

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

DATE: Tuesday, December 20, 2016

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

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

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

ADDITIONAL TRUSTEES: Ms. Dee and Mr. Spain

STAFF: A. Boutros, M.D., FACHE, 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 12:05 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 September 26, 2016 were approved as written.

II. INFORMATION ITEMS

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. Mr. Croy and Mr. Potak revisited the first initiative which began in October, 2015 and focused on reviewing the adequacy and effectiveness of internal controls of the Department of Construction Management to make sure they had policies and procedures in effect for the Campus Transformation project. RSM has been assisting the Department of Construction Management in developing these workflow improvements to their documentation of these policies and procedures by building out detailed procedures and are looking at a draft completion date by the end of January, 2017.

The second review conducted by RSM concentrated on the construction spend associated with the Critical Care Pavilion expansion project. Mr. Croy stated that as reported at the last Audit Committee meeting, the interim review was completed. RSM mentioned a draft report with two cost and two operational recommendations were made which RSM will follow-up with a close-out review. An update will be provided at the next Audit Committee meeting schedule for March 2017.

Jim Mylen, Partner, Advisory Services KPMG and Dan Keeling, Director, Advisory Services, KPMG, LLP, provided an update regarding the 2016 Internal Audit Plan. Mr. Mylen started by reviewing the Internal Audit's department approach in conducting the audits outlined in the audit plan. Three core phases were discussed: Planning and Scoping; Execution; and Wrap-Up and

Reporting. Mr. Keeling then provided an overview and status of the fourth quarter reports issued and discussed updates to the 2016 internal audits, progress in the fourth quarter and planning for the 2017 internal audit. Mr. Mylen discussed the proposed 2017 Internal Audit Plan by providing an overview of the integrated risk assessment process, discussion of the updated risk universe and the proposed Internal Audit Plan which included risk assessment workshops and assurance mapping. Mr. Mylen presented the multi-year Internal Audit Plan.

Mary Legerski, Chief Compliance Officer was introduced for her 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 1:49 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 1:50 p.m.

Respectfully submitted,



Craig Richmond
Senior Vice President and
Chief Financial Officer