

NOTICE OF MEETING

NORTH BROWARD HOSPITAL DISTRICT

BOARD OF COMMISSIONERS

An Audit Committee meeting will be held on Wednesday, April 3rd, 2019, at 10:00 am, at the Broward Health Corporate Spectrum Location: 1700 Northwest 49 Street, Fort Lauderdale, Florida, 33309. The purpose of this committee meeting is to review and consider any matters within the committee's jurisdiction.

Persons with disabilities requiring special accommodations in order to participate should contact the District by calling 954-473-7100 at least 48 hours in advance of the meeting to request such accommodations.

Any person who decides to appeal any decision of the District's Board with respect to any matter considered at these meetings will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made which record includes testimony and evidence upon which the appeal is to be based.

AGENDA

AUDIT COMMITTEE MEETING 10:00 am, April 03, 2019

CALL TO ORDER

COMMITTEE MEMBERS

- _____ Commissioner Christopher T. Ure, Chair
- _____ Commissioner Andrew M. Klein
- _____ Commissioner Nancy W. Gregoire
- _____ External Audit Consultant Scott Porter
- _____ External Audit Consultant James Petkas

PUBLIC COMMENTS

APPROVAL OF MINUTES

1. Approve Audit Committee meeting minutes, dated February 20, 2019

TOPIC OF DISCUSSION

2. Review proposal to select *Request for Consulting Services* to include approval of scope, expected deliverables and vendor requirements – Christopher Ure

ADJOURNMENT

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MINUTES

NORTH BROWARD HOSPITAL DISTRICT

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

AUDIT COMMITTEE February 20, 2019

CALL TO ORDER 10:12 am

COMMITTEE MEMBERS

- ✓ Christopher T. Ure/Chair
- ✓ Andrew M. Klein
- ✓ Nancy W. Gregoire
- ✓ Scott Porter/External Audit Consultant
- ✓ James Petkas/External Audit Consultant

ADDITIONALLY PRESENT Commissioner Stacy L. Angier, Commissioner Ray T. Berry, Commissioner Marie C. Waugh, Gino Santorio/President/CEO, Alan Goldsmith/CAO, Alex Fernandez/ CFO, Jerry Del Amo/Managing Senior Associate General Counsel, Brett Bauman/Associate General Counsel, Nigel Crooks/Chief Internal Auditor

PUBLIC COMMENTS None

APPROVAL OF MINUTES

1. Approve Audit Committee meeting minutes, dated January 22nd, 2019

MOTION It was *moved* by Commissioner Klein, *seconded* by Commissioner Gregoire, to:

APPROVE THE AUDIT COMMITTEE MEETING MINUTES, DATED JANUARY 22ND, 2019.

Motion *carried* unanimously.

TOPIC OF DISCUSSION

2. Audit Department members introduction

Mr. Crooks introduced the seven members of the Audit Department, who then gave a brief description of their experiences, certifications and responsibilities to the department.

3. Review proposed Request For Proposal (RFP) to approve the scope, expected deliverables and vendor requirements

Audit 1

Video footage of this meeting can be found at:

<https://www.browardhealth.org/pages/board-archive/2019-videos/February-20-Audit-Meeting>

MINUTES

NORTH BROWARD HOSPITAL DISTRICT

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

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

THE AUDIT COMMITTEE AUTHORIZE COMMITTEE MEMBER SCOTT PORTER TO WORK WITH THE EXECUTIVE MANAGEMENT TEAM AND STAFF TO DEVELOP A PROPOSED SCOPE DOCUMENT FOR THE REQUEST FOR PROPOSAL.

Motion *carried* unanimously.

MEETING ADJOURNED 11:14 am

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

THE AUDIT COMMITTEE MEETING BE ADJOURNED.

Motion *carried* unanimously.

Respectfully submitted,
Commissioner Ray T. Berry
Secretary / Treasurer

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**REQUEST FOR PROPOSAL FOR
QUALITY ASSESSMENT REVIEW OF
INTERNAL AUDIT DEPARTMENT**

RFP No.: _____

**RFP DUE DATE: MAY 10, 2019
RFP CLOSING TIME: 10:00 AM (LOCAL TIME)**

**PROPOSAL REQUEST FOR PROFESSIONAL SERVICES
QUALITY ASSESSMENT REVIEW OF INTERNAL AUDIT DEPARTMENT**

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I. Project Information

A. Objective

Broward Health (the "District") is requesting proposals from qualified professional services organizations to conduct an external quality assessment review of the District's Internal Audit Department. The contract, once awarded, will be a one time quality assessment review of the District's Internal Audit Department and Audit Committee independence and autonomy.

B. Background and Reporting

Broward Health

North Broward Hospital District d/b/a Broward Health, is a special independent taxing district created pursuant to Chapter 27438, Laws of Florida, Special Acts of 1951, as amended (the Act), for the purpose of establishing and operating the necessary health facilities for the preservation of the public health and well-being of the citizens of the District. Governance and management of the District are independent of metropolitan county and city governments. The governing body of the District is the Board of Commissioners (the Board), composed of seven members appointed by the Governor of Florida.

The District and its hospital system are a governmental unit. The District is considered an independent district since the Board exercises complete control. Such control was determined on the basis of the Board's ability to significantly influence operations, select the senior executive management, participate in the fiscal management of the entity; exercise budgetary and taxing authority; as well as determine the scope of services to be provided to the community, as defined by the Act.

The financial statements include the activity of the District and its integrated healthcare services system, which includes the operations of the Hospital Division, Community Health Services Division, Physician Services Division, and Insurance Management Division.

Internal Audit Department

The District's Governing Board is committed to serving the community with sustainable, affordable health services by assuring a strong internal control framework is in place. To assist in achieving this objective, the Board fully supports a viable internal auditing program. The District's Internal Audit Department reports functionally to the Board through the Audit Committee and is comprised of the Chief of Internal Audit, two (2) Staff Auditors, three (3) Senior Auditors and an Audit Manager.

The District's Internal Audit Department continually strives for full conformity with The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing* (the "Standards"). Section 1300 of the Standards requires the chief auditor to develop and maintain a Quality Assurance and Improvement Program (QAIP) designed to evaluate the Internal Audit Department's compliance with the Standards, and its overall efficiency and effectiveness.

The District's Internal Audit Department has not previously obtained a Quality Assurance Review (QAR) of its operations but would like to achieve full conformity with Standards. To move toward full compliance with the Standards, to help reasonably ensure District's Internal Audit Department services align with the strategies and objectives of District, and to help reasonably ensure the Internal Audit Department continues to make appropriate use of internal audit best practices, the District is requesting a QAR of its internal audit department. The QAR services being requested should be performed in compliance with the attribute and performance standards set forth in the Institute of Internal Auditors' "Quality Assessment Manual".

C. Scope of Services

The external quality assessment or peer review to be performed must be designed to evaluate conformance of the District's Internal Audit Department with the Standards, Definition of Internal Auditing, the District's Code of Ethics, and the efficiency and effectiveness of the District's Internal Audit Department functions in meeting the needs of Broward Health.

While implicit in the Standards, specific areas that shall be covered in the QAR include, but are not limited to, the following:

1. Examination of the structural and functional independence and autonomy of the Audit Committee and Internal Audit Department through the District's Audit Committee Charter to ensure proper standards and governance are achieved.
2. Assess the Internal Audit Department's conformity with the IIA *International Standards for the Professional Practice of Internal Auditing*, including mandatory and non-mandatory provisions.
3. The Internal Audit Department's objectivity and proficiency, including knowledge, skills, experience and technical proficiency for specialized operations.
4. The Internal Audit Department's continuing professional development program for internal audit personnel.
5. The Internal Audit Department's quality assurance program.
6. The Internal Audit Department's management, including resource management, policies and procedures, department management reporting, and overall supervision quality.
7. The Internal Audit Department's risk assessment methodology and documentation.
8. The Internal Audit Department's planning processes (including annual planning and audit planning).
9. Audit execution, including audit program design, execution and work paper documentation.
10. Reporting, including the quality and timeliness of reporting to department management, senior management and the Audit Committee.
11. Monitoring practices, including exception tracking and follow-up.
12. The Internal Audit Department's alignment with other risk management efforts within the District such as Enterprise Risk Management.
13. A review of the adequacy and testing for adherence to the Internal Audit Department's written audit policies and procedures.

At the conclusion of the engagement, the required deliverable will be a formal report that addresses, at a minimum, the following:

1. An opinion on the Internal Audit Department's conformance with The IIA's Definition of Internal Auditing, Code of Ethics, and Standards.
2. A conclusion on the efficiency and effectiveness of the Internal Audit Department's activity.
3. Current strengths of the Internal Audit Department.
4. Specific observations regarding opportunities for improvement of the Internal Audit Department identified during the review, including the relative significance of each opportunity.
5. Specific implementation recommendations to improve the Internal Audit Department's conformance with the Standards and/or effectiveness, as applicable.

6. Specific recommendations for application of internal auditing best practices to the Internal Audit Department, the Audit Committee and the Audit Charter.
7. Recommendations for additional ways the Internal Audit Department can add value for management, the Audit Committee and the District Board.
8. Recommendations for improvements to the District's Audit Committee, including the Audit Committee Charter, Organization Chart, responsibilities, independence, reporting and any other matters that can add value to both the District Board and the Audit Committee.

D. Estimated Timeline (all times are Eastern Standard Time)

April 5, 2019.....	RFP Released
April 19, 2019 by 4:00 PM.....	Receipt of Written Questions Due
April 26, 2019 by 4:00 PM.....	Q & A Posted to Website
May 10, 2019 by 10:00 AM.....	Proposals Due
May 15 – June 5, 2019.....	Proposals Evaluated
June 19, 2019.....	Audit Committee Interviews, if necessary
June 19, 2019.....	District Board Consideration and Award
June 21, 2019.....	Recommended Firm(s) Notified
June 21, 2019.....	Non-Selection Notices mailed
July 1, 2019.....	Start Work

The dates listed above are subject to change without notice.

E. District Cost Estimate

The District's estimate of the Total Project Cost is: \$30,000.00

II. Submittal Information

- A. The District will receive RFP responses until **MAY 10 2019 no later than 10:00 A.M (LOCAL TIME)** in Procurement Services located at _____ to provide the District with professional services for an external quality assessment review of the District's Internal Audit Department.
- B. Any responses received after the above stated time and date will not be considered. It shall be the sole responsibility of the proposer to have their RFP response **delivered to Procurement Services** for receipt on or before the above stated time and date. It is recommended that responses be sent by an overnight air courier service or some other method that allows for tracking and delivery confirmation. RFP responses that arrive after the above stated deadline as a result of delay by the mail service shall not be considered, shall not be opened at the public opening, and arrangements shall be made for their return at the proposer's request and expense. The District reserves the right to consider submittals that have been determined by the District to be received late due solely to mishandling by the District after receipt of the RFP and prior to the award being made.
- C. If any addenda are issued to this REQUEST FOR PROPOSAL, the District will attempt to notify all prospective proposers who have secured same, however, it shall be the responsibility of each proposer, prior to submitting the RFP response, to contact Finance/Procurement Services at (954) _____ to determine if any addenda were issued and to make any addendum acknowledgements and comply with the requirements of each addendum as part of their RFP response.

- D. **One (1) original, so marked, and eight (8) copies** of the RFP response, shall be submitted in one sealed package clearly marked on the outside "**RFP No _____ – Quality Assessment Review of Internal Audit Department**", and addressed to: Broward Health, Procurement Services, _____.
- E. Responses shall clearly indicate the legal name, address and telephone number of the proposer (firm, corporation, partnership or individual). Responses shall be signed above the typed or printed name and title of the signer. The signer shall have the authority to bind the proposer to the submitted RFP. Proposers must note their Federal I.D. number on their RFP submittal and include a copy of their W-9.
- F. All expenses for making RFP responses to the District are to be borne by the proposer.
- G. A sample draft contract that the District intends to execute with the successful firm is contained in this Request for Proposal for review. The District reserves the right to modify the contract language prior to execution.

III. Proposal Submission Instructions and Requirements

- A. In order to facilitate the analysis of responses to this RFP, Respondents are required to prepare their proposals in accordance with the instructions outlined in this section. Consultants whose proposals deviate from these instructions may be considered non-responsive and may be disqualified at the discretion of the City of Boynton Beach.
- B. Proposals shall be prepared as simply as possible and provide a straightforward, concise description of the Respondent's capabilities to satisfy the requirements of the RFP. Expensive bindings, color displays, promotional materials, etc., are not necessary or desired. Emphasis shall be concentrated on accuracy, completeness, and clarity of content.
 - a. Each of the ten (10) sections listed below shall be separated and labeled.
 - b. Each page shall be numbered on the bottom right hand corner.
 - c. Submit one (1) original proposal and eight (8) copies.
 - d. The proposal shall be organized as follows:

Proposal Section	Title
1.	Introduction letter
2.	Scope of Services - Independence
3.	Proposer Qualifications and Experience
4.	Engagement Team Qualifications and Experience
5.	Prior Engagements with Broward Health
6.	Similar Engagements with Other Entities
7.	Specific Engagement Approach
8.	Identification of Anticipated Problems
9.	Price Proposal Form
10.	Submittal Forms

SECTION 1 - INTRODUCTION LETTER – The Respondent shall provide an introduction letter on corporate letterhead, signed by an authorized representative of the Proposer. The letter should clearly indicate the company name, address and signature. This letter shall provide a brief narrative highlighting the Respondent's proposal. This section should not include cost quotations.

SECTION 2 – SCOPE OF SERVICES - Independence – The Respondent shall state in concise terms its understanding of the scope of work outlined in the Request for Proposal. The Respondent shall include a narrative description of the list of services to be rendered. The firm should provide an affirmative statement that it is independent of Broward Health as defined by IIA Standards and *Government Auditing Standards*.

SECTION 3 – PROPOSER QUALIFICATIONS AND EXPERIENCE – The Respondent shall describe the size of the firm, the size of the firm's staff experienced in internal audit, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number, the nature of the staff to be so employed on a part-time basis and the nature of any subcontract arrangements.

The Respondent should also describe its experience providing the requested services for hospitals and health care systems.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve, as the principal auditor should be noted, if applicable.

The firm shall also provide information on the results of any professional peer reviews during the last three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

The firm shall also describe any litigation or proceeding whereby, during the past three years, a court or any administrative agency has ruled against the firm in any manner related to its professional activities. Similar information shall be provided for any current or pending litigation.

SECTION 4 – ENGAGEMENT TEAM QUALIFICATIONS AND EXPERIENCE – The Respondent shall identify the principal supervisory and management staff, including engagement principals, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is a certified internal auditor, certified public accountant and the state in which the person is registered or licensed to practice. Provide information on the internal auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Experience providing the requested services for hospitals and health care systems should be described in detail for each individual.

Engagement principals, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of Broward Health. However, in either case, Broward Health retains the right to approve or reject replacements.

SECTION 5 – PRIOR ENGAGEMENTS WITH BROWARD HEALTH – The Respondent shall list and describe the firm’s professional relationships involving Broward Health for the past five (5) years, by type of engagement. Indicate the scope of work, date, engagement principals, the location of the firm’s office from which the engagement was performed, and the name and telephone number of the principal client contact. The firm should also together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed engagement.

In addition, the firm shall make an affirmative statement to give Broward Health written notice of any professional relationships entered into during the period of this engagement.

SECTION 6 – SIMILAR ENGAGEMENTS WITH OTHER ENTITIES – The Respondent shall list the most significant engagements (maximum – 5) performed in the last five years that are similar in nature and scope to the services requested. Particular attention should be given to engagements for hospitals and health care systems similar in size and complexity to Broward Health.

Indicate the scope of work, engagement dates, engagement principals, and the name and telephone number of the principal client contact.

SECTION 7 – SPECIFIC ENGAGEMENT APPROACH – The Respondent shall set forth a work plan, including an explanation of the engagement methodology to be followed in performance of the services required in Section I of this request for proposal. In developing the work plan, reference should be made to the specific deliverables requested by Broward Health for this engagement as outlined in Section I.

SECTION 8 – IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS – The Respondent should identify and describe any anticipated potential audit problems, the firm’s approach to resolving these problems and any special assistance that will be requested from the City of Boynton Beach.

SECTION 9 – PRICE PROPOSAL - Respondents shall provide a total all-inclusive maximum price for the proposed services outlined in the Scope of Work. The total all-inclusive maximum price shall contain all direct and indirect costs including all out-of-pocket expenses.

The price bid should include a schedule of professional fees and expenses, presented in the format provided in the attached Price Proposal Form in Section V – Price Proposal Form that supports the total all-inclusive maximum price. The cost of special services described below will be at quoted rates to be negotiated at the time services are requested.

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed in accordance with section 112.061, Florida Statutes. All estimated out-of-pocket expenses to be reimbursed should be presented in the price proposal form submitted. All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

If it should become necessary for Broward Health to request the successful respondent to render any additional services to either supplement the services requested in this Request for Proposal or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only upon written agreement between Broward Health and the firm. Any such additional work agreed to between Broward Health and the firm shall be performed at the same rates set forth in the schedule of fees and expenses.

IV. Selection Process

A. Selection

A Selection Committee will review, evaluate, and rank the proposals according to a numerical scoring system based on the responses to the criteria listed below. The Selection Committee may select two or more firms to be interviewed, based solely on qualifications. The evaluation criteria define the factors that will be used by the selection committee to evaluate and score responsible and qualified proposals. Prospective firms shall include sufficient information to allow the Selection Committee to thoroughly evaluate and score their proposals. Each proposal submitted shall be evaluated and ranked by a Selection Committee. The contract will be awarded to the most qualified firm(s) in accordance with the weighted criteria listed below.

B. Interviews

The Selection Committee may request oral presentations from the firms submitting proposals. If requested, the oral presentations may be considered in the evaluation process and scoring for all areas other than their Price Proposal. Proposers will be allowed fifteen (15) minutes for their presentation followed by a question and answer period of approximately fifteen (15) minutes.

C. Evaluation Criteria Summary

Respondents not providing a response to each of the criteria listed in this solicitation may be considered non-responsive and ineligible for consideration.

Criteria	Weight (max points)
Proposer Qualifications and Experience	30
Engagement Team Qualifications and Experience	30
Engagement Approach	20
Price Proposal	20
Total	100

Proposer Expertise and Experience – 30 points max.

- a) Relevant experience of key personnel, including assigned Project
- b) Feedback from references, including performance on other similar projects
- c) Knowledge, experience and demonstrated success with providing similar services
- d) Technical support proposed
- e) Financial responsibility/stability

Engagement Team Expertise and Experience – 30 points max.

- a) Relevant experience of key personnel
- b) Feedback from references, including performance on other similar projects
- c) Knowledge, experience and demonstrated success with providing similar services
- d) Technical support proposed
- e) Financial responsibility/stability

Engagement Approach – 20 points max.

- a) Total scope of services proposed
- b) Demonstrated understanding of the project
- c) Proposed timeline and work plan

Price Proposal – 20 points max.

The firm providing the lowest price will receive the maximum of 20 points, all others will receive points based on the following formula:

20- [20 points X (total cost – lowest total cost) / lowest total cost] Note: If the result is a negative number, the score assigned will be 0.

Example: Proposal 1: \$25,000 Proposal 2: \$30,000
Proposal 1 submitting the lowest, would achieve a score of 20 points. Proposal 2 would achieve a score of 15 points, calculated as follows: $20 - [20 \times (\$30,000 - \$25,000) / \$20,000] = 15$

V. Price Proposal Form

Only this portion of the proposal shall include the proposed cost. A total firm-fixed dollar amount for the completed project shall be provided on the Proposal Cost Summary Form and shall be included in the Proposal submittal under Section 9 with the submittal form below.

PRICE PROPOSAL FORM - SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

	HOURS	STD. HOURLY RATES	QUOTED HOURLY RATES	TOTAL QUOTE
PRINCIPAL	\$ _____	\$ _____	\$ _____	\$ _____
MANAGER	_____	_____	_____	_____
SUPERVISOR	_____	_____	_____	_____
STAFF	_____	_____	_____	_____
OTHER (SPECIFY)	_____	_____	_____	_____
SUBTOTAL				\$ _____

Other Expenses: (Specify)

TOTAL ALL INCLUSIVE PRICE \$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total price.

 COMPANY NAME

 AUTHORIZED SIGNATURE

 (_____) _____
 TELEPHONE

 TITLE

 E-MAIL ADDRESS

 DATE

VI. Other Required Documents**To be Provided by District Staff**