Audit & Compliance Committee Meeting - PUBLIC

The MetroHealth System
MetroHealth Board Room K107-2500 MetroHealth Dr., Cleveland, OH 44109
2026-11-18 13:00 - 15:00 EST

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V. Recommendations/Approvals

VI. Adjourn

AUDIT & COMPLIANCE COMMITTEE

DATE: Wednesday, November 18, 2026
TIME: 1:00pm – 3:00pm
PLACE: MetroHealth Main Campus, Room (K107) or YouTube:
https://www.youtube.com/@metrohealthCLE/streams

AGENDA

I. **Approval of Minutes**
Approval of Committee Meeting Minutes from September 16, 2026

II. **Information Items**
A. 2026 External Financial Statement Audit Plan – O. Jurkovic, M. Warren (Plante Moran)
B. Ethics and Compliance Update – S. Partington

III. **Executive Session**

Return to Open Meeting

IV. **Recommendations / Approvals**
A. Approval of MetroHealth System 2027 Compliance Work Plan
B. Approval of MetroHealth System 2027 Internal Audit Plan
C. Approval of Proposed Revisions to the 2027 Internal Audit Department Budget and Resource Plan
D. Approval of the Internal Audit Department Charter and Mandate

The MetroHealth System Board of Trustees

AUDIT AND COMPLIANCE COMMITTEE

Wednesday, September 16, 2026
11:30 am – 1:00 pm
MetroHealth Main Campus, Building K, Board Room (K107) and Virtual Zoom

Meeting Minutes

Committee Members Present:	John Moss, E. Harry Walker, M.D., Gail Long
Other Trustees Present:	Artis Arnold-R; James Campbell-R; Michael Summers-I
Staff Present:	Christine Alexander-Rager, M.D.-I; Robin Barre-I; Robert Bruce, M.D.-I; Angela Campitelli-R; Nabil Chehade, M.D.-I; Joseph Golob, M.D.-I; Ashish Masih-I; Christina Morales-I; Candace Mori-R; Kate Nagel-I; Sarah Partington-I; Amanda Roe-I; Jeff Rooney-I; Tamiyka Rose-I; and James Wellons-I;
Invited Guests:	Hayley Oakes-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.

Mr. Moss called the meeting to order at 11:30 a.m. 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 24, 2026 Committee meeting were unanimously approved as submitted.

II. Information Items

A. Ethics and Compliance Update – S. Partington

1. **Work Plan and Program Activity.** Ms. Sarah Partington reported the quarterly Ethics and Compliance work plan was 79% complete. Detailed category-level status information was referenced as available in the meeting appendix. The update also included policy activity, MetroHealth Ethics Line statistics, and targeted and specialized training efforts.
2. **Privacy Oversight During Facility Decommissioning.** Following the move to the new Outpatient Health Center, thirteen trained privacy liaisons from four departments helped clear protected health information (PHI) from the former outpatient pavilion. The review was completed efficiently following advance preparation and appropriate removal of PHI by operations and clinical teams.

3. **MetroHealth Ethics Line.** The new Ethics Line platform, launched in February 2026, shows increased activity as staff become more familiar with the system. The platform is operating effectively and is supporting efficient communication with reporters.
4. **Case Closure Performance.** The average open-to-close case resolution time improved to 11 days, significantly outperforming the national benchmark of 42 days and reflecting continued efficiency in investigative and case management processes.

III. Executive Session

Mr. Moss asked for a motion to move into executive session to discuss hospital trade secrets as defined by Ohio Revised Code Section 1333.61. Upon motion, second, and unanimous roll call vote, the Committee entered executive session at 11:35 a.m. to discuss identified matters, and members of the public were excused.

Following the executive session, the meeting was reconvened in open session at approximately 12:55 p.m. and welcomed back the public virtually and those members of the public who remained in-person.

IV. Recommendations / Approvals

Mr. Moss asked the Committee to revisit an item discussed during executive session. Based on the update from Ms. Barre in executive session, Internal Audit has identified a potential budget overage for 2026 related to ongoing audit activities. To help mitigate this risk, Internal Audit recommended temporarily pausing a planned audit engagement. The Committee also discussed the alternative of proceeding with the audit as originally planned, recognizing the potential impact on the Committee-approved 2026 Internal Audit budget. Mr. Moss called for a voice vote to authorize Internal Audit to continue with the audit, recognizing the potential to exceed the Committee-approved 2026 Internal Audit budget, which was given, seconded, and unanimously approved.

A. Approval of Proposed 2027 Internal Audit Department Budget and Resource Plan

Based on the update from Ms. Barre in executive session of the Internal Audit function's proposed 2027 department budget and resource plan, Mr. Moss called for a voice vote for the Approval of Proposed 2027 Internal Audit Department Budget and Resource Plan, which was given, seconded, and unanimously approved.

There being no further business to bring before the Committee, the meeting was adjourned at approximately 12:58 p.m.

THE METROHEALTH SYSTEM

John Moss,
Interim Chairperson, Audit & Compliance Committee

MetroHealth System

Audit Planning Presentation to Governance

December 31, 2026 Audit

Meeting Agenda

01	Engagement Team and Timeline
02	Engagement Scope
03	Audit Approach
04	Required Communications under AU 260
05	Peer Review Report

Audit Engagement Team Leaders

Oliver Jurkovic
Overall Engagement Partner

Megan Warren
Senior Manager

Jessica Hamilton
Manager

Engagement Timeline – Financial Statement Audit

Oct– Nov 2026

1

Audit planning, management discussions, and internal control testing

Jan – Feb 2027

2

Year-end testing performed

Mar 2027

3

Finalize testing and review of financial statements; closing meeting with management

March - April 2027

4

Present audit results to Governance and issue consolidated financial statements

Engagement Timeline – Single Audit

Nov– Dec 2026

1

Audit planning, management discussions, and internal control testing

Jan – Feb 2027

2

Year-end testing performed (pending receipt of final Compliance Supplement)

Mar 2027

3

Draft meeting with management to discuss audit results and issuance of final audited financial statements and final required communication letter to governance

April 2027

4

Finalize audit and file with Federal Clearinghouse

Engagement Scope

Opinions Provided

- Opinion on the financial statements as a whole
- “Emphasis of Matter” paragraph for implementation of GASB 103
- Opinion on MetroHealth’s major federal award programs (single audit)
- Separate audit of:
  - MetroHealth Foundation (a discrete component unit)
  - Select Assurance Captive, LLC

Relevant Audit Standards

- **Generally Accepted Auditing Standards**
- **Government Auditing Standards**
  - Communicate identified internal control deficiencies over financial reporting
  - Communicate material noncompliance with laws, regulations, contracts, or grants
  - Report any instances of abuse identified that could be quantitatively and qualitatively material
  - Provide a copy of our most recent peer review report

Non-Attest Services

- Drafting of the:
  - Captive financial statements – Separate engagement team
  - Schedule of Expenditures of Federal Awards (SEFA)
  - Data Collection Form (DCF)

Required Communications under AU 260

An ongoing two-way dialogue with those charged with governance.

Purpose of Communications

- Align on responsibilities, scope, and timing
- Gather information relevant to the audit
- Share observations to support oversight
- Two-way communications

What we share

- Scope, timing, and approach
- Significant accounting practices and judgments
- Findings, adjustments, and uncorrected misstatements
- Disagreements, consultations, and key issues

When it happens

- Planning discussion today
- Throughout fieldwork as items arise
- At audit conclusion

Required Communications under AU 260

Clear roles between the auditor and management throughout the engagement.

Auditor Responsibilities

- Express an opinion on the financial statements
- Gain an understanding of internal control
- Conduct the audit in accordance relevant audit standards
- Obtain reasonable assurance that the financial statements are free of material misstatement

Management Responsibilities

- Prepare and fairly present the financial statements in accordance with GAAP
- Adopt sound accounting policies
- Maintain internal controls over recording, reporting, and safeguarding of assets

Audit Approach

Independence

- We affirm our independence to serve as your auditors
  - Relationships
  - Non-attest services provided

Audit Approach

- Risk-based in nature
  - Materiality
  - Balances subject to estimates receive significant attention
- Gain an understanding of internal control
- Consideration of significant transactions, estimates, and judgments

Significant Risks of Material Misstatement

- Management override of controls
- Improper revenue recognition and net realizable value of patient accounts receivable
- Professional liability (medical malpractice) obligations
- Pension and OPEB Obligations

Audit Approach – Interim Fieldwork and Year-end Testing

Interim Fieldwork

Focus: Risk Assessment

- Internal Control Understanding – Including IT Systems
- Initial Substantive Testing
- Management Interviews
- Fraud Risk Assessment
- Analytics
- Review of Governance Minutes and Interim Financial Statements
- Identify Industry and Organization Specific Risks

Year-end Testing

Focus: Response to Risks

- Final Analytical Procedures
- Unpredictable Procedures
- Testing Significant Balances and Estimates
- Third-Party Confirmations/Valuation of Balances
- Sampling-Based Testing
- Management Inquiries and Representations

Areas of Audit Emphasis – Financial Statement Audit

Revenue Cycle

- Accounts receivable estimation and revenue for hospital-based revenue
- Cost report settlements
- State Directed payment programs
- Revenue Collections for pharmacy and physicians

Treasury & Financing

- Cash and investments
- Debt and related compliance
- Leases

Actuarial Estimates

- Professional liability
- Worker's Compensation liability

Other

- OPERS/OPEB
- Information technology system controls
- Equity method investments
- Significant capital projects
- Other significant transactions during the year
- Implementation of GASB Statements No. 103 and No. 104, including changes to financial reporting and capital asset disclosures

New GASB Standards Applicable for 2026

GASB 103 – Financial Reporting Model Improvements

- "Streamline" of MD&A disclosures and clarification of required components of MD&A
- Specific definition of "nonoperating revenue"
- "Noncapital Subsidies" category
- Unusual and infrequent transactions

GASB 104 – Disclosure of Certain Capital Assets

- Clarifies and expands required disclosures required for capital assets

Areas of Emphasis – Federal Awards Audit

Identified Risk Areas

- Classification and allowability of grant expenditures
- Identification and classification of awards
- Management override of controls

Response to Risks

- Sample testing of expenditures for classification and allowability
- Sample review of miscellaneous revenue and related contracts
- Controls and compliance testing for federal awards
- Additional procedures to verify recorded balances

Peer Review

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Report on the Firm's System of Quality Control

November 3, 2025

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 May 31, 2025. 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 on 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; audits 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 May 31, 2025, 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*.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana

Thank You for the Opportunity to Serve MetroHealth System

Ethics and Compliance Program Activities

Audit and Compliance Committee of the Board of Trustees

November 18, 2026

The following report is proprietary information and constitutes trade secrets of the MetroHealth System and may not be disclosed in whole or part to any external parties without the express consent of The MetroHealth System. This document is intended to be used internally for the MetroHealth System discussion.

For Nearly 190 Years, We Have Answered The Call to Serve Our Whole Community

METROHEALTH'S MISSION

Leading the way to a healthier you and a healthier community through service, teaching, discovery and teamwork.

The Same High-Quality Care for All

- Not either/or—access and excellence
- Community well-being, academics and discovery

Every Patient, Every Payer

- Regardless of ability to pay
- 2/3 of our 300,000 patients are uninsured or on Medicare or Medicaid—and more choose us every year

Everyone in Our Community

- Families choosing us for everyday care
- Foster children, Cleveland Public Schools, incarcerated individuals, un-homed individuals
- Neighbors others overlook

PROPRIETARY AND CONFIDENTIAL | DO NOT DISTRIBUTE WITHOUT AUTHORIZATION

ONE TEAM.
ONE MISSION.

Northeast Ohio's Home for Health

Easy Access. Compassionate Care. Every Time. *Make it easy to get care and deliver safe, high-quality experiences — owning results through continuous improvement.*

Invest in People. Develop the Workforce. *Build a strong culture of learning, developing people as caregivers, teachers, and innovators; earning trust, and supporting well-being.*

New Ways of Working. New Ways of Delivering Care. *Challenging conventional models to better meet the needs of patients now and in the future.*

Growth with Purpose. Expand Our Reach. *Attract new patients and grow to serve more of our community.*

Everyday Excellence Means



We work as One Team, with One Mission to create **safe**, **reliable**, **respectful** and **coordinated** experiences for our patients, our people, and our community—every day.

Ethics and Compliance – By The Numbers

WORK PLAN*

Completion rate of planned Compliance projects based on targets due by the end of October 2026.

80% 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	**199 (482)**	**Inquiries**	**36 (92)**
Cases closed	**166 (428)**	**Allegations**	**130 (336)**

POLICIES

MHS: % MHS policies updated annually (as of October 2026)
EC: % EC policies updated annually (as of October 2026)

MHS: 82% YTD
EC: 84% YTD

TRAININGS

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

	Q3 (YTD)
Targeted New Hire	**25 (81)**
Specialized	**20 (57)**

Celebrating Ethics and Compliance Week 2026!

- eCard sent to every MHS employee
- Conversations with Compliance
- Open office hours with Privacy
- Pop-up table at Glick
- 400 gratitude bags delivered to 21 MHS locations









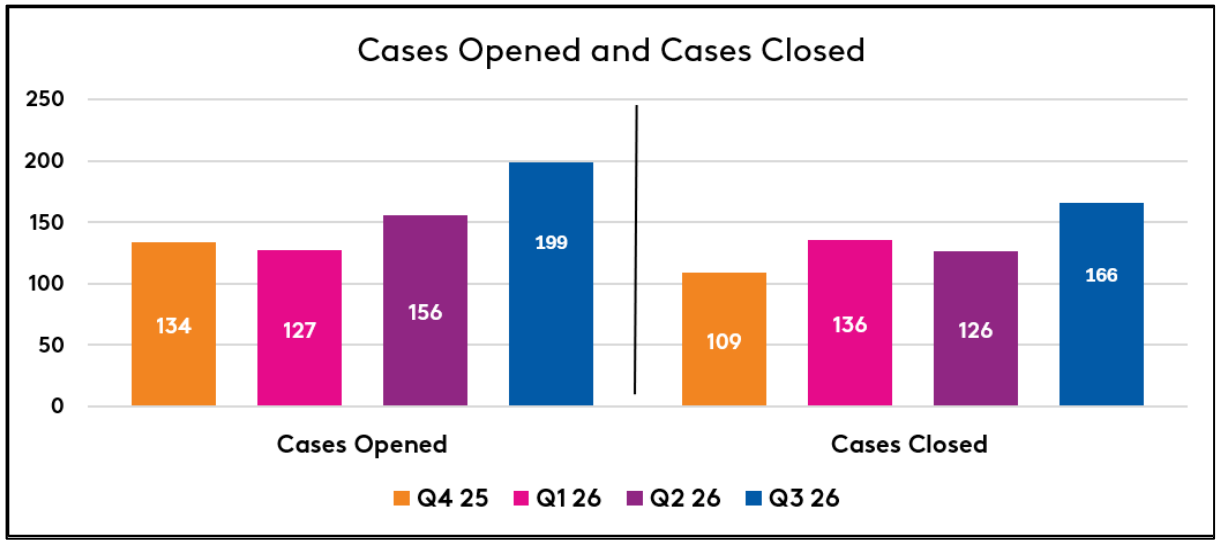
You received an eCard from Sarah Partington

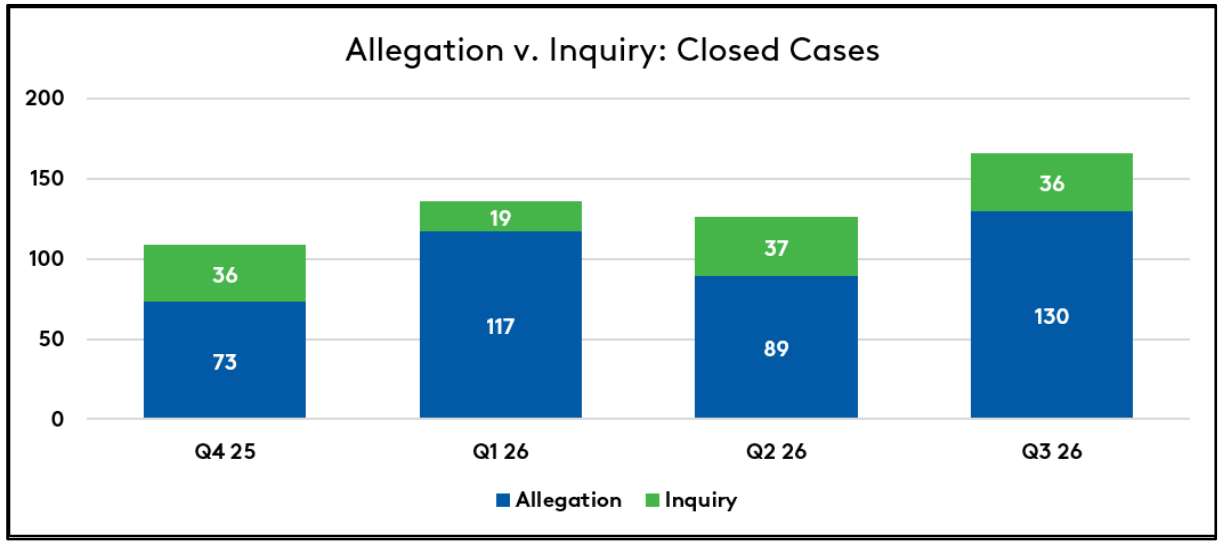
Completed 2 days ago • Quest for Excellence

Message:

On behalf of the Ethics and Compliance team, thank you for the many ways you bring integrity to life each day. Whether you ask a thoughtful question, speak up when something does not feel right, or help a colleague make the right decision, your actions build trust and make MetroHealth a stronger, safer place for everyone. This week is all about celebrating you and the important role each of us plays in strengthening our ethical culture. In the spirit of One Team. One Mission., we hope you will join the fun at special events throughout the week, including: A "Conversations with Compliance" webinar focused on speaking up, HIPAA and Privacy Open Office Hours via Webex, A pop-up appreciation table in the Glick cafeteria, Goodie bags and thank-you notes delivered to locations throughout the organization. Thank you for speaking up, leading with integrity, and making ethics and compliance part of everything we do. Together, as One Team. One Mission., we make MetroHealth stronger. We appreciate you—and we look forward to celebrating with you all week long.

2026 Q3 MEL Review





Key Takeaways

- Quarterly average open to close time was 17 days, compared to the national benchmark of 42 days.
- Q3 26 volume continued to rise to 199 cases opened, with allegations driving 78% of closures.
- Note: Inquiry counts exclude closed "Request for Information" cases that, upon review, did not meet the applicable definition or lacked sufficient detail.

Appendix

Ethics and Compliance 2026 Goals



Foster the integration of an ethical culture	• Hosted Compliance Week 2027 • Lead *Conversations with Compliance – Speak Up Part 2 (After your file the Report)*



Provide continuous monitoring of regulatory changes and assess their impact on MetroHealth	• Hosted education sessions for key stakeholders across the system on upcoming regulatory changes • Facilitated distribution and review of final CMS proposed prospective payment rules



Ensure safeguarding of information during campus transformation 2.0	• Hosted Privacy Office Hours • Continued physical security walkthroughs



Maximize the effective use of data, technology, and external resources	• Launched new conflicts of interest software • Implemented new audit processes for documentation and coding audits to make them more efficient and effective

The 2026 Ethics and Compliance Work Plan consists of 173 focus areas and is 80% complete (through October).

