

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

AUDIT COMMITTEE MEETING 10:00 a.m., August 21, 2019

1. NOTICE

Notice of this meeting is attached to the official Minutes as EXHIBIT I. The official Agenda for this meeting, as presented for the consideration of the Committee, is attached to the official Minutes as EXHIBIT II.

2. CALL TO ORDER 10:03 a.m.

2. COMMITTEE MEMBERS

3. Commissioner Christopher T. Ure/Chair
4. Commissioner Andrew M. Klein
5. Commissioner Nancy W. Gregoire
6. External Audit Consultant Scott Porter
7. External Audit Consultant James Petkas

ADDITIONALLY PRESENT Commissioner Ray T. Berry, Commissioner Stacy L. Angier, Gino Santorio/President/CEO, Alan Goldsmith/CAO, Alex Fernandez/CFO, Linda Epstein/General Counsel, Jerry Del Amo/Managing Sr. Associate, General Counsel, Nigel Crooks/Chief Internal Auditor

3. PUBLIC COMMENTS None.

4. APPROVAL OF MINUTES

5.1. Approval of Audit Committee meeting minutes, dated May 16, 2019

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

APPROVE THE AUDIT MEETING MINUTES DATED MAY 16, 2019, AS PRESENTED, UPON REVISION OF ONE TYPOGRAPHICAL ERROR TO WORD BROWARD.

Motion *carried* unanimously.

5.2. Approval of Audit Committee meeting minutes, dated May 08, 2019

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

APPROVE THE AUDIT MEETING MINUTES DATED MAY 08, 2019, AS PRESENTED.

Motion *carried* unanimously.

6. TOPIC OF DISCUSSION

6.1. Internal Audit Dept. & Audit Committee Quality Assurance Review Results, AMP

Expert Solutions, LLC

Ms. Angela Poole, with AMP Expert Solutions, presented on the Quality Assurance Review of Broward Health's Internal Audit Department and Audit Committee.

Ms. Poole gave an overview of what the quality review consisted of, as referenced below.

- Assess whether or not the internal audit department was operating in accordance with the Institute of Internal Auditors (IIA) standards and code of ethics.
- Evaluate the effectiveness of the performance of the internal audit department.
- Identify opportunities for continuous improvement.

Ms. Poole's conclusion of Broward Health's Internal Audit Department was that it generally conformed to IIA's standards and code of ethics. She described the department as functioning with appropriate independence and objectivity, and that the Chief Internal Auditor had established a quality audit improvement process that demonstrated a commitment to continuous improvement. Ms. Poole confirmed that the department's skill set was appropriate to meet the annual audit work plan objectives and risks. In addition, Ms. Poole assured the committee that her firm would be able to assist in supplementing vacancies and provide assistance on requested projects, when needed. It was confirmed that a 90 day status report follow-up would be provided, as referenced in the agreement.

As a result of the findings, Commissioner Ure made recommendations as seen below.

- Human Resource Committee perform a salary review and evaluation of the Chief Internal Auditor.
- Legal Department's review of the charter, addressing sections related to whistleblower and associated issues. Provide recommendations while being sensitive to the fact that Broward Health is a public body.

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

APPOINT COMMISSIONER URE TO REVIEW THE AUDIT CHARTER AND PROVIDE RECOMMENDATIONS, ENSURING CONFORMITY WITH THE INSTITUTE OF INTERNAL AUDIT STANDARD AUDIT CHARTER.

Motion *carried* unanimously.

MINUTES

NORTH BROWARD HOSPITAL DISTRICT

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6.2. Presentation and Approval of the 2020 Fiscal Year (FY) Audit Plan, Budget, and FY 2019 Audit Activities

Chief Internal Auditor, Nigel Crooks, gave a report on the results of the Fiscal Year 2019 Audit Plan.

- 42 approved audits in 2019
- 7 unplanned audits requested by board members, senior management or legal department
- 32 audits completed
- 12 audits carrying over to 2020 audit plan
- 5 of 49 audits remained in progress

Discussion ensued on unplanned audits requiring authorization by the board as per charter.

Mr. Crooks continued to report on the 2019 fiscal year audit activities and described the types of audits received throughout the year.

Mr. Crooks informed the committee that the presented audit plan was a place holder draft and would be updated once the Enterprise Risk Assessment was completed. Mr. Goldsmith clarified that there were 15 questions left to score on the Enterprise Risk Assessment and that once the scoring was completed, it would feed into the Internal Audit and Compliance plans moving forward.

Mr. Crooks briefly introduced the Internal Audit department's budget. Discussion ensued regarding permanent staffing versus outsourcing, as appropriate. The committee agreed to defer Approval of the 2020 Fiscal Year Audit Plan and Budget until a thorough revision had been conducted.

6.3. External Auditor Update, Warren Averett, CPAs

Commissioner Ure announced that Warren Averett was unable to attend the meeting, however they reported that senior management and staff as a whole, were very responsive in providing materials requested. Mr. Fernandez and the finance department were especially recognized for their support. Warren Averett's audit was on schedule and final results were expected to be completed in October.

7. ADJOURNMENT 11:59 a.m.

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

ADJOURN THE AUDIT COMMITTEE MEETING

Motion *carried* unanimously.

Respectfully submitted,
Commissioner Stacy L. Angier, Secretary/Treasurer