

**THE METROHEALTH SYSTEM
BOARD OF TRUSTEES
AUDIT COMMITTEE
REGULAR MEETING MINUTES**

DATE: Tuesday, December 19, 2017

TIME: 12:00 to 1:30 p.m.

PLACE: MetroHealth Medical Center
K107, Business Services Building

COMMITTEE TRUSTEES: Mr. McDonald and Dr. Silvers

ADDITIONAL TRUSTEES: Ms. Dee

STAFF: A. Boutros, MD, D. Clark, G. Himes, M. Phillips, C. Richmond, C. Forino Wahl

GUESTS: J. Holloway (KPMG), J. Mylen (KPMG)

Dr. Silvers called the meeting of the Audit Committee to order at 12:03 p.m. Please note that minutes are written to conform to the printed agenda and are not necessarily in the order of discussion.

- I. The minutes of the regular Audit Committee meeting held on September 26, 2017 were approved as presented.

II. INFORMATION ITEMS

Craig Richmond, EVP, Chief Financial Officer introduced Cheryl Forino Wahl, Senior Vice President, Chief Ethics and Compliance Officer, who shared that the Compliance Department has been working diligently to complete the audit-focused compliance plan for 2017. Ms. Wahl presented an overview of the process used to develop the comprehensive 2018 Compliance work plan which consisted of building upon the program that currently exists at MetroHealth and further enhancing it. Ms. Wahl proceeded with discussing the seven risk domain categories within the 2018 Compliance Work Plan that consisted of the following: oversight; documentation and coding; billing and reimbursement; privacy and security; quality and patient safety; pharmacy; and financial incentives. The 2018 compliance program activities have been structured around each of these seven risk domain categories, and the prioritization of the projects will be based on the risk level and time frame for completion.

Jim Mylen, Partner with KPMG Advisory Services, serves as MetroHealth's Director of Internal Audit and providing the committee with the Internal Audit update. Mr. Mylen introduced Jerod Holloway, Managing Director, Risk Consulting with KPMG, who will be joining the Internal Audit team. Mr. Holloway is an experienced professional in internal audit, risk consulting, investigative/integrity assurance and health care compliance. Mr. Mylen proceeded with providing an update on the 2017 Internal Audit Plan and an overview of the seven reports that were issued during the fourth quarter. He also presented updates on the four audits that are underway and the planning for the 2018 first quarter internal audits. Mr. Mylen reviewed the status of management action plans from previously issued reports and noted the plans were on track. In addition, Mr. Mylen presented the planning process for the 2018 Internal Audit program which consisted of the

following steps: risk assessment interviews, fraud risk assessment workshop, risk analysis (impact and likelihood), alignment of responsibilities, and development of risk-based internal audit plan.

Mr. Richmond introduced Daniel Clark, Interim Chief Information Officer, who provided a Cyber Security update that focused on health care industry trends and the on-going importance of a cyber security program and culture. Mr. Clark discussed how health care is increasingly a target of cyberattacks and shared some key industry statistics on the impact of cyber events. Mr. Clark shared the main attributes of a Cyber Resilient Organization which consist of the governance and policy, process and education, and technology and services.

A motion was made, seconded and passed to move the Committee into Executive Session to discuss trade secrets and litigation matters. The Committee returned to regular session at 1:35 p.m.

III. NON-CONSENT /ACTION ITEMS

A. No items at this time

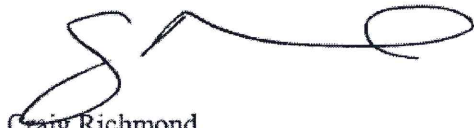
IV. CONSENT ITEMS

A. A Recommendation for the Continued Engagement of KPMG LLP as the System's Internal Audit Consultant

The Committee unanimously approved the recommendation for full Board action.

There being no further business to bring before the Committee, the meeting was adjourned at 1:36 p.m.

Respectfully submitted,



Craig Richmond
Executive Vice President and
Chief Financial Officer