



## AUDIT AND COMPLIANCE COMMITTEE MEETING

THURSDAY, July 11, 2019

3:00pm-4:00pm

Conference Center Located at Highland Care Pavilion

1411 East 31<sup>st</sup> Street Oakland, CA 94602

Ronna Jojola Gonsalves, Clerk of the Board

(510) 535-7515

### LOCATION:

Open Session: HCP Conference Center

### COMMITTEE MEMBERS

Ross Peterson, *Chair*

Louis Chicione

### MINUTES

**THE MEETING WAS CALLED TO ORDER AT 3:07 PM**

**ROLL CALL WAS TAKEN AND THE FOLLOWING TRUSTEES WERE PRESENT:**

Louis Chicoine and Ross Peterson

**ABSENT:**

A quorum was established.

**A. ACTION: Approval of the minutes of the March 14, 2019 Audit and Compliance Committee meeting.**

**ACTION:** A motion was made and seconded to approve the minutes of the March 14, 2019 Audit and Compliance Committee Meeting. The motion passed.

**AYES:** Trustees Chicoine and Peterson

**NAYS:** None

**ABSTENTION:** None

**END OF CONSENT AGENDA**

**B. REPORT: External Audit Reporting**

*Brian Conner, Partner, Moss Adams*

*Rick Kibler, VP, Compliance & Internal Audit*

1) External Financial Audit Update

Mr. Kibler reviewed the report beginning on agenda packet page 11.

Trustee Chicoine asked who was responsible for managing the follow through of findings. Mr. Kibler said he worked with the appropriate department and typically the CFO or VP of Finance, to create an action plan and monitor its progress.

The Committee discussed the rotation process for audit firms. Mr. Moyer said that they generally rotate every three years or so, but it isn't required. Mr. Kibler said they will shortly start a process of soliciting auditors, but there will be no formal RFP.

**C. REPORT/DISCUSSION: Internal Audit/Compliance Reporting**  
**Summary**

*Rick Kibler, VP, Compliance & Internal Audit*

Mr. Kibler reviewed the report beginning on agenda packet page 42.

The Committee discussed how the FQHC program was tied to the homeless population.

The Committee discussed the Patient Trust Funds. Ms. Metzger explained that it was a requirement in SNFs to help patients who weren't able to use banking services themselves. Mr. Kibler said it could be an administrative burden but it was a requirement. Ms. Metzger said it would take some time to set up the bank accounts and might require a Resolution to get Board approval for setting up a new bank account.

**D. ACTION ITEMS: Compliance Reporting**  
*Rick Kibler, VP, Compliance & Internal Audit*

- 1) Approval of Annual Internal Audit and Compliance Plan

Mr. Kibler reviewed the report beginning on agenda packet page 60.

**ACTION:** A motion was made and seconded to approve the Annual Internal Audit and Compliance Plan. The motion passed.

**AYES:** Trustees Chicoine and Peterson

**NAYS:** None

**ABSTENTION:** None

**E. INFORMATION: Status Reports (Written Reports)**  
*Rick Kibler, VP, Compliance & Internal Audit*

- 1) Internal Audit Reports
  - a) Status of FY2019 Internal Audit and Compliance Plan
  - b) Follow-up to Past Audit Reports

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- 2) Compliance Program Reports
    - a) Compliance Program Assessment
    - b) Compliance Program Report
    - c) AHS Compliance Dashboard FY19 3QTR
    - d) Recent News

Mr. Kibler reviewed the reports beginning on agenda packet page 64.

Trustee Chicoine asked about the compliance reporting in general, it was good to see an increase in the amount of reporting, but it was troubling to see the seriousness of the incidents. Mr. Kibler said that there have been some incidents that were more serious. In the past there was no infrastructure to report incidents, and employees were afraid of retaliation. He said that he had worked on communicating through Leadership Academy, working with management, and trying to be more visible and as a result, he was seeing incidents rise to the surface that didn't before.

**F. INFORMATION: Annual Audit and Compliance Committee Agenda Calendar and Follow-Up Committee**

- 1) Audit and Compliance Committee Master Calendar and Follow-up Worksheet
- 2) AHS Board of Trustees Issue Tracking Form AUDIT COMPLIANCE Committee

Mr. Kibler reviewed the reports beginning on agenda packet page 111.

**PUBLIC COMMENT** - None

**TRUSTEE COMMENTS** – Trustee Peterson said that they were considering moving the Audit Committee to 3pm. Mr. Moye recommended that the Board consider the membership of Audit and Finance as they overlap even though the Audit Committee at times serves as an oversight committee to Finance, which would have legal issues if AHS was a nonprofit. If the two committees did not have that overlap, they could meet on different days. Trustee Peterson confirmed they would start the meetings at 3pm going forward.

**ADJOURNMENT** - 4:01 PM

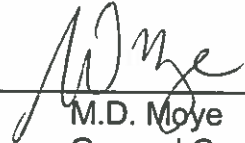
This is to certify that the foregoing is a true and correct copy of the minutes of the Audit and Compliance Committee meeting of July 11, 2019 as approved by the Audit and Compliance Committee on September 12, 2019:



Ronna Jojola Gonsalves  
Clerk of the Board

APPROVED AS TO FORM:

Reviewed by:

  
M.D. Moyer  
General Counsel