



Audit & Compliance Committee Meeting

The MetroHealth System

MetroHealth Board Room K107 - 2500 MetroHealth Dr., Cleveland, OH 44109

2025-11-12 14:00 - 16:00 EST

Table of Contents

I. Agenda.....	2
II. Approval of Minutes.....	3
III. Information Items	
A. 2025 External Financial Statement Audit Plan.....	7
B. Ethics and Compliance Update.....	25
IV. Recommendations / Resolution Approvals	
A. Approval of the Internal Audit Department Charter and Mandate.....	34

The MetroHealth System Board of Trustees

AUDIT & COMPLIANCE COMMITTEE

DATE: Wednesday, November 12, 2025
TIME: 2:00pm - 4:00pm
PLACE: MetroHealth Main Campus, Building K, Board Room (K107) or
YouTube Stream: <https://www.youtube.com/@metrohealthCLE/streams>

AGENDA

- I. **Approval of Minutes**
Approval of Committee Meeting Minutes from September 10, 2025
- II. **Information Items**
 - A. 2025 External Financial Statement Audit Plan – J. Rooney / P. Woods / Plante Moran
 - B. Ethics and Compliance Update – S. Partington
- III. **Executive Session**
- IV. **Return to Open Meeting**
- V. **Recommendations / Approvals**
 - a. Approval of the Internal Audit Department Charter and Mandate

The MetroHealth System Board of Trustees

AUDIT AND COMPLIANCE COMMITTEE

Wednesday, September 10, 2025

11:00 am – 1:00 pm

MetroHealth Board Room K-107 and Virtual

Meeting Minutes

Committee Members Present: Sharon Dumas-I, Artis Arnold-I, Adam Jacobs, Ph.D.-I, John Moss-I

Other Trustees Present: Ronald Dziedzicki-R, E. Harry Walker, M.D.-R

Staff Present: Christine Alexander-Rager, M.D.-I, Robin Barre-R, Doug Bruce, MD-I, David Fiser-I, Joseph Golob, M.D.-I, Geoff Himes-I, Dr. Candy Mori-I, Sarah Partington-I, Allison Poullos-R, Amanda Roe-I, Jeff Rooney-I, Tamiyka Rose-I, Deborah Southerington-I, James Wellons-I, Patrick Woods-I

Invited Guests: Hayley Oakes (Grant Thornton)-R

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 11:00 am, 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 June 11, 2025 Committee meeting were approved as submitted by unanimous vote.

II. Information Items

A. Annual Audit & Compliance Committee Charter Review – J. Wellons

Ms. Dumas introduced James Wellons, EVP Chief Legal Officer & Corporate Secretary, to discuss the Audit & Compliance Committee Charter. Mr. Wellons reminded the Committee that the Charter had undergone revisions previously



The MetroHealth System Board of Trustees

approved in November 2024. The most significant of the latest changes involve clarifying the reporting structure, specifically designating the leaders of the Internal Audit and Ethics and Compliance functions as individuals who report directly to the Committee. Other proposed changes were described as minor. Mr. Wellons invited questions from the Committee, noting that a formal vote on the Charter would be held later in the meeting.

B. Ethics and Compliance Update – S. Partington

Ms. Dumas introduced Ms. Partington, Executive Director, Ethics and Compliance, to provide the Ethics and Compliance update. Ms. Partington provided an overview of ongoing engagement efforts across the organization to raise awareness of compliance topics among employees. One notable initiative was the “Conversations with Compliance” session held in July, featuring Dr. Chehade interviewing Ms. Partington on issues related to travel and conferences, particularly those involving potential conflicts of interest. Ms. Partington then presented the Ethics and Compliance dashboard, which showed that workplan completion percentages were consistent with historical year-over-year activity levels. Next, the Committee reviewed data from the MetroHealth Ethics Line (MEL). The MEL dashboard included quarterly statistics on cases opened and closed, as well as a breakdown of reports categorized as misconduct allegations versus general inquiries. Ms. Partington noted that the average number of open cases at any given time ranges from 30 to 40, not including Human Resources MEL data, as their data is separate. The average case closure time is 31 days, below the industry benchmark of 45 days. The Committee also examined data on anonymous follow-up activity, which tracks whether employees who report concerns anonymously return to check on the status of their cases. The team emphasized the importance of encouraging employees to engage in follow up, especially when submitting anonymous reports through the MEL system. Further, the Committee reviewed a chart outlining the department’s four strategic goals and the corresponding activities completed in Quarter 2. Highlights included continuous monitoring of regulatory changes, such as the distribution of the annual CMS proposed rules to subject matter experts throughout the system, and participation in system-wide workgroups related to the opening of the new outpatient health center and the closure of existing locations. Last, Ms. Partington provided a high-level overview of the department’s annual workplan, detailing activities planned through July and their current completion status.

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C. Internal Audit Update – R. Barre / H. Oakes (Grant Thornton)

Ms. Dumas introduced Ms. Barre, Executive Director of Internal Audit Services, and Ms. Oakes, a contractor with Grant Thornton, to provide the Internal Audit update. Ms. Barre introduced a new initiative, a stakeholder feedback survey to be issued at the conclusion of each engagement. Launching this survey supports the department's goal of developing quantifiable key performance indicators to measure performance.

The department aims to achieve an average score of 4.0 or higher on each of the rated questions and will provide periodic updates on survey results at future meetings. Ms. Barre emphasized that this initiative aligns with the newly established Global Internal Audit Standards issued by the Institute of Internal Auditors (IIA).

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; and to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee, as defined by ORC 121.22(G). 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 11:11 am.

Following the executive session, the meeting reconvened in open session at approximately 1:06 pm and welcomed back the public virtually and those members of the public who remained in person.

IV. Recommendations / Approvals

A. Approval of the Annual Audit & Compliance Committee Charter

Based on the update from Mr. Wellons of the Committee Charter, Ms. Dumas called for a voice vote for the approval of the annual Audit & Compliance Committee Charter, which was given, seconded, and unanimously approved.

B. Approval of the Proposed 2026 Internal Audit Department Budget and Resource Plan

Based on update from Ms. Barre on the proposed 2026 Internal Audit department budget and resource plan, Ms. Dumas noted that while the

The MetroHealth System Board of Trustees

proposed budget would still go through the standard System budgeting process, the Committee's approval was necessary to move it forward. The budget includes a modest allocation for travel, and any necessary adjustments would be communicated to the Committee. Ms. Dumas called for a voice vote for the approval of the proposed 2026 Internal Audit department budget and resource plan, which was given, seconded, and unanimously approved.

There being no other business to bring before the Committee, the meeting was adjourned at approximately 1:07pm.

THE METROHEALTH SYSTEM

Sharon Dumas
Chairperson, Audit & Compliance
Committee



MetroHealth System

Pre-Audit Presentation to the Audit & Compliance Committee (presented on November 12, 2025)

December 31, 2025, Financial Statement Audit



MetroHealth System

Audit Engagement Team Leaders

- Oliver Jurkovic, Partner
- Megan Warren, Senior Manager
- Jessica Hamilton, Manager



Agenda

- Effective Communication with Governance
- Engagement Timeline
- Engagement Scope
- Audit Approach
- Auditor Independence
- Required Communications under AU 260



Effective Communication with Governance

Written and effective reciprocal communications to those charged with governance require conversations that communicate significant matters, including:

- Auditor's responsibility under Generally Accepted Auditing Standards and Generally Accepted Governmental Audit Standards
- The concept of materiality
- Significant accounting policies and principles
- Significant issues discussed with management
- The adoption of, or change in significant accounting policies and principles
- Areas of audit estimation and risk
- Management judgments and accounting estimates
- Qualitative observations on the Organization's accounting policies and estimates
- Significant or unusual transactions
- Significant audit adjustments
- Passed audit adjustments and disclosures
- Fraud and illegal acts (if any are identified)
- Material weaknesses or significant deficiencies in internal controls (if any are identified)
- Disagreements with management (if any are identified)
- Difficulties encountered in completing our work (if any are identified)
- Consultations with other accountants (if any are identified)
- Major issues discussed with management prior to retention

Other written communications with management and those charged with governance would include:

- Engagement letters
- Management letter of representations
- Management or material weakness/significant deficiency letter, if warranted



Engagement Timeline

MetroHealth – 12-31-25 Financial Statement Audit Engagement Timeline

- November 2025
 - Preliminary analysis for the audit began, including providing internal control narratives to management and preliminary discussions with management
 - Interim testing performed
- February-March 2026 – Year-end testing to be performed
- March 2026 – Draft meeting with management to discuss audit results and issuance of final audited financial statements and final required communication letter to governance
- March 25, 2026 – Presentation to the Audit and Compliance Committee regarding audit results and required auditor communications



Engagement Timeline

MetroHealth Single Audit (12-31-25) Engagement Timeline

- November and December 2025
 - Preliminary analysis for the audit begins, including providing internal control narratives to management and preliminary discussions with management
 - Interim testing performed
- January – March 2026– Year-end testing to be performed (pending receipt of final Compliance Supplement)
- March 2026 – Draft meeting with management to discuss audit results and issuance of final audited financial statements and final required communication letter to governance
- April 2026 – Finalize audit and file with Federal Clearinghouse



Engagement Scope

MetroHealth – 12-31-25 Financial Statement Audit Planned Engagement Scope

Express an opinion on the December 31, 2025 financial statements

Presentation of the audit results to the Audit and Compliance Committee including all required communications under AU 260

Generally Accepted Government Auditing Standards (GAO Standards)

- Required to communicate any deficiencies in internal control over financial reporting identified during our audit.
- Required to communicate all noncompliance with provisions of laws, regulations, contracts or grants that have a material effect on the financial statements that comes to our attention.
- GAO standards also require us to report any instances of abuse identified during the audit that could be both quantitatively and qualitatively material to the financial statements.
- Copy of our most recent per review report (updated copy expected prior to issuance of audit opinion)

Audit Reports to be issued:

MetroHealth Financial Statement (12-31-25)



Engagement Scope

MetroHealth Single Audit (12-31-25) Planned Engagement Scope

Express an opinion on compliance with major programs as of December 31, 2025

Presentation of the audit results to the Finance and Audit Committee including all required communications under AU 260.

Generally Accepted Government Auditing Standards (GAO Standards). Note that the below items are issued concurrently with the MetroHealth 12-31-25 financial statement audit.

- Required to communicate any deficiencies in internal control over financial reporting identified during our audit.
- Required to communicate all noncompliance with provisions of laws, regulations, contracts or grants that have a material effect on the financial statements that comes to our attention.
- GAO standards also require us to report any instances of abuse identified during the audit that could be both quantitatively and qualitatively material to the financial statements.
- Copy of our most recent peer review report (updated copy expected prior to issuance of audit opinion).

Audit Reports to be issued:

MetroHealth Consolidated Single Audit on Compliance with Federal Awards (12-31-25)



Audit Approach (Financial statement audit)

Our overall audit approach is risk-based in nature, and includes planning, control identification and verification, potential tests of controls, substantive testing, and reporting to management and those charged with governance.



Audit Approach - MetroHealth – 12-31-25 Financial Statement Audit

Preliminary Planning and Testing

MetroHealth – 12-31-25 Financial Statement Audit

- Verify understanding of internal controls and transaction flow for the preparation of financial reporting
- Review accounting cycle narratives prepared by management/internal audit for each significant cycle within the financial reporting process
- Conduct internal planning meeting to determine testing to be performed related to the transaction cycles and related controls
- Perform analytical procedures by significant cycle
- Assess fraud risks identified for the industry and specific to MetroHealth
- Review of interim balances and reports for key areas
- Adoption of new accounting standards
 - GASB Statement 102 – Certain Risk Disclosures



Audit Approach - MetroHealth – 12-31-25 Financial Statement Audit

Significant risk areas for the audit of the Organization's financial statements:

Below are the areas of risk that are significant to the audit, and to which we will develop a significant part of our audit plan.

- Management override of controls
- Improper revenue recognition and net realizable value of patient accounts receivable
- Pension and OPEB related obligations (including use of a specialist by management - Actuary)
- Medical malpractice obligations (including use of a specialist by management)

Other areas of consideration:

- Estimated third party payer settlements
- Valuation of investments
- Significant projects capitalized (and started/in-process) during the year
- Debt, classification and related tests of compliance with covenants
- Leases, classification and recorded balances
- Significant joint venture activity
- New accounting pronouncement – GASB 102
- Financial statement presentation and related footnotes



Audit Approach - MetroHealth – 12-31-25 Financial Statement Audit

Audit Approach – Year End Testing

- Performing retrospective/hindsight analysis
- Subsequent receipts/payment testing
- Substantive detail testing procedures
- Substantive analytical procedures
- Recalculation and independent determination of balances
- Independent valuation procedures
- Independent confirmation procedures
- Evaluation of methodologies and assumptions

In response to identified significant risks we will perform:

- Specific testing of estimates including retrospective review of prior year estimates and analysis of post-year end activity.
- Targeted testing of certain transactions to verify that transactions are supported by appropriate documentation and accounted for appropriately with relevant authoritative reporting guidance. This testing will include certain unpredictable procedures for which we will provide no advance notice.
- Other tests we consider necessary to verify recorded balances.



Audit Approach - MetroHealth Single Audit (12-31-25)

For the audit of the Organization's federal award program (Single Audit):

Below is a description of the areas of risk for the federal awards programs that are significant to the federal awards programs, and to which we will develop a part of our audit plan. These areas of risk include:

- Classification and allowability of grant expenditures
- Management override of controls

In response to these identified significant risks, we will:

- Review a sample of expenditures for classification and allowability.
- Review a sample of revenue accounts and with reconciliation to recorded amounts and corresponding contract/agreement.
- Test controls and compliance with laws and regulations pertaining to the federal awards obtained by the Organization.
- Perform other tests we consider necessary to verify recorded balances.



Required Communication under AU 260

Independence

We affirm our independence to serve as your auditors

Required Communications under AU 260

Auditing standards and other professional standards require the auditor to communicate certain matters to those charged with governance (effective two-way communications) that may assist you in overseeing management's financial reporting and disclosure process.

We are required to communicate to those charged with governance:

- The auditor's responsibility under generally accepted auditing standards and *Government Auditing Standards*
- An overview of the planned scope and timing of the audit
- Significant findings from the audit
- Emphasis of matters

The principal purposes of the communication with those charged with governance are to:

- Communicate our responsibilities with you as they relate to the financial statement audit, including timing and scope
- Obtain information for our audit
- Provide those charged with governance our observations from the results of our audit that are relevant to your responsibilities for overseeing the financial reporting process



Required Communication under AU 260

Required Communications under AU 260

Auditors are required to communicate several aspects of the audit process to those charged with governance.

Items to be communicated:

- Planning discussion with governance
- The auditor's views about significant accounting practices
- Any difficulties encountered during the audit
- Any uncorrected misstatements
- Any disagreements with management
- Any material audit adjustments
- Representations requested from management
- Any consultations by management with other accountants
- Any significant issues arising from the audit that were discussed with management



Required Communication under AU 260

Required Communications under AU 260

Auditor Responsibilities

- Express an opinion on the financial statements
- Audit to be completed in accordance with generally accepted auditing standards and government auditing standards
- Reasonable, rather than absolute assurance, that the financial statements are free of material misstatement
- Understanding of internal controls

Management Responsibilities

- Preparation of the financial statements and related disclosures
- Adopting sound accounting policies
- Developing sound internal controls – to ensure proper recording and presentation of accounting transactions and safeguarding of assets
- Preparation and submission of all regulatory documents (insurance regulatory requirements) to the appropriate state and federal regulators and other authorities



Peer Review



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A Professional Accounting Corporation

Report on the Firm's System of Quality Control

December 16, 2022

To the Partners of
Plante & Moran, PLLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC (the firm) applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; an audit performed under FDICIA; and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Plante & Moran, PLLC has received a peer review rating of *pass*.

Postlethwaite & Netterville

Postlethwaite & Netterville, APAC
Baton Rouge, Louisiana



Thank you for the opportunity to
serve MetroHealth



MetroHealth
Devoted to Hope, Health, and Humanity

Ethics and Compliance Program Activities

Audit and Compliance Committee of the Board of Trustees

November 12, 2025

Compliance Week 2025

November 2 – November 8, 2025

- **ALL IN Recognition eCards:** On November 2, all MetroHealth employees will receive personalized cards to acknowledge their commitment to ethics and compliance.
- **Pop-Up Appreciation Table:** On November 5 in the Glick Cafeteria, the Ethics and Compliance team will distribute swag and thank staff for their support of the program, the Code of Conduct, and MetroHealth's STAR-IQ values.
- **Conversations with Compliance: GIFTS** (webinar): On November 6 at 1:00 PM, Sarah Partington will lead a live Webex session on "GIFTS at MetroHealth," discussing the gift policy and ethical boundaries in healthcare.

Coming Soon

Next year Ethics and Compliance will launch a new campaign, **"Get Your Ethical Fix in 2026,"** to enhance MetroHealth's culture of integrity. Featuring:

- Monthly ethics themes and scenarios for staff discussions
- Interactive "Conversations with Compliance" sessions
- Visual reminders to promote ethical awareness
- Recognition for employees demonstrating ethical excellence

This initiative aims to keep ethics relevant and actionable throughout MetroHealth, encouraging all employees to lead with integrity in 2026.



ALL
IN



Conversations with Compliance

GIFTS

Want to learn more about what's appropriate when it comes to giving and receiving gifts in the workplace? Curious about MetroHealth's policies and how they apply to real-life situations?

Don't miss our next session of Conversations with Compliance on:

- Date: Wednesday, November 6, 2025
- Time: 1:00 PM
- Location: Webex (see below)

Sarah Partington, Executive Director of Ethics and Compliance, will lead an open discussion on the topic of "GIFTS"—what's allowed, what's not, and how to navigate those gray areas with confidence and integrity.



Sarah Partington
Executive Director
Ethics and Compliance

Let's talk compliance. This is your chance to ask questions, hear examples, and strengthen your understanding of MetroHealth's commitment to ethical practices.

Have questions or specific scenarios you want to know more about? Email us at: compliance@metrohealth.org.

How to attend the meeting?

Webex

- [Meeting Link](#)
- Telephone: 415-655-0002
 - Meeting # (access code): 2432 671 9318
 - Password: GIFTS

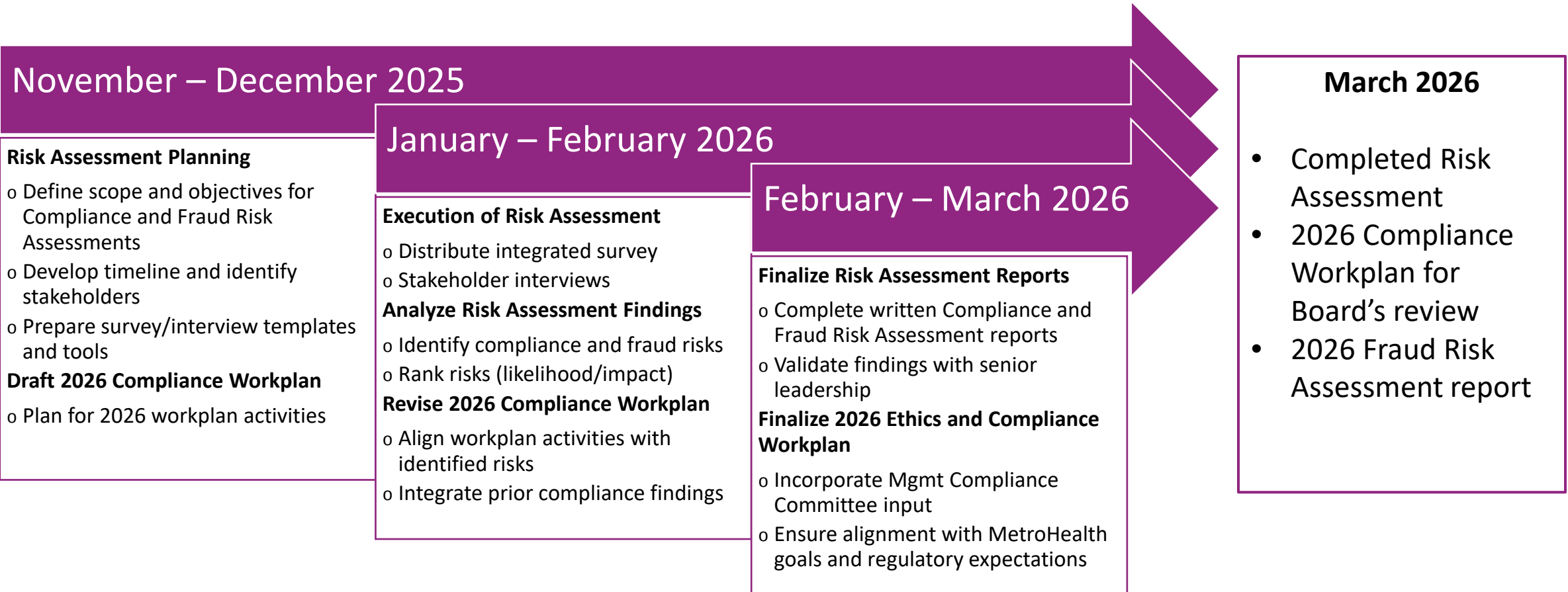
This meeting will be recorded

Ethics and Compliance—October 2025

Questions? Contact us at compliance@metrohealth.org



2026 Risk Assessment and Workplan Schedule



Ethics and Compliance – By The Numbers

WORK PLAN*

Completion rate of planned Compliance projects based on targets due by the end of September.

80% YTD

POLICIES

MHS: % MHS policies updated annually (as of July 2025)
EC: % EC policies updated annually (as of July 2025)

MHS: 70% YTD
EC: 86% YTD

METROHEALTH ETHICS LINE (MEL)

Inquiries: Reports that do not allege wrongdoing; seeks guidance
Allegations: Reports that involves an accusation of wrongdoing.

Q3 (YTD)

Cases opened	197 (532)	Inquiries	34 (136)
Cases closed	216 (587)	Allegations	165 (434)

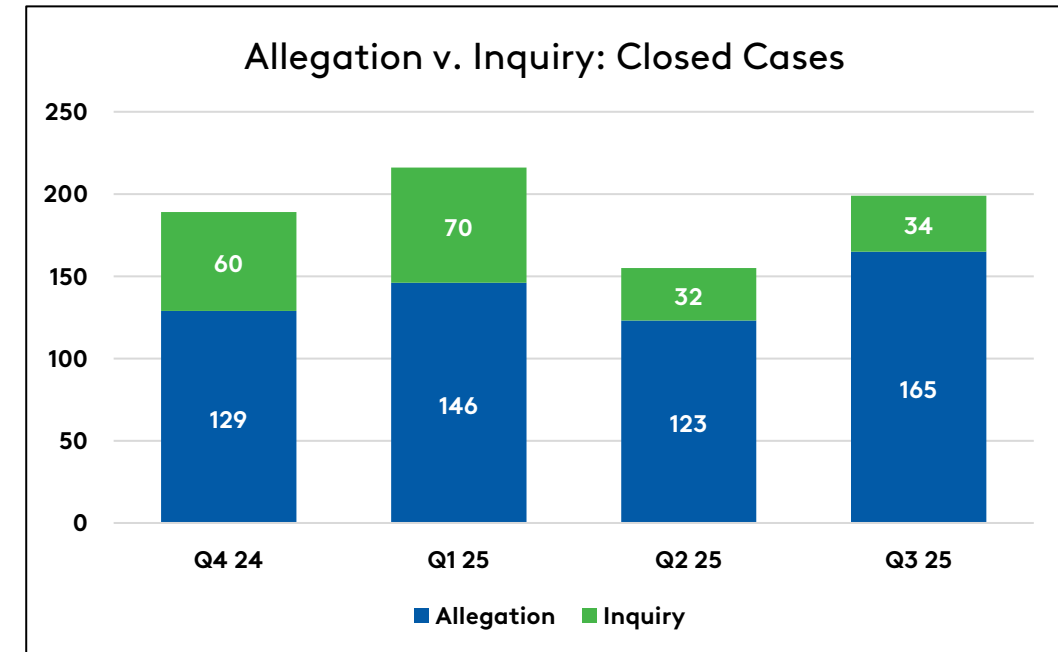
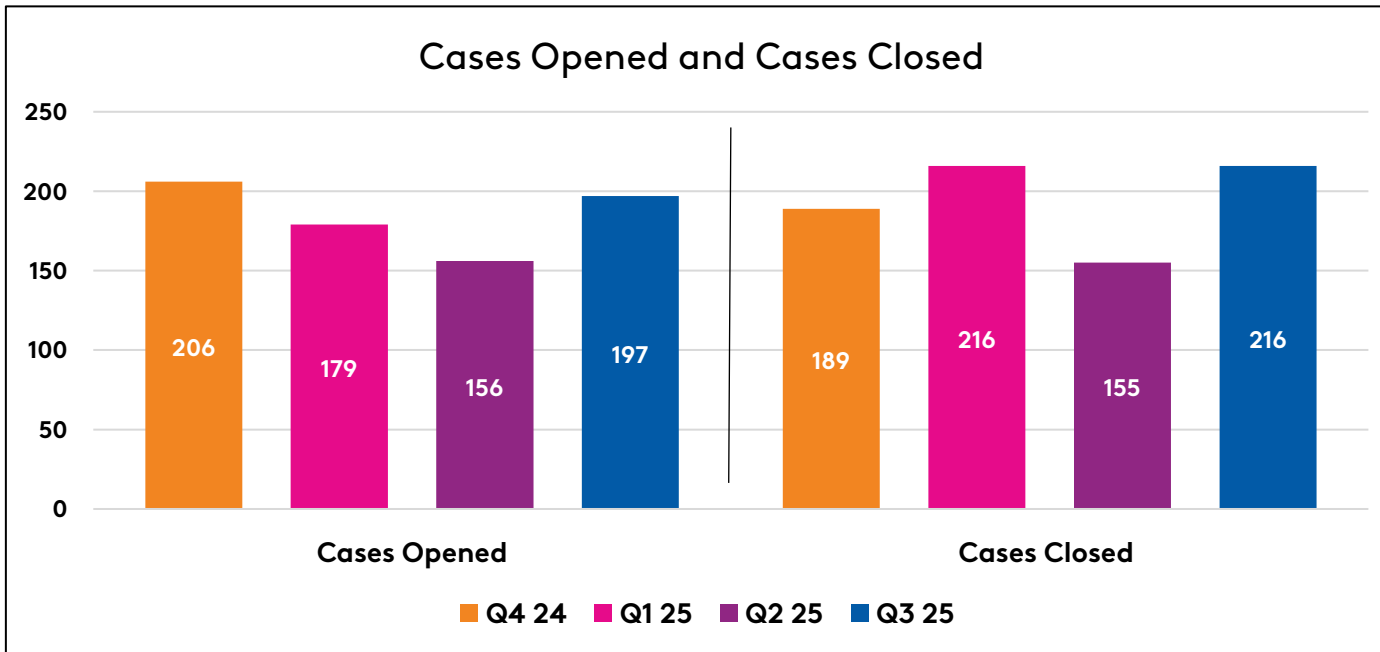
TRAININGS

Targeted New Hire: Compliance training beyond general orientation
Specialized: trainings on specific topics (new regulations, billing and coding issues, etc.)

Targeted New Hire 90 YTD
Specialized 83 YTD

* See Appendix for additional information

2025 Q3 MEL Review

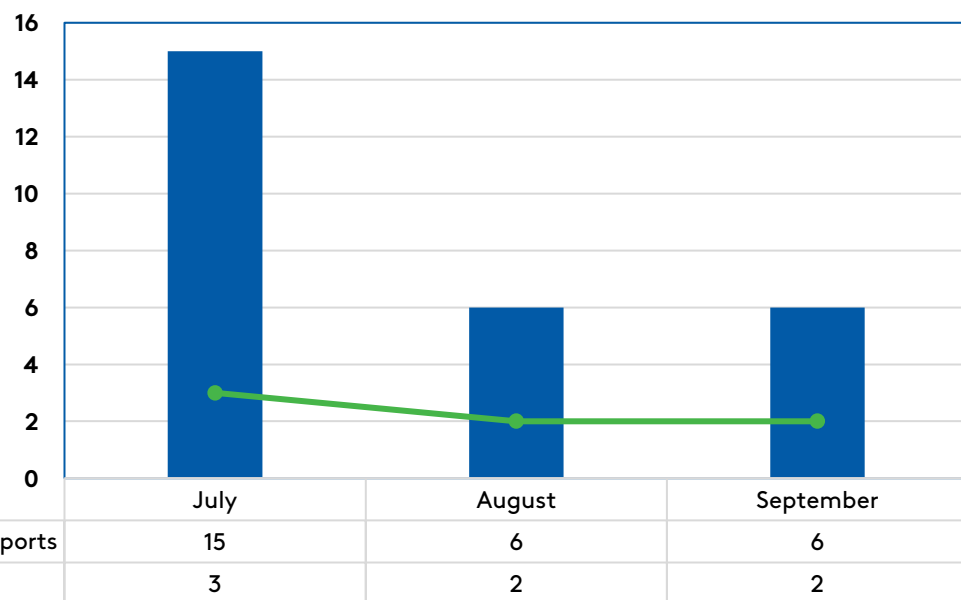


Key Takeaways

- Annual average open to close time was 28 days, compared to the national benchmark of 45 days

2025 Q2 MEL Review, cont.

2025 Q3 Anonymous Report Follow-Up



Key Takeaways

- Follow-up rate for anonymous reporters: 26%
- Non-Anonymous report avg case closure time: 17 days
- Anonymous report average case closure: 27 days

Appendix

Ethics and Compliance 2025 Goals



Foster the integration of an ethical culture

- Updated Third-Party Risk Management policy and procedure
- Updated Research Conflicts of Interest training



Provide continuous monitoring of regulatory changes and assess their impact on MetroHealth

- Collaborating with operational leaders to identify potential compliance risk areas in the final CMS 2026 inpatient prospective payment system (IPPS)



Ensure safeguarding of information during campus transformation 2.0

- Participating in system-wide workgroups managing the move
- Expand physical security walkthroughs to high-risk and non-clinical spaces



Maximize the effective use of data, technology, and external resources

- Launch mobile access for system policy platform

The 2025 Ethics and Compliance Work Plan consists of 113 focus areas and is 80% complete (through September).

340B/Pharmacy 	11 focus areas / 10% of Work Plan	79%
Oversight 	43 focus areas / 38% of Work Plan	78%
Documentation & Coding 	13 focus areas / 12% of Work Plan	87%
Financial Incentives 	17 focus area / 15% of Work Plan	84%
Regulatory Compliance 	14 focus areas / 12% of Work Plan	80%
Privacy and Security 	10 focus areas / 9% of Work Plan	79%
Research Compliance 	5 focus areas / 4% of Work Plan	85%

The MetroHealth System Internal Audit Function's Departmental Charter

Purpose and Mandate

The MetroHealth System is committed to maintaining a robust Internal Audit department ("Internal Audit") as an enterprise-wide function that delivers independent, risk-based assurance, advice, insight, and foresight to management and to the Board of Trustees ("Board"), through its Audit and Compliance Committee ("ACC"), on the effectiveness of the organization's activities and internal control environment.

Internal Audit enhances the organization's ability to create, protect, and sustain value by strengthening governance, risk management, and control processes; supporting sound decision-making and oversight; and reinforcing stakeholder confidence, reputation, and the public interest.

Internal Audit receives its mandate from the ACC, which defines its authority, role, and responsibilities. It fulfills this mandate by applying a systematic, disciplined approach to evaluate and improve governance, risk management, and control processes across the organization.

Authority

The ACC delegates to Internal Audit the mandate to deliver independent and objective assurance, advice, insight, and foresight to the Board and senior management – free from management interference. This authority is formalized through Internal Audit's direct reporting relationship to the ACC, ensuring unrestricted access and preserving its independence.

The ACC authorizes Internal Audit to:

- Obtain full and unrestricted access, when needed, to all functions, data, records, information, physical property, and personnel necessary to fulfill its responsibilities, with strict accountability for confidentiality and safeguarding information.
- Allocate resources; select risk-based audit engagements and set appropriate engagement frequency; define scope and methodologies; and issue communications required to achieve its objectives.
- Engage internal personnel and retain specialized services, whether from within the organization or externally, to support and complete internal audit activities.

Independence and Professional Objectivity. Organizational Position, and Reporting Relationships

Internal Audit leadership is positioned to operate without interference and reports directly and functionally to the Board through the ACC and administratively to the Chief of Staff & Board Liaison. This structure empowers Internal Audit to raise issues directly to senior management and, if necessary, escalate matters to the Board without interference. The ACC's functional oversight responsibilities are included in the ACC Charter. The Internal Audit leader is responsible for determining the scope of the administrative reporting responsibilities (e.g., timecard approval, expense reporting, performance evaluations, etc.) and related procedures with the ACC Chairperson and the Chief of Staff & Board Liaison.

Operational Independence

Internal Audit will have no responsibility for, or authority over, the activities it reviews. Internal Audit does not implement controls, develop procedures, install systems, or engage in or perform activities that could impair the internal auditor's judgment. Internal Audit team members who perform advisory services will not audit those same areas for a defined period of time, subject to discussion between the Internal Audit leader(s) and the ACC Chair.

Professional Objectivity

Internal Audit personnel will maintain the highest standards of professional objectivity, conducting fair and balanced evaluations without undue influence from personal or external interests. Audit engagements and scope shall be guided exclusively by professional standards and risk-based judgment, not by personal beliefs or biases.

Annual Confirmation and Impairment Reporting

The Internal Audit leader(s) will annually confirm the function's independence and objectivity to the ACC. Any actual or perceived impairments – and proposed safeguards – will be promptly disclosed to the ACC for further review.

Freedom from Interference

Internal Audit retains full discretion over its scope, methodologies, and reporting. Any interference affecting audit work or communications will be reported to the ACC, along with an assessment of its impact on the function's effectiveness and

The MetroHealth System Internal Audit Function's Departmental Charter

ability to fulfill its mandate.

The Internal Audit Leader Roles and Responsibilities

The Internal Audit Leader's roles and responsibilities are determined by the ACC and encompass the oversight, execution, and communication of the function in alignment with professional standards and organizational expectations.

Ethics and Professionalism

The Internal Audit Leader will ensure that internal auditors:

- Conform with The Institute of Internal Auditors' ("The IIA")¹ Global Internal Audit Standards ("Standards"), including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Model and reinforce the organization's ethical expectations, promoting a culture of honesty and accountability.
- Identify and report conduct that contradicts the organization's code of ethics or professional standards.

Managing the Internal Audit Function

The Internal Audit Leader has the responsibility to:

- Develop an agile, risk-based annual Internal Audit Plan – incorporating input from senior management and the Board – and seek ACC approval.
- During the year, discuss the annual Internal Audit Plan, including any significant change or management request, with senior management and the ACC. Material changes to the Internal Audit Plan require ACC review and approval.
- Communicate the impact of resource limitations on the Internal Audit Plan to senior management and the ACC.
- Execute and document audit engagements in accordance with the Standards and monitor management's implementation of agreed action plans.
- Maintain a skilled audit team who possess or can obtain the knowledge, skills, experience, and other competencies and qualifications necessary to deliver quality internal audit services.
- Identify and consider trends and emerging issues that could impact the organization, including trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the Internal Audit function.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services.

Communication with the Board and Senior Management

The Internal Audit Leader will provide periodic reporting to the ACC and senior management on the following:

- The Internal Audit function's mandate.
- The Internal Audit Plan and performance, including significant changes.
- Internal Audit department budget and resource plan, including significant changes.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Board or senior management.
- Results of assurance and advisory services.
- Management's response to unacceptable risks or those beyond the organization's risk appetite.

Scope and Types of Internal Audit Services

The Internal Audit function provides independent assurance and advisory services across the entire organization – covering all activities, assets, and personnel – to evaluate the adequacy and effectiveness of governance, risk management, and control processes.

Assurance Services

Internal Audit objectively examines evidence to assess whether risk management, controls, and governance frameworks are suitably designed and operating effectively. Findings and recommendations are reported to senior management and the ACC to strengthen internal controls and mitigate risks.

The MetroHealth System Internal Audit Function's Departmental Charter

Advisory Services

The scope and objectives of advisory services or non-assurance engagements may be agreed upon with the requesting party, provided Internal Audit does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements and will be communicated to the appropriate level of management.

Commitment to Adhering to the Global Internal Audit Standards

Internal Audit will generally conform with the mandatory elements of The IIA International Professional Practices Framework ("IPPF")^{®2}, including the Standards and Topical Requirements.

The Internal Audit leader will report annually to the ACC and senior management a conformance report – based on our Quality Assurance and Improvement Program – affirming Internal Audit's alignment with these Standards.

Quality Assurance and Improvement Plan

The Internal Audit leader will establish and maintain a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the Internal Audit activity. The QAIP will include:

- Ongoing internal assessments of conformance with the Standards and performance metrics to measure progress against objectives and drive continuous improvement.
- External assessments at least once every five years by an independent, qualified evaluator or team – one of whom must hold an active Certified Internal Auditor credential – to validate compliance and identify enhancement opportunities.

All assessment results, including any action plans to address deficiencies and opportunities, will be reported annually to the ACC and senior management.

Annual Review Conclusion and Acknowledgments/Signatures

This Charter was reviewed and approved by the Audit & Compliance Committee at its meeting on November 12, 2025.

Sharon Dumas
Interim Chairperson, Audit & Compliance Committee

Dr. Christine Alexander-Rager, MD
President & CEO

Robin Barre
Executive Director, Internal Audit Services

Reviewed/Revised History:

September 2017 (revised), March 2018 (reviewed), March 2019 (reviewed), March 2020 (reviewed), May 2022 (revised/reviewed), September and November 2025 (revised/reviewed)

¹ The Institute of Internal Auditors ("The IIA") is the global professional association for the internal audit profession, responsible for developing and promoting the International Professional Practices Framework[®] (including the Global Internal Audit Standards), issuing authoritative guidance, and offering education and certifications (e.g., Certified Internal Auditor).

² The International Professional Practices Framework ("IPPF")[®] organizes the authoritative body of knowledge, promulgated by The IIA, for the professional practice of internal auditing. The IPPF includes Global Internal Audit Standards, Topical Requirements, and Global Guidance.