

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

AUDIT COMMITTEE MEETING **2:00 p.m., Wednesday, April 28, 2021**

The Audit Committee Meeting of the North Broward Hospital District was held at 2:00 p.m., on April 28, 2021, at the Broward Health Corporate Spectrum Location, 1700 NW 49th Street, Suite 150, Fort Lauderdale, Florida 33309.

1. NOTICE

Notice and Agenda, titled EXHIBIT I and EXHIBIT II, are attached to the official meeting book archived at the Board of Commissioners' Office. Supporting documents, if applicable, are attached to these minutes, titled EXHIBIT III. 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 2:08 p.m.

3. ROLL CALL

Present:

Ray T. Berry, Commissioner
Nancy W. Gregoire, Vice Chair
Stacy L. Angier, Chair
Vacant, External Consultant
Vacant, External Consultant

Senior Leadership

Additionally Present:

Marie C. Waugh, Commissioner
John K. Hage, Commissioner
Christopher J. Pernicano, Commissioner
Levi G. Williams, Jr., Commissioner
Shane Strum, President/Chief Executive Officer
Alan Goldsmith, EVP/Chief Operating Officer
Alex Fernandez, SVP/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.

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5. **RECOGNITION OF FORMAL EXTERNAL AUDIT COMMITTEE MEMBERS** (Presenter – Stacy L. Angier, Chair)

In recognition of more than two-plus years of service to the Broward Health Audit Committee, awards and kind words were given for Mr. Scott Porter and Mr. James Petkas.

6. **APPROVAL OF MINUTES**

Without objection, Chair Angier approved the minutes, dated February 17, 2021.

Motion *carried* without dissent.

7. **TOPIC OF DISCUSSION**

7.1. Audit Department Activities Update (Presenters - Brian Kozik, Interim Chief Internal Auditor, Cynthia Norris, AVP, Internal Audit)

Mr. Kozik introduced the newest additions to the Audit Department staff:

- IT Auditor, Christopher Fetter, started April 12, 2021.
- Clinical Auditor, Kristen Flaxington, started April 26, 2021.

Audit Activities and Updates

- Fiscal Year (FY) 2021 Audit Plan (includes FY 2020 rollover audits)
 - (30) in total.
 - (5) completed.
 - (10) in process.
 - (3) planning stage.
 - (6) fieldwork stage.
 - (1) fieldwork pending.
 - (4) cancelled.
 - (4) postponed.
 - (7) outsourced.
 - (6) in process.
 - (1) pending.
 - Current Audits
 - 1. Vendor Compliance – Pyxis Contract.
 - In process.
 - Objective is to evaluate the internal controls over vendor monitoring to ensure that contract deliverables are met.
 - In fieldwork stage.

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2. Broward Health Home Health Audit (f.k.a. – Gold Coast Home Health Care Audit).
 - In process.
 - Objective is to verify that Broward Health Home Health Services’ operations comply with Federal/State and Medicare requirements, and Broward Health’s policies and procedures.
 - In fieldwork stage.
3. Drug Diversion Program Audit – Inpatient (4 Broward Health hospitals).
 - In process.
 - Objective is to review the current internal controls in place to detect and prevent diversion of medications.
 - In fieldwork stage.
4. Drug Diversion Program Audit – CHS (3 Ambulatory Clinics).
 - In process.
 - Objective is to review the current internal controls in place to detect and prevent diversion of medications.
 - In fieldwork stage.
5. Accounts Payable Audit.
 - In process.
 - Objective is to review of Vendor, Employee, and Dependent query results, identified by Palmar Forensics' forensic analysis and data mining efforts, as requiring additional investigation or corrective measures to verify results were appropriate, reasonable, and explainable.
 - In fieldwork stage.
6. Palmar Forensics.
 - In process.
 - Objective is to Review vendor, employee, and dependent query results, identified by Palmar Forensics' forensic analysis and data mining efforts, as requiring additional investigation or corrective measures to verify results were appropriate, reasonable, and explainable.
 - In fieldwork stage.

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7. Vendor Compliance - Aramark Contract Audit.

- In process.
- Objective is to evaluate internal controls over vendor monitoring to ensure that contract deliverables are met.
- In planning stage.
- Originally planned for outsourcing, kept in-house.

8. Healthcare for the Homeless Grant Review.

- In process.
- Objective is to review subcontractor compliance and verification of Grant and deliverable requirements.
- In planning stage.
- Originally planned for outsourcing, kept in-house.

9. Negative Patient Outcomes Associated with Medication Discrepancies Review.

- In process.
- Objective is to ensure that controls are in place to conduct a root cause analysis for any negative patient outcome associated with a medication discrepancy and to ensure a corrective action plan is implemented to prevent and/or eliminate the negative outcome from occurring in the future.
- In planning stage.

10. FY 2021 Inventory.

- In process.
- Objective is to provide reasonable assurance that Broward Health's inventory count and valuation (costing) are accurate and reasonably stated.
- Fieldwork to begin May 2021.

○ Outsourced Audits

1. Phishing Program Review

- In process.
- Objective is to assess the effectiveness of the Information Systems current Phishing Program, including training and awareness.
- Vendor: ProPrivatus.

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2. Patch & Vulnerability Review

- In process.
- Objective is to review the process Broward Health's Information System uses to conduct reoccurring scanning & patch activities across Broward Health's information system.
- Vendor: ProPrivatus.

3. Billing Process – Denial Management (PBO)

- In process.
- Objective is to review the internal controls over Broward Health's billing process are working as designed and in compliance with State and/or Federal regulations. In addition, for any payer denials, review the current formal process to address the denial with emphasis on the reason of the denial.
- Vendor: Baker Newman Noyes.

4. Clinical Trials & Research Process.

- In process.
- Objective is to evaluate the design & effectiveness of the current internal controls related to Clinical Trials & Research Process.
- Vendor: Baker Newman Noyes.

5. Untimely Issuance of a New Advanced Beneficiary Notices (ABN).

- In process.
- Objective is to ensure the strict guidelines for issuing Advanced Beneficiary Notices are followed and documented in the patient's file.
 - Review that internal controls are in place to ensure the issuance of an ABN covering a one-year period are compliant with federal rules and regulations.
- Vendor: Baker Newman Noyes.

6. Medical Equipment Maintenance Review.

- In process.
- Objective is to determine the adequacy and effectiveness of internal controls over the maintenance of Broward Health's medical equipment

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and to ensure compliance with federal laws/regulations, safety, reliability, & accuracy.

- Vendor: Baker Newman Noyes.

7. Vendor Compliance – One Blood Contract.

- In process.
- Objective is to evaluate internal controls over vendor monitoring to ensure that contract deliverables are met.
- Vendor: Baker Newman Noyes.

○ Planned for Outsourcing – Canceled or Postponed.

1. Data Lake Validation Process and Internal Control Review.

- Canceled vendor contracted to perform review.
- Objective is to review the controls in place over the reporting mechanisms and centralized data repository of the data lake environment. Ensure that the data is transferred correctly (validated) and is complete during the start-up process.

2. Operating Room (OR) Charge Capture and Reconciliation (Rollover FY 2020).

- Postponement Reason: New procedures implemented April 2021. Will include in FY 2022 Audit Plan.
- Objective is to review the internal controls in place over the Charge Capture and Reconciliation process.

○ Planned Audits – Postponed to FY 2022.

1. Travel & Expense Reimbursements Review (rollover from FY 2020).

- Postponement Reason: Lack of travel due to COVID-19.
- Objective is to evaluate the internal controls over employee travel & expense reimbursements ensuring approval and reimbursement is in accordance with Broward Health's travel policy.

2. Document Retention & Destruction Review.

- Postponement Reason: Organization-wide review and cleanup is still underway.

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- Objective is to ensure select departments, focus on Health Information Management (HIM) is in compliance with Broward Health's policy for document retention.

7.2. Education: Audit Committee Governance (Presenter: Steve Forman, Compliance Advisor to the Board of Commissioners)

Mr. Forman presented details as to the Audit Committee's Roles and Responsibilities.

- Critical role of the Audit Committee
- Core principles for the professional practice of internal auditing per Institute of Internal Auditors (IIA) Standards.
- Audit committee oversight checklist.
- Oversight: communication is critical.
- Key issues of concern.
 - Financial accuracy.
 - Risk management.
 - Control assessment.
 - External auditor oversight.
 - Effective use of internal auditing.
- Concluding thoughts.

For further detail, related slides are available on the Board of Commissioners' webpage. See the April 28, 2021 Audit Committee meeting book.

7.3. Audit Committee Draft Charter (Presenters: Brett Bauman, Sr. Associate General Counsel, Brian Kozik, Interim Chief Internal Auditor)

7.3.1. Resolution FY21-16: Resolution Amending the Audit Committee in the Codified Resolutions of the Board of Commissioners of North Broward Hospital District and the Audit Committee Charter.

Mr. Bauman presented details to the amendments for Resolution FY21-16.

MOTION It was *moved* by Commissioner Berry, *seconded* by Commissioner Gregoire, that:

The Audit Committee recommend that the Board of Commissioners of the North Broward Hospital District adopt Resolution FY21-16: Resolution Amending the Audit Committee in the Codified Resolutions of the Board of Commissioners North Broward Hospital District and the Audit Committee Charter.

MINUTES

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Motion confirmed by roll call.

YES Ray T. Berry, Commissioner

YES Nancy W. Gregoire, Vice Chair

YES Stacy L. Angier, Chair

Motion *carried* 3/0.

8. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 3:01 p.m.

Respectfully submitted,

Commissioner Christopher J. Pernicano, Secretary/Treasurer

APPROVED