

**THE METROHEALTH SYSTEM
BOARD OF TRUSTEES
AUDIT AND COMPLIANCE COMMITTEE
REGULAR MEETING MINUTES**

DATE: Wednesday, December 11, 2019

TIME: 2:00 to 4:00 p.m.

PLACE: MetroHealth Medical Center
K107, Business Services Building

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

ADDITIONAL TRUSTEES: Ms. Dee and Ms. Whiting

STAFF: K. Cunningham, D. Fiser, G. Himes, M. Phillips, S. Partington, C. Richmond,
C. Forino Wahl

GUESTS: R. Barre, J. Mylen (KPMG), J. Croy (RSM)

Mr. McDonald called the meeting of the Audit and Compliance Committee to order at 2:00 p.m. Please note that minutes are written to conform to the printed agenda and are not necessarily in the order of discussion.

- I. The minutes of the regular Audit and Compliance Committee meeting held on September 11, 2019 were approved as presented.

II. INFORMATION ITEMS

Mr. McDonald introduced John Croy, RSM Senior Director and National Leader of Construction Advisory Services who provided an update on the Transformation Project construction cost review services. Mr. Croy stated RSM is conducting monthly reviews of the invoices submitted by consultants and contractors participating in the project. After the architect and owner's representative have reviewed the invoices, RSM reviews to ensure the invoices are mathematically accurate, have adequate supporting documentation and are in compliant with the applicable agreements. RSM then submits a checklist which includes the procedures performed in during the review. Mr. Croy indicated they are currently conducting an interim review on insurance, information technology and reimbursable costs that have been invoiced by Turner Construction.

Jim Mylen, Partner with KPMG Advisory Services, serves as MetroHealth's Director of Internal Audit and Robin Barre, Director with KPMG presented to the Committee. Mr. Mylen and Ms. Barre provided an update of the 2019 Internal Audit Plan and an overview of the accomplishments and goals for the fourth quarter. Mr. Mylen proceeded with providing an update on the fourth quarter 2019 Internal Audit Plan stating Internal Audit (IA) continues to perform quarterly analytics and auditing procedures for payroll, procure to pay, and segregation of duties within the financial reporting system. Mr. Mylen mentioned that IA and management collaborated to improve the procedures in place to monitor system access and ensure appropriate segregation of duties through automation and updated reporting.

Ms. Barre mentioned in late 2018, IA worked with Finance to establish and develop procedures for a Financial Reporting Disclosure Committee (“FRDC”). The FRDC oversees procedures similar to those adopted by public companies to ensure adequate internal controls over financial reporting as part of their Sarbanes-Oxley Act of 2002 (“SOX”) compliance programs. Ms. Barre stated the FRDC has been completed for the past four quarters and certifications were received from one hundred percent of those asked to participate with all individual’s completing certifications each quarter. The IA plan is on track and consists of fifty-three projects. The plan includes fourteen internal audits that will be coordinated with Ethics and Compliance and seven internal audits that will be coordinated with Legal. Ms. Barre mentioned interim control testing of the financial reporting processes is complete and that IA provided testing results to management and to the external auditor and that year-end control testing of financial reporting processes will be completed by February 2020.

Mr. Mylen provided an update regarding how IA is performing at MetroHealth as compared to the Institute of Internal Auditors (IIA) which publishes International Standards for the Professional Practice of Internal Auditing which is a framework to evaluate the performance of IA departments. Mr. Mylen stated these leading practices demonstrate how the MetroHealth Internal Audit department exceeds the requirements of the IIA. Mr. Mylan stated that the 2020 annual integrated Internal Audit, and Ethics and Compliance enterprise risk assessment is complete. The results of the risk assessment are used to develop the 2020 internal audit plan. Internal audit leveraged an electronic platform (e-brainstorming) to facilitate broader cross-functional risk identification workshops and included over a hundred participants, compared to in-person interviews of 20-30 members of management in the prior year.

Cheryl Forino Wahl, Senior Vice President, Chief Ethics and Compliance Officer provided an update on the fourth quarter compliance program activities stating seventy-nine percent of the work plan has been completed. Ms. Wahl stated the department completed the 2020 application for the World’s Most Ethical Company, the results will be announced in early February. Ms. Wahl reviewed the status of the four 2019 Ethics and Compliance department goals and how they continue to make significant achievements, some of these goals included expanding the risk assessment process, implementing the communication plan, measuring effectiveness using date and improving physician coding accuracy. Ms. Wahl stated four training modules were launched for the employees covering HIPAA Privacy, Ohio Ethics Rules, Reporting Compliance Concerns and Fraud, Waste and Abuse. In addition, Ms. Wahl mentioned the three e-brainstorming sessions held as part of the 2020 risk assessment process, and they are working together with IA to develop an enterprise risk management strategy for the organization. Ms. Wahl also reviewed the proposed 2020 Ethics and Compliance Work Plan. Lastly, Ms. Wahl introduced Sarah Partington, Senior Compliance Officer, Director of Compliance Operations who provided an update on the expanded role of Ethics and Compliance in managing Conflicts of Interest.

David Fiser, Vice President, Chief Information Officer, provided a Cyber Security Program update. Mr. Fiser stated that Information Services continues to enhance the cyber phishing program and that monthly phishing tests have been completed for January through November. Mr. Fiser mentioned that additional phishing and cyber education for employees was provided which included in-person Phishing training provided by the Information Security Officer. Upgrades to malware protections and firewalls were completed in September and enhanced security for remote access using a remote Multi-Factor Authentication solution is scheduled for December. Mr. Fiser also stated that our remote managed Security Operations Center (SOC) will provide 24/7/365 monitoring of MetroHealth’s cyber security systems for threat detection and on-site cyber remediation assistance which was implemented in October 2019. Similar to the prior quarter, Mr. Fiser provided an update on the HIPAA Security and Cyber Maturity Assessment with KPMG and mentioned several areas of focus to further enhance security posture.

Mr. Fiser continued with discussing the System's Disaster Recovery and Continuity of Operations plan. As previously discussed, Mr. Fiser mentioned network connectivity to the Akron Involta Disaster Recovery co-location site has been completed. Disaster Recovery failover testing of the Epic Electronic Health Records system at the Akron Involta co-location site will be completed in September. In addition, IT continues to expand application testing with quarterly testing of individual applications and systems to utilize new Involta capabilities.

Mr. Fiser stated the Multi-Year Technology Strategic plan has been completed and is aligned with the overall System strategic plan. The plan purpose will be to effectively leverage IT resources and investments to achieve current and future business goals. Mr. Fiser also provided an IT Governance update stating the purpose is alignment of health system strategy with IT priorities, projects and resources.

III. NON-CONSENT /ACTION ITEMS

A. No items at this time

IV. CONSENT ITEMS

A. Approval of Proposed Modifications to the Audit and Compliance Committee Charter

The Committee unanimously approved the recommendation for full Board action.

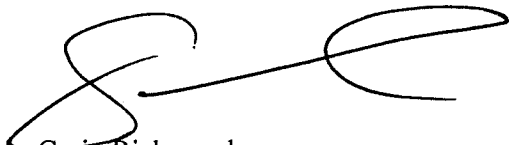
B. A Recommendation for the Continued Engagement of KPMG LLP as the System's Internal Audit Consultant

The Committee unanimously approved the recommendation for full Board action.

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 4:07 pm.

There being no further business to bring before the Committee, the meeting was adjourned at 4:08 p.m.

Respectfully submitted,



Craig Richmond
Executive Vice President and
Chief Financial Officer