

# The MetroHealth System Board of Trustees

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## AUDIT AND COMPLIANCE COMMITTEE

March 23, 2022

Meeting held via Zoom

### Meeting Minutes

**Committee Members Present:** Ms. Dee, Mr. Moss, Ms. Whiting

**Other Trustees Present:** Dr. Silvers, Dr. Walker

**Staff Present:** Dr. Boutros, Mr. Himes, Ms. McBride, Ms. Morales, Ms. Platten, Ms. Rajki, Mr. Richmond, Ms. Wahl

**Guests:** Ms. Kalic, Mr. Kes, Ms. Pallante (RSM)

Mr. Richmond called the meeting to order at 3:00 pm.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

#### I. **Approval of Minutes**

No items at this time

#### II. **Information Items**

##### **2021 Audit Report for the System's Annual Financial Statements – Lori Kalic & Hallie Pallante, RSM**

Ms. Kalic presented the results of The MetroHealth System's 2021 external financial statement audit. Ms. Kalic provided an overview of the scope of audit services performed, noting they were conducted in accordance with Auditing



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Standards Generally Accepted in the United States of America (GAAS), Government Auditing Standards and Uniform Guidance. RSM audits The MetroHealth System, The MetroHealth Foundation, Recovery Resources and Select Assurance Captive LLC. Ms. Kalic stated the System adopted GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period and GASB Statement No. 98, The Annual Comprehensive Financial Report. Ms. Kalic and Ms. Pallante discussed with the Committee that the audit focused on evaluating the reasonableness of significant accounting estimates made by management, highlighting several of those estimates. RSM issued an unqualified “clean” opinion for the 2021 financial audit, with no audit adjustments and no internal control deficiencies over financial reporting. Similar to prior years, Ms. Kalic remarked that based on our size and complexity, having no audit adjustments was a significant accomplishment.

### III. Recommendation/Resolutions Approvals

- A. A Recommendation to Approve and Accept the 2021 Audit Report for the System’s Annual Financial Statements Presented by RSM

RSM met with the Audit and Compliance and presented their Audit Report for the System’s annual financial statements for the year ended December 31, 2021. The Committee unanimously approved the recommendation for full Board action.

- B. A Recommendation for Acceptance of the 2021 Results Compared to the 2021 Plan Measures and Goals for the Performance Based Variable Compensation Program

The background was discussed in Executive Session. The Committee unanimously approved the recommendation for full Board action.

- C. A Recommendation to Approve the Selection of Pre-Authorized Professionals

Dr. Boutros discussed the Senior Vice President of Campus Transformations recommendation to approve certain Pre-Authorized Professionals consistent with System policy GEN-88 for services to be provided during the period of May 1, 2022 through May 31, 2023. The Committee unanimously approved the recommendation for full Board action.



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Ms. Dee indicated that all further matters to be considered at this meeting involved discussions of trade secrets, matters required to be kept confidential by law, personnel matters, as well as information subject to the attorney-client privilege. Upon unanimous roll call vote, the Committee went into Executive Session to discuss such matters at 3:25 p.m.

At this point in the meeting all management left the meeting and the Audit Committee trustees and RSM audit engagement team met for discussion in Executive Session at 3:33 p.m.

Following Executive Session, the meeting reconvened in open session at 3:44 p.m.

There being no further business to bring before the Committee, the meeting was adjourned at approximately 3:48 p.m.

Craig Richmond  
Executive Vice President, Chief Financial &  
System Services Officer