/Treasurer