The MetroHealth System Board of Trustees

AUDIT AND COMPLIANCE COMMITTEE

Wednesday, November 12, 2025
2:00 pm – 4:00 pm
MetroHealth Board Room K-107 and Virtual

Meeting Minutes

Committee Members Present:	Sharon Dumas-I, Artis Arnold-I, John Moss-I
Other Trustees Present:	E. Harry Walker, M.D.-R
Staff Present:	Christine Alexander-Rager, M.D.-I, Robin Barre-I, Robert (Doug) Bruce, M.D.-I, David Fiser-R, Sarah Partington-I, Amanda Roe-I, Jeff Rooney-I, Tamiyka Rose-I, Deborah Southerington-I, David Stepnick, M.D.-I, James Wellons-I, Patrick Woods-I
Invited Guests:	Jessica Hamilton (Plante Moran)-I, Jordan Pace (Plante Moran)-I, Hayley Oakes (Grant Thornton)-R, Megan Warren (Plante Moran)-I
Other Guests:	Guests not invited by the Board of Trustees are not listed as they are considered members of the audience, and some were not appropriately identified.

Ms. Dumas called the meeting to order at 2:00 pm, in accordance with Section 339.02(K) of the Ohio Revised Code with a quorum present.

(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 September 10, 2025 Committee meeting were approved as submitted by unanimous vote.

II. Information Items

A. 2025 External Financial Statement Audit Plan – *J. Rooney, P. Woods, Plante Moran*

Ms. Dumas introduced Mr. Rooney and Mr. Woods to the Committee who then provided an update that Plante Moran, the external financial statement auditors for The MetroHealth System, has begun their interim audit activities, with their

onsite work planned to occur in January through March 2026. Upon completion, Plante Moran will present its results to the Board towards the end of March. Mr. Woods then introduced representatives from Plante Moran to provide an overview of the 2025 external financial statement audit plan.

Jordan Pace, audit partner with Plante Moran, introduced himself and expressed appreciation for the ongoing relationship between the firm and MetroHealth. Mr. Pace began by outlining the initial stages of the 2025 audit cycle and explained that part of the firm's responsibility under auditing standards is to maintain structured communication with the governing body overseeing the audit.

Mr. Pace described the audit team structure, identifying Mr. Oliver Drugov as the engagement partner, alongside team members Ms. Megan Warren and Ms. Jessica Hamilton. The audit team composition remained consistent with prior year. Mr. Pace emphasized the importance of independence and affirmed that Plante Moran meets independence requirements as mandated by professional standards.

The auditors then reviewed the responsibilities and standards guiding their work, including requirements under Generally Accepted Auditing Standards (GAAS) and Governmental Auditing Standards (GAGAS). They noted that MetroHealth must comply with governmental audit standards due to its level of federally funded program expenditures, which exceed thresholds requiring a single audit. They summarized the scope of the auditors' responsibilities, including evaluating significant accounting policies, estimates, financial reporting principles, and any adoption of new standards. They clarified that audit work necessarily involves materiality and risk-based sampling due to the magnitude of system-wide transactions.

The Committee was informed that the auditors would assess areas requiring significant management judgment or those involving complex or sensitive estimates, as these areas present the greatest risk of material misstatement. Any issues identified, ranging from audit adjustments to internal control deficiencies or unusual transactions, would be communicated to the Committee during or after the audit. Additionally, management would provide necessary documentation such as the engagement letter and a letter or representation to close out the audit.

Ms. Megan Warren then continued the presentation with a discussion of the financial statement audit engagement timeline. Interim procedures were already

being conducted onsite, focusing on planning and risk assessment, including walkthroughs of processes and initial sampling. February and March 2026 would be dedicated to final audit testing, review of balances, and financial statement evaluation. After completion, auditors will return to present their final findings in March.

Ms. Warren also addressed the timeline and requirements of the single audit, which runs concurrently with the financial statement audit. Because MetroHealth expends more than the federal threshold for grant funds, it must undergo an annual single audit. This audit evaluates compliance with federal grant requirements and assesses how the organization manages and reports federally funded program expenditures. Audit results and required documentation would be uploaded to the Federal Audit Clearinghouse by early April 2026.

Next, Ms. Warren outlined the engagement scope for the financial statement audit and the single audit, reiterating that the primary objective of the financial statement audit is to express an opinion on whether the statements are free from material misstatement. Key required communications include the identification of control deficiencies, instances of noncompliance, and any noted abuse under Government Auditing Standards. Ms. Warren also described the peer review process required for all accounting firms every three years, noting that Plante Moran's most recent peer review report, issued in 2022, resulted in the highest available rating. A new peer review report was expected before the end of December 2025 and will be shared with the Committee.

Ms. Jessica Hamilton proceeded with an overview of significant risks identified for the financial statement audit, explaining that four areas constituted significant risk:

- Management override of controls
- Improper revenue recognition and net realizable value of patient accounts receivable
- Pension and OPEB-related obligations
- Medical malpractice obligations

Ms. Hamilton explained that although these were identified as the highest-risk areas, the financial statement audit would still examine other areas of estimation, judgment, and operational significance. Ms. Hamilton also addressed GASB 102, a

new disclosure requirement requiring organizations to document risks related to concentrations or vulnerabilities. Ms. Hamilton clarified that the GASB 102 standard would not change the financial figures themselves but would result in additional disclosures, if applicable.

Ms. Hamilton further described the financial statement audit approach at year-end, including various testing of transactions and evaluation of management's estimates, and assumptions used in those estimates, to ensure reasonableness and if they are in line with applicable accounting standards. Lastly, Ms. Hamilton summarized the primary risks for the single audit, with particular focus on the classification and allowability of grant expenditures and management override of controls. The audit team planned to test selected grant expenditures for compliance with federal rules and to evaluate controls in managing federal programs.

The auditors concluded their presentation by reviewing required communications to the Committee, emphasizing the importance of effective two-way communication during the engagement. They outlined upcoming communications planned for the postaudit phase, including a summary of the auditor's views about significant accounting practices, any difficulties encountered during the audits, any uncorrected misstatements, any disagreements with management, any material audit adjustments, representations requested from management, any consultations by management with other accountants, and any significant issues arising from the audits that were discussed with management.

B. Ethics and Compliance Update – *S. Partington*

Next, Ms. Dumas introduced Ms. Sarah Partington, Interim SVP Chief Ethics and Compliance Officer, to provide the Ethics and Compliance update. Ms. Partington began by highlighting events from the recent observance of Compliance Week on November 2, 2025 – November 8, 2025. Activities included a system-wide e-card thanking employees for maintaining an ethical culture, as well as a pop-up event at the Glick Center, where the compliance team interacted with staff, provided resources, and distributed small, branded giveaways and candy. The week concluded with a "holiday edition" of *Conversations with Compliance*, focusing on rules surrounding the giving and receiving of gifts among employees, patients, and vendors, an especially relevant topic during the holiday season. Ms. Partington then discussed planning underway for 2026, noting Ethics and Compliance Department

will be pursuing new engagement activities under the theme "Get Your Ethical Fix in 2026," with updates to be shared in future committee meetings. Next, Ms. Partington provided an overview of the annual risk assessment process. Ethics and Compliance and Internal Audit collaborate annually to conduct a coordinated risk assessment that informs development of the upcoming year's workplan. Activities related to the assessment will unfold over the next several months, with results and recommendations to be presented to the Committee in March.

Ms. Partington also reviewed current performance metrics, including work plan completion status through September, policy management updates, MetroHealth Ethics Line (MEL) activity, and training statistics. Ms. Partington described trends in hotline reporting, highlighting comparative data for allegations versus inquiries and open versus closed cases. Importantly, Ms. Partington highlighted that MetroHealth's average case closure time remained significantly below the national benchmark. While the national average time to close hotline cases is approximately 45 days, MetroHealth averaged 28 days. Ms. Partington also highlighted a key metric: the duration required to resolve anonymously submitted reports. These cases generally take about ten additional days to close because investigators cannot engage directly with reporters and must rely on the hotline's anonymous communication mechanism to request updates or clarification. Ms. Partington emphasized the importance of encouraging employees who submit anonymous reports to log back into the MEL system periodically to respond to follow-up questions, even if they wish to remain unidentified. The Ethics and Compliance update concluded with reference to additional materials contained in the appendix of the presentation, including specific details about work plan goals, policy counts, and training results.

III. Executive Session

Ms. Dumas asked for a motion to move into executive session to discuss hospital trade secrets as defined by ORC 1333.61. Mr. Moss made the motion and Mr. Arnold seconded. Upon unanimous roll call vote, the Committee went into executive session to discuss such matters stated by Ms. Dumas. Members of the public were excused, and the Committee went into executive session to discuss the identified matters at 2:23 pm.

Following the executive session, the meeting reconvened in open session at approximately 3:47 pm and welcomed back the public virtually and those members of the public who remained in-person.

IV. Recommendations / Approvals

A. Approval of the Internal Audit Department Charter and Mandate

Based on the update from Ms. Barre of the Internal Audit Department Charter, Ms. Dumas called for a voice vote for the Approval of the Internal Audit Department Charter and Mandate, which was given, seconded, and unanimously approved.

There being no other business to bring before the Committee, the meeting was adjourned at approximately 3:48pm.

THE METROHEALTH SYSTEM

John Moss
Interim Chairperson, Audit & Compliance Committee