

**THE METROHEALTH SYSTEM  
AUDIT COMMITTEE  
BOARD OF TRUSTEES  
AUDIT COMMITTEE MEETING MINUTES**

DATE: Tuesday, June 21, 2016

TIME: 12:00 to 1:30 p.m.

PLACE: MetroHealth Medical Center  
Business Services Building  
Board Room K-107

COMMITTEE TRUSTEES: Mr. McDonald, Mr. Monnolly and Dr. Silvers

ADDITIONAL TRUSTEES: Ms. Dee and Mr. Spain

STAFF: A. Boutros, M.D., FACHE, J. Dickinson, G. Himes, M. Legerski, M. Phillips,  
C. Richmond

GUESTS: D. Keeling, J. Mylen (KPMG), J. Croy, D. Potak (RSM)

Dr. Silvers called the meeting of the Audit Committee to order at 12:10 p.m. Please note that minutes are written to conform to the printed agenda and are not necessarily in the order of discussion.

- I. Minutes of the regular Audit Committee meeting held on March 22, 2016 were approved as written.

**II. INFORMATION ITEMS**

Dr. Silvers introduced Jim Mylen, Partner, Advisory Services KPMG, LLP who opened the meeting by introducing Dan Keeling, Director, Advisory Services, KPMG, LLP. Mr. Mylen provided an update regarding the 2016 Internal Audit Plan. Mr. Mylen provided an overview and status of the second quarter report issued which included the Physician Compensation Process and Controls report. Mr. Mylen also discussed updates to the 2016 internal audits, progress in the second quarter and planning for the third quarter internal audits. In addition, Mr. Mylen shared updates to the internal audit processes including report format changes, updates and communication with business process owners and executive management. Lastly, Mr. Mylen shared the internal audit charter which will be reviewed and approved during the third quarter.

Craig Richmond, SVP, Chief Financial Officer introduced John Croy, Senior Director, RSM and Dave Potak, Manager, RSM who provided an update on the construction cost review services currently being performed by RSM. RSM was previously selected to conduct these services specific to the System's Campus Transformation project. Mr. Croy and Mr. Potak discussed the first initiative that was focused on reviewing the adequacy and effectiveness of internal controls of the Department of Construction Management. This also included an assessment to determine if the Department's program is meeting industry standards and includes best practices. Mr. Croy and Mr. Potak commented that overall the Department of Construction Management has strong processes and controls in place that meet or exceed industry standards. In most areas of the construction project delivery, there were adequate controls in place to mitigate financial, legal and reputational risk. In the instances where opportunities for improvement were identified, recommendations were

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made to update policies and procedures and incorporate additional controls to mitigate construction project delivery risk.

The second review being conducted by RSM is focused on the construction spend associated with the Critical Care Pavilion expansion project. Mr. Croy stated that this review is currently underway and consists of verifying contractor compliance with terms and conditions of construction contracts. RSM will be providing an interim review and then a close-out review that will validate a final accounting for the Project. An update will be provided at the next Audit Committee meeting.

Mary Legerski, Chief Compliance Officer, and Joe Dickinson, Privacy and Security Officer, were introduced for their respective updates.

At this point in the meeting a motion was made, seconded and passed to move the Committee into Executive Session to discuss trade secrets and litigation matters. The Committee returned to regular session at 1:01 pm.

**III. NON-CONSENT /ACTION ITEMS**

A. No items at this time

**IV. CONSENT ITEMS**

A. No items at this time

There being no further business to come before the Committee, the meeting was adjourned at 1:40 p.m.

Respectfully submitted,



Craig Richmond  
Senior Vice President and  
Chief Financial Officer