

# The MetroHealth System Board of Trustees

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## AUDIT AND COMPLIANCE COMMITTEE

Wednesday, March 27, 2024

11:30 am – 2:00 pm

Virtual via Zoom

### Meeting Minutes

**Committee** Maureen Dee-R, John Moss-R, Vanessa Whiting-R

**Members Present:**

**Other Trustees Present:** Inajo Davis Chappell-R, John Corlett-R, Robert Hurwitz-R

**Staff Present:** Airica Steed, Ed.D.-R, Christine Alexander, M.D.-R, Robin Barre-R, Nabil Chehade, M.D.-R, Kim Cunningham-R, David Fiser-R, Derrick Hollings-R, Olusegun Ishmael, M.D.-R, Laura McBride-R, Chistina Morales-R, Sarah Partington-R, Tamiyka Rose-R, Deborah Southerington-R, Nic Sukalac-R, Dalph Watson-R

**Guests:** Jasmine Boutros-R, Suzanne Aral-Boutros, Tess Alanna Boutros-R, Sophie Campbell-Smith-R, Veronica Despoth (KPMG)-R, Jerrod Holloway (KPMG)-R

Ms. Dee called the meeting to order at 11:31 am.

(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**

The minutes of the February 28, 2024 Committee Special Meeting were approved as submitted.

### **II. Information Items**

#### **A. Presentation of Annual Audit of System Financial Statements – L. Kalic (RSM)**

Ms. Dee introduced Lori Kalic with RSM who provided a presentation of the annual audit system financial statements. Ms. Kalic provided a summary of the audit results to the committee and key findings of the system's financial statements for fiscal year 2023. The implementation of the accounting policy, GASB Statement No. 96 subscription-based information technology arrangements, had a significant impact on the financial statements and related disclosures. The audit of the financial statements included reviews



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of estimates related to self-insurance liability, pension retirement benefits, amortization and depreciation of capital assets, fair value of investments, leased assets and liabilities, and subscription-based information technology assets and liabilities. There were no significant issues found nor difficulties in running the audit. Ms. Dee thanked the external auditor for their years of service. Ms. Dee asked for a motion to recommend for the Acceptance of the MetroHealth System Annual Audit which was given, seconded, and unanimously approved to be presented to the Board for approval.

## **B. Ethics & Compliance Update – S. Partington**

Sarah Partington, Senior Compliance Officer and Director of Compliance Operations was introduced to the committee and provided ethics and compliance program updates. Ms. Partington provided an update from the U.S Department of Health and Human Services' final rule modifying confidentiality of substance use disorder in patient records on February 8, 2024. The compliance team is reviewing and implementing necessary changes, with the compliance date being February 16, 2026.

## **C. Internal Audit Update – J. Holloway, V. Despoth (KPMG)**

Jared Holloway and Veronica Despoth with KPMG were introduced to the committee and provided an overview on the internal audit report for 2023. Mr. Holloway highlighted that 100% of the 42 project audits have been completed for the past fiscal year. Mr. Holloway expressed gratitude for senior management's cooperation in providing access to the reports. The internal audit conducts an annual review of financial reporting business process key controls and related applications. The review involves testing the design and effectiveness of controls over financial reporting. Additionally, Internal Audit coordinates with the external audit team for IT general controls testing and business process narratives.

## **III. Executive Session**

Ms. Dee asked for a motion to move into executive session to discuss hospital trade secrets as defined in ORC 1333.61 and to discuss the employment and compensation of public employees. Ms. Chappell made the motion and Mr. Moss seconded. The Board held a roll call vote with all Trustees voting to approve the motion to go into executive session for the purposes stated by Ms. Dee.

Members of the public were excused. The Board went into executive session to discuss the identified matters at 11:46am.



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Following the executive session, the meeting reconvened in open session at approximately 12:49 pm and welcomed back the public via Zoom.

### **IV. Information Items**

#### **A. Update on External Partner for Internal Audit & Future Internal Audit Structure**

Ms. Dee introduced Sophie Campbell-Smith to the committee, who is the lead partner of engagement with Ernst & Young's healthcare practice, as Ernst & Young will become MetroHealth's new Internal Auditor on April 1st, 2024 for a three year initial term agreement. Ms. Campbell-Smith has more than 20 years of expertise in professional services, mostly with healthcare institutions. Ms. Campbell-Smith is excited to lead the partnership with the MetroHealth internal audit program, and she emphasizes that services will be provided in accordance with the Institute of Internal Auditors (IIA) and the American Institute of Certified Public Accountants (AICPA) standards for quality independence and objectivity.

Ms. Dee asked for a motion to recommend for the approval of Ernst & Young LLP as the System's Internal Audit Partner, which was given, seconded and the resolution passed to be presented to the Board of Trustees for approval.

There being no other business to bring before the Committee, the meeting was adjourned at approximately 12:58pm.

THE METROHEALTH SYSTEM

Maureen Dee, Chairperson

