



SPECIAL AUDIT AND COMPLIANCE COMMITTEE MEETING

Thursday, March 11, 2015

Conference Center Located at Highland Care Pavilion

1411 East 31st Street Oakland, CA 94602

Marla Cox, Clerk of the Board

(510) 535-7515

LOCATION:

Open Session: HCP Conference Center

COMMITTEE MEMBERS

Patricia Scates, *Chair*

Valerie D. Lewis, Esq.

James Lugannani

Kirk E. Miller

Minutes

OPEN SESSION – The meeting was called to order at 4:30 p.m.

ROLL CALL was taken and the following Trustees were present:

Patricia Scates, Valerie D. Lewis, Esq., James Lugannani and Kirk E. Miller

TAB #1 REPORT: External Audit Reporting

A. REPORT: Annual Audit – Management Report Card of MGO

Rick Kibler, Director of Internal Audit, reported on the MGO auditor's performance for the FY2014 annual audit. The evaluation of the auditor's performance was reported at the February meeting and at the request of the committee, additional detail was provided to explain the scoring for the categories that were noted as "Needs Improvement". The report is in the package and any of the comments could be clarified if needed.

The result of the scoring indicated that AHS should consider changing audit firms; however, the scoring does not adequately reflect contributing factors. AHS staff did not provide requested information to MGO on a timely basis which contributed to delays in completing the audit and the disjointed reporting of audit results.

No clarification was requested and the committee asked to hear about the action plan from the MGO auditors.

B. REPORT: MGO Action Plan

Kevin O’Connell, Managing Partner, MGO, Linda Hurley, Partner, MGO, and Jim Godsey, Partner, MGO were present to address the performance issues and their action plan to improve performance. Ms. Hurley presented MGO’s “Audit Action Plan” to the committee detailing improvements in communication, timing of communications and engagement staffing including the assignment of a new audit partner.

Considerable discussion ensued between the committee members and MGO management regarding the reporting of issues and the lack of communication during the audit. Ms. Hurley stated she would be responsible for presenting audit results and communicating with the committee and would expect that to be done on a quarterly basis.

Management was requested to make external audit reporting a standing agenda item.

Public Comment

No public comments.


Board of Trustees Remarks

No additional remarks.

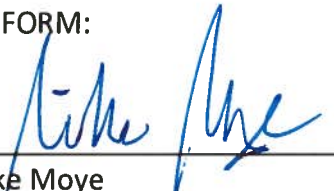
ADJOURNMENT

The meeting was adjourned at approximately 5:15 p.m.

Respectfully Submitted by:


Marla D. Cox
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by: 
Mike Moyer
Interim General Counsel