



AUDIT AND COMPLIANCE COMMITTEE MEETING

Wednesday, June 17, 2026

5:00pm-7:00pm

Conference Center Located at Highland Care Pavilion

1411 East 31st Street Oakland, CA 94602

Ronna Jojola Gonsalves, Clerk of the Board

(510) 535-7515

LOCATION:

Open Session: HCP Conference Center, see above address

Teleconference Location: 100 Barranca Ave, Santa Barbara, CA 93109

ZOOM Meeting Link:¹

<https://alamedahealthsystem.zoom.us/j/9361457125?pwd=4JnAmhDnBaLqY4GWf4PQBwp3w0Puy2.1&omn=89554303689>

Meeting ID: 936 145 7125

Password: 20200513

One tap mobile

+14086380968,,9361457125# or

+13462487799,,9361457125#

Dial by your location

+1 408 638 0968 US (San Jose)

+1 346 248 7799 US (Houston)

+1 646 518 9805 US (New York)

Find your local number: <https://alamedahealthsystem.zoom.us/u/aeojyFgeyl>

MEMBERS

Greg Garrett

Nicholas Moss, MD

Sblend Sblendorio, Chair

¹ Log into the meeting at www.zoom.com. You will be directed to download the meeting app (free) if you have not used ZOOM previously. ZOOM meetings may be accessed on computers and portable devices.

NOTE: In the event that a quorum of the Board of Trustees participates on this Committee, the meeting is noticed as a Special Meeting of the Board of Trustees; however, no final Board of Trustees action can be taken.

AUDIT AND COMPLIANCE COMMITTEE MEETING AGENDA

SPECIAL NOTE: Per Brown Act requirements, Trustees of the Alameda Health System will attend board and committee meetings in person at the location(s) noticed on this agenda. Staff and members of the public may attend either in person at the location noticed on this agenda, or remotely via Zoom, using the link included on this agenda.

Public Comment Instructions

If you attend the meeting in person or on Zoom and wish to address the Board or Committee regarding an item on the agenda or in their purview, please communicate your intent with the Clerk of the Board prior to or at the beginning of the meeting. Time limitations shall be at the discretion of the Chair. Signups for public comment will close 10 minutes after the meeting begins.

OPEN SESSION / ROLL CALL

PUBLIC COMMENT

CONSENT AGENDA: ACTION

A. **[ACTION: Approval of the Minutes of the March 18, 2026 Audit and Compliance Committee Meeting](#)**

Recommendation: Motion to approve

END OF CONSENT AGENDA

B. **[DISCUSSION: 2026 Financial Audit Plan](#)**

*Kimberly Sokoloff, Engagement Review Principal, Baker Tilly
Laura Kennedy, Engagement Senior Manager, Baker Tilly*

C. **[DISCUSSION: Compliance Summary Report](#)**

*Marilyn Boston, Chief Compliance Officer and Chief Audit Executive
Bonny Leung, Director, Privacy and Regulatory Compliance
Akemi Renn, Director, System Compliance*

- Privacy Report
- Compliance Report Summary
- Projects

D. **[DISCUSSION: Cyber Security Update](#)**

E'Jaaz Ali, Chief Information Security Officer

E. **[ACTION: Approval of FY2027 Internal Audit Annual Workplan](#)**

*Marilyn Boston, Chief Compliance Officer and Chief Audit Executive
Michael Kopecky, Director, Internal Audit*

F. DISCUSSION: Internal Audit Update

*Marilyn Boston, Chief Compliance Officer and Chief Audit Executive
Michael Kopecky, Director, Internal Audit*

- FY26 Internal Audit Plan Update

G. DISCUSSION: Audit and Compliance Best Practices

Marilyn Boston, Chief Compliance Officer and Chief Audit Executive

- Featured Project: Stark Watch

H. INFORMATION/WRITTEN REPORTS: Annual Audit and Compliance Committee Agenda Calendar and Follow-Up

H1.Audit and Compliance Committee Reports Annual Calendar

H2.Issue Tracking Form

ADJOURNMENT

Our Mission

Caring, Healing, Teaching, Serving All

Strategic Vision

AHS will be recognized as a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes the health of our diverse communities.

Values

Compassion, Commitment, Teamwork, Excellence, Integrity, and Respect.

Meeting Procedures

All items appearing on the agenda are subject to action by the Board of Trustees. Staff recommendations are subject to action and change by the Board of Trustees.

The Board of Trustees is the Policy Body of the Alameda Health System. The Board has several standing Committees where Board matters are the subject of discussion at which members of the public are urged to testify. Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Board Members or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room. Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of the Board or to its members, 1411 East 31st Street Oakland, CA 94602.

Members of the public are advised that all Board and Committee proceedings are recorded (audio), including comments and statements by the public in the course of the meetings. Copies of the audio recordings will be made available to the public. Copies of the agendas and supporting documents can be found here: <http://www.alamedahealthsystem.org/meeting-agendas-and-minutes/>. By attending and participating in Board/Committee meetings, members of the public consent to audio recording of any statements they may make during the proceedings.

Disability Access

The Meeting Rooms are wheelchair accessible. Assistive listening devices are available upon request at the Clerk of the Board's Office. To request accommodation or assistance to participate in the meeting, please contact the Clerk of the Board. Requests made at least 48 hours in advance of the meeting will help to ensure availability.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to perfumes and various other chemical-based scented products. Please help us to accommodate these individuals.

The AHS Board of Trustees is committed to protecting the private health information (PHI) of our patients. We ask that speakers refrain from disclosing or discussing the PHI of others. Please also know that, should you decide to disclose your PHI, the Trustees will still likely refer your matter, to the extent it involves PHI, to the executive staff for a confidential review of the facts and for confidential handling. If you would like more information regarding the confidentiality of PHI as it relates to the Health Insurance Privacy and Accountability Act, please refer to 45CFR Section 164.101, et.seq.

**ACTION: Approval of the Minutes of the March 18, 2026
Audit and Compliance Committee Meeting**



AUDIT AND COMPLIANCE COMMITTEE MEETING

Wednesday, March 18, 2026

4:00pm-5:30pm

Conference Center Located at Highland Care Pavilion

1411 East 31st Street Oakland, CA 94602

Ronna Jojola Gonsalves, Clerk of the Board

(510) 535-7515

LOCATION:

Open Session: HCP Conference Center, see above address

Teleconference Location: 4501 Pleasanton Avenue, Pleasanton, CA 94566

MEMBERS

Greg Garrett

Nicholas Moss, MD

Sblend Sblendorio, Chair

AUDIT AND COMPLIANCE COMMITTEE MEETING MINUTES

THE MEETING WAS CALLED TO ORDER AT 4:03 pm

ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT: Greg Garrett, Nicholas Moss, MD Sblend Sblendorio

ABSENT: None

PUBLIC COMMENT: None

CONSENT AGENDA: ACTION

A. ACTION: Approval of the Minutes of the October 29, 2025 Audit and Compliance Committee Meeting

Trustee Moss moved, Trustee Garrett seconded to approve the Consent Agenda.

ACTION: A motion was made and seconded to approve the Consent Agenda.

AYES: Trustees Garrett, Moss, and Sblendorio

NAYS: None

ABSTENTION: None

END OF CONSENT AGENDA

NOTE: *In the event that a quorum of the Board of Trustees participates on this Committee, the meeting is noticed as a Special Meeting of the Board of Trustees; however, no final Board of Trustees action can be taken.*

B. DISCUSSION: Cyber Security Update

E’Jaaz Ali, Chief Information Security Officer

Trustee Moss asked if they received notifications from other government agencies or security software vendors about possible threats. Mr. Ali said he was a member of InfraGuard, the FBI’s cyber security list. Our vendors have threat intelligence that comes in. Both CrowdStrike and Arctic Wolf, our two main vendors, get their intel from government agencies and what they see from their customers around the world. AHS received threat briefings daily from both vendors regarding the attacks happening as well as through their proxies.

C. DISCUSSION: Audit and Compliance Summary Report

Marilyn Boston, Chief Compliance Officer and Chief Audit Executive

Bonny Leung, Director, Privacy and Regulatory Compliance

Akemi Renn, Director, System Compliance

- Privacy Report
- Compliance Report Summary
- Compliance Best Practices
- Featured Project: Stark Watch
- Projects

Trustee Garret asked what prompted the Therapy Services Billing Guidelines audit. Ms. Renn said it was to improve the billing process to ensure they were receiving the correct reimbursement and that they did not provide refunds for inaccurate submission of claims.

D. DISCUSSION: Internal Audit Update

Marilyn Boston, Chief Compliance Officer and Chief Audit Executive

Michael Kopecky, Director, Internal Audit

- FY26 Internal Audit Plan
- Patient Access and Registration
- John George Revenue Cycle
- Featured Corrective Action: Parking Program

Trustee Garrett asked about the \$4.2M in delayed or missed revenue in the finding on John George. Mr. Kopecky said They would have received it through the resubmission process. It would have taken longer to collect the dollars though. And while not likely, if it had gone past the 12-month mark, they would have lost some percentage of it.

E. INFORMATION/WRITTEN REPORTS: Annual Audit and Compliance Committee Agenda Calendar and Follow-Up

E1. Audit and Compliance Committee Reports Annual Calendar

E2. Issue Tracking Form

ADJOURNMENT 5:01

DISCUSSION: 2026 Financial Audit Plan



Alameda Health System – A Public Hospital Authority

2026 Audit Planning

Discussion with Management and the
Audit and Compliance Committee

June 17, 2026

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Agenda

1. Your Service Team
2. Scope of Services
3. Auditor's Responsibility in a Financial Statement Audit
4. Significant Risks Identified
5. Risks Discussion
6. Consideration of Fraud
7. Audit Timeline
8. Audit Deliverables
9. Expectations
10. Documents Containing Audited Financial Statements and Independent Auditor's Report
11. Recent Accounting Developments



Your Service Team



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Scope of Services

Relationships between Baker Tilly and Alameda Health System:

Annual Audit

- Annual financial statement audit for the year ending June 30, 2026
- Annual single audit for the year ending June 30, 2026

Non-Attest Services

- Assist management with drafting the financial statements excluding Management's Discussion and Analysis, Supplementary Pension Information, and Schedule of Proportionate Share of the Net OPEB Obligation
- Assist management with drafting the auditee section of the OMB data collection form



Auditor's Responsibilities in a Financial Statement Audit

Auditor is responsible for:

- Forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles
- Performing an audit in accordance with generally accepted auditing standards issued by the AICPA, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the California Code of Regulations, Title 2, Section 1131.2, State Controller's Minimum Audit Requirements for California Special Districts
- Communicating significant matters, as defined by professional standards, arising during the audit that are relevant to you
- When applicable, communicating particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement
- The audit of the financial statements doesn't relieve management or you of your responsibilities.

The auditor is not responsible for designing procedures for the purpose of identifying other matters to communicate to you.



Significant Risks Identified

During the planning of the audit we have identified the following significant risks:

Significant Risks	Procedures
Valuation of Patient Accounts Receivable	We will perform a lookback analysis to determine if management's estimate was materially correct at 6/30/2025 based upon cash collections. We will also analyze subsequent cash collections on 6/30/2026 accounts receivable, as well as perform analytical procedures. Finally, we will perform test procedures on management's patient accounts receivable allowance model.
Management Override of Controls	We will perform inquiries of accounting and operational personnel, perform risk assessment procedures, and test risk-based manual journal entry selections.



Significant Risks Identified *(continued)*

During the planning of the audit we have identified the following significant risks:

Significant Risks	Procedures
Valuation and Cut-off of Patient Service Revenues, Net	Analytical procedures using census and patient encounter data and established rates. Journal entry testing over revenue reversals and analytical procedures on monthly revenues looking for proper cutoff.
Dissolution of AHMG	Inquiry and inspection of documents and other information to provide assurance on the accounting treatment for the September 29, 2025 dissolution of Alameda Health Medical Group (AHMG).



Significant Risks Identified *(continued)*

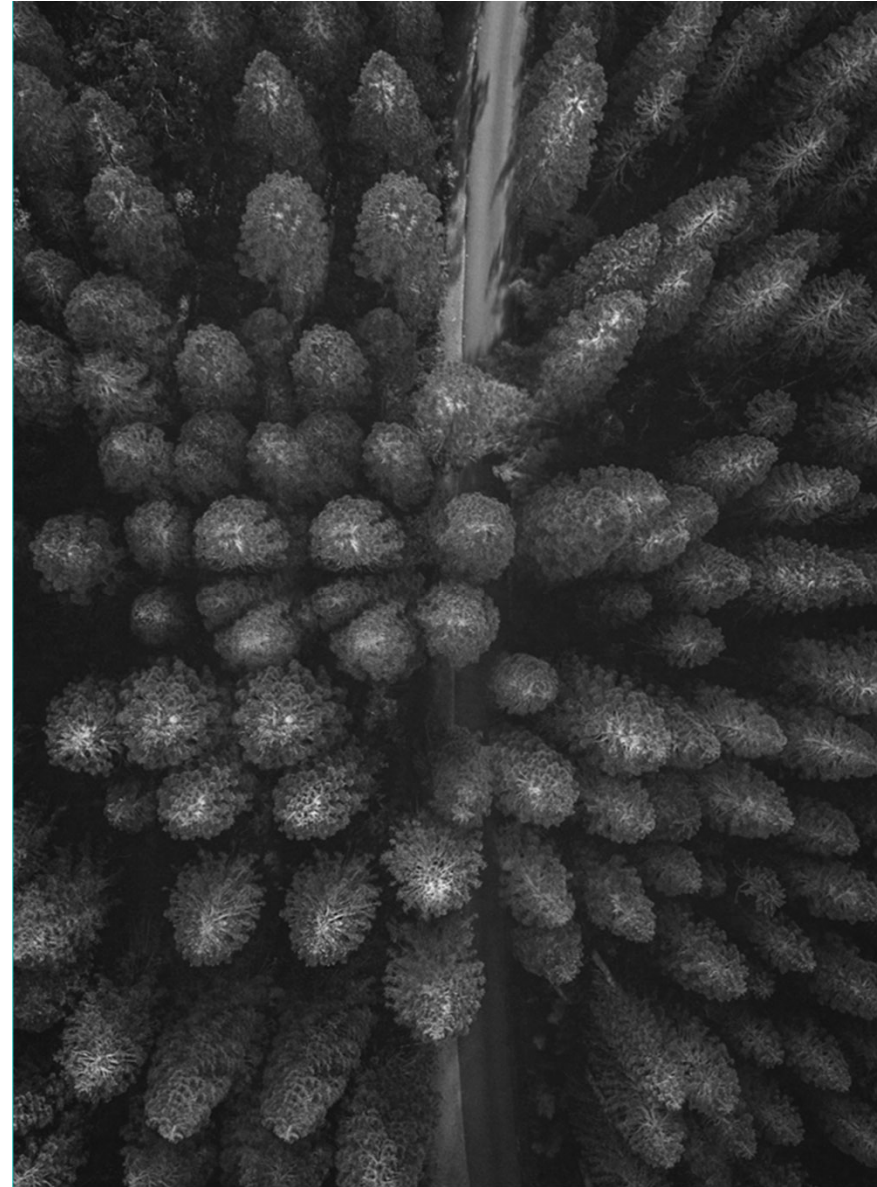
During the planning of the audit we have identified the following significant risks:

Significant Risks	Procedures
Due to/from 3rd Parties and Other Government Program Revenue	Third-party settlement balances and related activity will be evaluated through a combination of substantive testing, supporting documentation, and analytical procedures. The reasonableness of significant estimates and assumptions impacting the recorded balances will be assessed, including consideration of historical trends, subsequent activity, and other relevant information. Additional procedures will be performed over significant revenue streams and settlements to support the completeness, accuracy, and valuation of amounts recorded in the financial statements.



Risks Discussion

1. What are your views regarding:
 - Alameda Health System's objectives, strategies, and business risks that may result in material misstatements
 - Significant communications between the entity and regulators
 - Attitudes, awareness, and actions concerning
 - Alameda Health System's internal control and importance
 - How those charged with governance oversee the effectiveness of internal control
 - Detection or the possibility of fraud
 - Other matters relevant to the audit
2. Do you have any areas of concern?



Consideration of Fraud in a Financial Statement Audit

Auditor's responsibility: Obtain reasonable assurance the financial statements as a whole are free from material misstatement – whether caused by fraud or error

To identify fraud-related risks of material misstatement, we:

- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal controls
- Consider unusual or unexpected relationships identified in planning and performing the audit

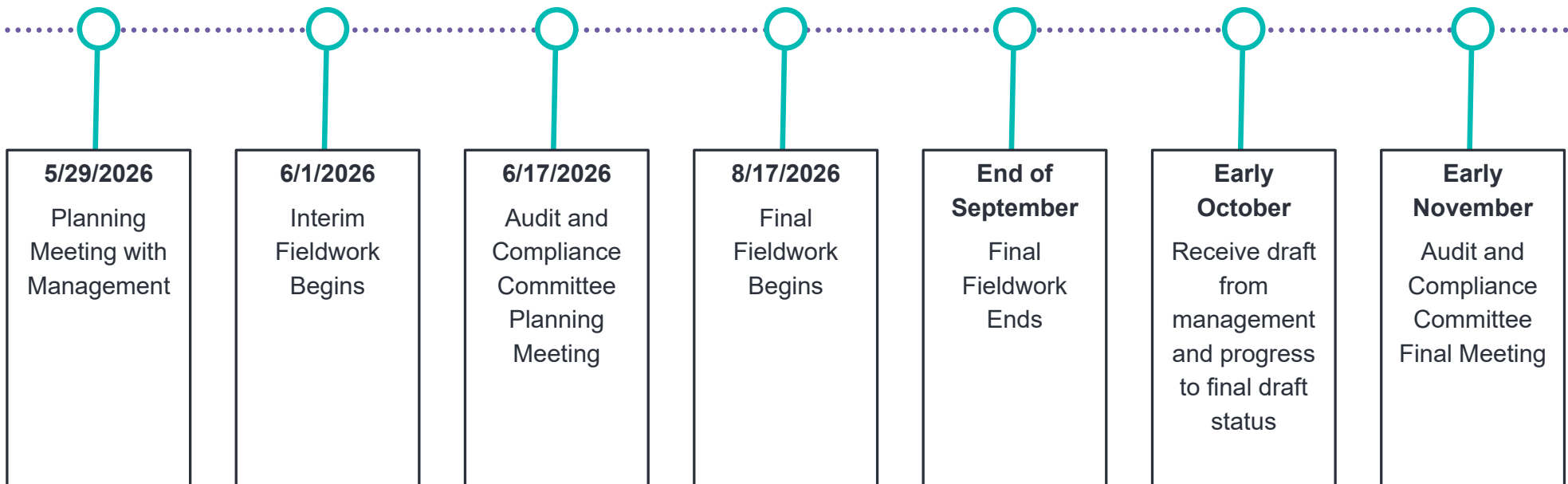
Procedures we perform:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate rationale for significant unusual transactions



Audit Timeline

2026



Audit Deliverables



Report of Independent Auditors

on financial statements as of and for the year ended June 30, 2026



Report to Management (if applicable)

communicating internal control related matters identified in an audit



Report to Those Charged With Governance

communicating required matters and other matters of interest



Report of Independent Auditors

on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Audit Standards*



Report of Independent Auditors

on Compliance for the Major Federal Programs and Report on Internal Control over Compliance Required by the Uniform Guidance



Expectations

Alameda Health System will

- Close books and records before beginning of field work.
- Provide auditor requested information in the Baker Tilly client portal prior to the beginning of fieldwork.

Baker Tilly will:

- Communicate proposed adjustments with management when identified.
- Communicate control deficiencies with management when identified.
- Discuss any additional fees over estimate in engagement letter with management.



Documents Containing Audited Financial Statements and Independent Auditor's Report



Our responsibility under generally accepted auditing standards



Request for advance notification when you intend to include audited financial statements and the independent auditor's report in a document



Arrangements to obtain the other information prior to report issuance





Recent Accounting Developments

GASB No. 103 Financial Reporting Model Improvements

Provides guidance to improve accounting and financial reporting to ensure comparable, consistent, relevant, reliable, and understandable information.

Key Points

- MD&A is limited to the related topics discussed in five sections: (1) overview of the financial statements, (2) financial summary, (3) detailed analyses, (4) significant capital asset and long-term financing activity, and (5) currently known facts, decisions, or conditions.
- Detailed MD&A analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed.
- Describes additional requirements related to unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information.
- Effective for the year ended to June 30, 2026.



GASB No. 104 Disclosure of Certain Capital Assets

Provides guidance to improve accounting and financial reporting certain types of capital assets.

Key Points

- Separate disclosure requirements for each major class of underlying asset: capital assets (Statement No. 34); lease assets (Statement No. 87); intangible right-to-use assets (Statement No. 94); and subscription assets (Statement No. 96).
- Clarifies guidance for disclosures of capital assets held for sale, including: 1) ending balance of the capital assets held for sale; 2) disclosure for cost basis and accumulated depreciation; 3) and carrying about of debt for which the capital asset held for sale is pledged as collateral.
- Effective for the year ended to June 30, 2026.





Executive Session

**THANK
YOU**

DISCUSSION: Compliance Summary Report



No Written Materials

Agenda Item C Compliance Summary Report

No written materials were submitted for this agenda item. If materials become available, the item will be updated in Boardvantage and on the internet. A verbal discussion of the item may take place at the meeting.

DISCUSSION: Cyber Security Update



No Written Materials

Agenda Item D Cyber Security Report

No written materials were submitted for this agenda item. If materials become available, the item will be updated in Boardvantage and on the internet. A verbal discussion of the item may take place at the meeting.

ACTION: Approval of FY2027 Internal Audit Annual Workplan



No Written Materials

Agenda Item E Internal Audit Workplan

No written materials were submitted for this agenda item. If materials become available, the item will be updated in Boardvantage and on the internet. A verbal discussion of the item may take place at the meeting.

DISCUSSION: Internal Audit Update



No Written Materials

Agenda Item # Title

No written materials were submitted for this agenda item. If materials become available, the item will be updated in Boardvantage and on the internet. A verbal discussion of the item may take place at the meeting.

DISCUSSION: Audit and Compliance Best Practices



No Written Materials

Agenda Item # Title

No written materials were submitted for this agenda item. If materials become available, the item will be updated in Boardvantage and on the internet. A verbal discussion of the item may take place at the meeting.

INFORMATION/WRITTEN REPORTS: Annual Audit and Compliance Committee Agenda Calendar and Follow-Up



No Written Materials

Agenda Item # Title

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