



**AUDIT COMMITTEE
MEETING AGENDA**

**February 5, 2024
11:00 A.M.
50 Water Street**

CALL TO ORDER

- Adoption of Minutes December 4, 2023
- Executive Session

Ms. Sally Hernandez-Piñero

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INFORMATION ITEMS

- Internal Audits Update
- Compliance Update

Mr. Joseph O'Keefe

Ms. Catherine Patsos

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT



AUDIT COMMITTEE TALKING POINTS – December 04, 2023

As Reported by: Sally Hernandez-Piñero

Committee Members Present: Ms. Sally Hernandez-Piñero, Jose Pagán, Dr. Mitchell Katz and Freda Wang

The meeting was called to order by Ms. Sally Hernandez-Piñero at 10:08 A.M.

Ms. Hernandez-Piñero noted for the record that committee member Anita Kawatra is participating virtually.

Ms. Hernandez-Piñero asked for a motion to adopt the minutes of the Audit Committee meeting held on October 16, 2023. A motion was made and duly seconded with all in favor to adopt the minutes.

Ms. Hernandez-Piñero proposed a motion to convene an executive session to discuss confidential and privileged matters that may be related to anticipated or actual litigation. A motion was made and seconded with all in favor.

The Committee reconvened in an open session at 10:35 A.M.

Ms. Hernandez-Piñero introduced the information item regarding the Grant Thornton Management Letter. Mr. David Guzman turned the discussion over to Tami Radinsky,

Ms. Radinsky presented the formal management letter to the Committee, she explained Grant Thornton's responsibility, and the different levels of deficiency possible.

Ms. Radinsky informed the Committee of an identified significant deficiency in HHC's grant's revenue and reconciliation process. The Management letter focuses on Grant revenue and related reconciliation of the financial statements for the T2 grant program. Ms. Radinsky reported that a reconciliation was not maintained or reconciled timely by the T2 program, which resulted in an immaterial overstatement of revenue in the prior fiscal year of 2022 and the recording of an adjustment related reduction of revenue in fiscal 2023. In addition, grant revenue was recorded using a budget rather than actual expenditures. Lastly, the organization does not perform a reconciliation of the Scheduled of Expenditure of Federal awards to the financial statements on a timely basis. The Schedule of Expenditure and Federal Awards ("SEFA") relates to the Uniform Guidance Audit, which is performed subsequent to the H+H year-end audit.

Ms. Radinsky recommends that a formal analysis of expenditures by funding source, be performed, reviewed, and approved on a monthly basis, inclusive of the appropriate documentation for all the grants received. In addition, grant revenue should be recorded, based on actual expenditures versus budgeted amounts. She also recommended the Scheduled of Expenditures of Federal Awards be reconciled to the amounts reported in the financial statements prior to

the issuance of the H+H financial statements. This will help improve oversight, and ensure that the financial statements include an accurate reporting of grants revenue.

Ms. Hernandez-Piñero asked about the difficulty of reconciling with the schedule of expenditures since there are inputs that are outside of H+H's control and financial statement issuance timeframe.?

Ms. Radinsky responded that yes this is a factor on many of Grant Thornton's audits. She recommended that a draft SEFA be used. The reconciliation of the SEFA will prevent changes to reported numbers after the issuance of the financial statements and prevent a reconciling item.

Ms. Hernandez-Piñero opened it up for questions.

Ms. Freda Wang responded there seems to be a time issue. Is this what you are alluding to Sally? There is a timing mismatch on how the City does it.

Mr. David Guzman responded that he believes the question relates to the ability to reconcile in a timeframe that aligns with financial statements when certain items are beyond our control and are required inputs to the reconciliation.

Ms. Farag Michline responded that there are components to the SEFA that are external to H&H there are components that are recommended from different organizations. So, the timeline is a bit different but to Tami's point, there are sub-components in there that are direct H&H grants that would normally make it into the financial statement. So that piece reconciles with the financial statement as we go with those components with those closing expenditures, the timing varies because those external components come into H&H to complete the SEFA as a final product which continues until the City calls its process.

Ms. Freda Wang responded that it may not be possible to completely align the timing for the recommendation that Grant Thornton's making?

Ms. Farag Michline responded not a final product of what an actual SEFA is it would be in progress.

Mr. Pagán asked What is the definition of formal analysis of expenditures?

Ms. Radinsky responded all of your expenditures there should be some sort of approval of the analysis. So, management can be able to perform together with the grants department, finance, and just sign off on that just to make sure it is complete and accurate. Formal just means that you know, you have the appropriate approvals in place and that management has reviewed them as appropriate.

Mr. Pagán as if in the monthly timeframe is the standard timeframe that is used in any organization or public sector?

Ms. Radinsky responded management can determine if they want to do a bi-monthly it just cannot be at the end of the year, so whatever time frame makes sense, it does not have to necessarily be every single month, but if you keep up with something monthly, then you come to the end of the year and there is not a heavy lift.

Ms. Hernandez-Piñero called on Catherine Patsos to provide a Compliance Update.

Ms. Catherine Patsos provided an update on the 2025 risk assessment. They are conducting interviews with system leadership, as well, the facility leadership, and will be reviewing oversight agency guidance on what their work plans are to better understand what their priorities and objectives are for the coming year.

Ms. Hernandez-Piñero asked the audit are we required to audit and did they send out a form audit for us to use.

Ms. Catherine Patsos responded that the risk assessment is to determine the risks to the organization. What areas that have been audited by oversight agencies in the past to make sure that we are not making the same mistakes again. She shared with us the HIPPA risk analysis vendor Coalfire and they are near completion of the 2023 risk analysis. The results are shared with the CEOs at the beginning of the year, along with informing them about updates and compliance.

The risk scores have decreased compared to last year. As previously noted, the risk score was 15. Now, the risk level threshold is 12. We are looking at more moderate risks now than we have in the past. She reported that we had a 3rd party Risk Management workshop with Coalfire in October. That was a collaborative effort with representations from information security and risk management, supply, chain, legal, and procurement. This was to streamline our vendor risk management assessment for 2024. What this is about is Coalfire, analyzes the Risk profile of our vendors that have access to or maintain our PHI. They want to identify gaps in the security and privacy of our processes as they pertain to 3rd party risk management. To compare them to the National Institutes of Standard and Technology or NIST supply chain, risk controls, and to create an optimization road map for supply chain and risk management. What they learned from these key takeaways is that we do need a better system for identifying expired contracts that has BAA and to have better collaboration between the office of corporate compliance ISIM, and supply chain procurement to identify vendors that can be used in Coalfire annual risk management reviews.

Ms. Hernandez-Piñero asked does the vendor have a document that requires that they follow certain guidelines?

Ms. Patsos responded the OCR has audit guidelines that they follow. They have guidelines that should be followed for best practices and it is issued by the government it has different areas of risk assessment that should be followed.

Ms. Patsos reported they had Corporate Compliance and Ethics week last month with a large amount of employee participating at the tables that the Corporate Compliance officer had at each of their facilities. People engage in a jeopardy game to win prizes if they got correct answers on compliance and privacy questions they also had online puzzles about compliance issues. They also did compliance and HIPPA webinars that people can listen and participate in.

Ms. Patsos reported they are working with EITS to develop a policy management system and this will allow for a more efficient procedure for drafting new operating procedures this process should be in place by the end of the year. We will also be incorporating other resources, random policies, Guidance documents, tip sheets, and they will be incorporated into this tool. It will automate the review the approval process for operating procedures and the distribution to

their intended audiences. Finally, they are closing in on the year-end compliance with the training statistics. She presented the percentages that have been completed for each of the facilities as of November 15th. She sent emails on November 22nd to the facility CEOs and attached the employees who had not completed their training and asked for their support to increase the completion rates for their facilities.

Ms. Wang asked about the year-end completion target?

Ms. Patsos would like it to be in the 90s it is hard to get 100% because some people are on FMLA or some other type of leave they are not able to complete it by the end of the year.

Ms. Hernandez-Piñero called on Joseph O'Keefe to give an update on Internal Audits.

Mr. O'Keefe reported his 1st external audit, by the New York City comptroller's office, regarding access to mental health within corrections systems.

The 2nd Audit regarding behavioral health emergency assist response division and NYC Police Department's role in the response and treatment of mental health crisis by the NYC Comptroller's Office. They are auditing services that we provide under agreement with the City, both audits are ongoing at this point.

Both are primarily stuck on the same point, which is access to mental health records and the City's looking to come back to us with an acceptable method of audit for which they can complete both of these audits.

Mr. O'Keefe provided an update of the activities of the Internal Audit Unit: there are 14 planned audits for FY 2024. Four audits have been completed, seven are in progress and three have not yet started. He went on to mention the system-wide review of nursing and that the final report has been drafted. The audit is complete and they are now working out management's responses to issues that came up during the audit and then it will be finalized.

The next audit he presented was the patient valuables it was completed at Jacobi Medical Center fairly standard issues that we have noted in other facilities where this audit was being done.

Ms. Wang requested a clarification of the status of the system-wide review of nurse hiring.

Mr. O'Keefe responded right now we are waiting for management's responses to the finding so once we receive a response we can finalize the report.

He went on to speak on the auxiliary audits the Bonadio Group, is working on the calendar year 2021 and 2022 audits. He also mentioned that 2022 will be the last year we will pay for auxiliary audits.

Ms. Hernandez-Piñero asked about a previous nursing audit before and were they able to piggyback onto that or is this separate from it?

Mr. O'Keefe responded it was separate and that this audit was looking at the onboarding of the nurses and all the background checks, criminal, proper education license, and financial. They are making sure everything being done that is required to onboard properly. So, they were not Piggybacking on the older audits.

Ms. Hernandez-Piñero Any other questions or comments, is there any old business or new business to be discussed meeting ended at 10:56 AM.

Office of Internal Audits Update

Audit Committee Meeting
February 5, 2024

Joseph O’Keefe, CPA CHC – Chief Internal Audit Officer

- **EXTERNAL AUDITS - Audit of the Department of Corrections Efforts to Ensure Access to Mental Health Services for Inmates**
- Audit Notification Letter Received – January 31, 2023 Entrance Conference – February 13, 2023
- Status: In progress
- Coordination on audit taking place between Agencies under review and Mayor’s Office of Community Mental Health
- On February 13, 2023, an entrance conference was held between NYC Health + Hospitals personnel and the New York City Comptroller’s Office (CO).
- Audit is on-going

- **EXTERNAL AUDITS - Audit of the Behavioral Health Emergency Assistance Response Division's and New York City Police Department's role in the response and treatment of mental health crisis**
- Audit Notification Letter Received – August 11, 2023
- On September 13, 2023, an entrance conference was held between NYC Health + Hospitals personnel and the New York City Comptroller's Office (CO).
- At the entrance conference, the CO made various requests for information, which were supplied.
- Audit is on-going

- Number of Audits on FY 2024 Plan. 14
- Completed Audits 5
- In Progress 6
- Not Started 3

- 1. System-Wide Review of Nurse Hiring
 - Entrance Conference (Nursing and Human Resources) – November 29, 2021 Fieldwork Start Date and Document Request – November 30, 2021
 - Status: Complete
 - Objective of the audit:
 - To evaluate the onboarding of nurses, including direct hire nurses, agency nurses and travel nurses;
 - To verify proper background checks, such as fingerprinting, employment eligibility, and verification of New York State licensure;
 - To ensure that annual performance evaluations of direct hire and agency nurses are completed; and
 - To ensure that proper documentation is maintained and reviewed by relevant parties

Kings County

Entrance Conference – May 3, 2023

Status: Completed

The objective of the audit was to obtain reasonable assurance regarding the efficiency and effectiveness of the overall process related to Patient's Property, Cash, and Valuables.

We will also assess internal controls over the process of collecting, recording, safeguarding, distributing and accounting for Patient's Property, Cash, and Valuables.

Based on our evaluation, the Patient Valuables Process could be improved by updating and automating their systems

Auxiliary Audits

The New York State Charities Bureau requires that a review, compilation or audit report accompany the CHAR500 New York State tax form submitted by the Auxiliaries. The type of report required is based on the total annual revenue of the Auxiliary.

The Bonadio Group has completed fourteen (14) draft reports for Calendar Year (CY) 2021. The Office of Internal Audits has reviewed and finalized those reports. Twelve (12) reports were Compilations as the Auxiliaries' revenues were below \$250,000, one (1) was a Review as the Auxiliary's revenues were between \$250,000 and \$750,000; and another was an Audit. Two (2) reports remain outstanding for CY2020: Friends of North Central Bronx Hospital, and Queens Hospital Center. For Queens Hospital, the Office of Internal Audits reached out management on May 2, 2023 advising them that the Bonadio Group needs two individuals to sign the representation letter. This is required because it is a review report. Once this is completed, we will issue the reports to the appropriate individuals. For Calendar Year (CY) 2022, the Office of Internal Audits has reviewed 5 draft reports. These reports will be issued once they become final.

Auxiliary Audits List Status Update as of January 19, 2024

	CALENDAR YEARS REVIEWED	2018 REVENUES	2019 REVENUES	2020 REVENUES	2021 REVENUES	2022 REVENUES
Jacobi Medical Center	2018 – 2022	\$537,664	\$457,149	\$232,607	\$70,021	\$33,985
Renaissance Health Care	2018 – 2022	\$16,788	\$20,666	\$12,184	\$11,828	\$11,475
Coler Hospital	2018 – 2022	\$187,498	\$229,285	\$91,790	\$97,923	-\$108,876
Carter Hospital Center	2018 – 2022	\$226,599	\$29,893	\$12,309	\$8,329	\$5,355
Gouverneur Hospital	2018 – 2022	-\$146,562	\$997,683	\$751,055	\$658,222	-\$1,109,261
Woodhull Medical Center	2019 – 2022	NA	\$234,293	\$19,925	\$22,984	\$61,717
South Brooklyn Health (formerly Coney Island Hospital)	2019 – 2022	NA	\$5,906	\$5,003	\$5,233	\$5,369
Children of Bellevue	2018 – 2022	\$1,112,221	\$1,154,967	\$986,097	\$532,834	\$1,332,137
Lincoln Hospital Center	2019 – 2022	NA	\$99,403	\$17,339	\$4,717	\$4,864
Bellevue Hospital Center	2018 – 2022	\$151,939	\$938,114	\$543,122	\$834,950	-\$880,396
East New York Diagnostic & Treatment Center	2019 – 2021	NA	\$5,522	\$4,650	\$4,950	Pending
Cumberland Diagnostic & Treatment Center	2018 – 2021	\$104,367	\$76,782	\$31,683	\$30,240	Pending
Metropolitan Hospital Center	2018 – 2021	\$1,538,040	\$744,114	\$147,938	\$203,738	Pending
Elmhurst Hospital Center	2018 – 2021	\$422,419	\$335,651	\$1,026,642	\$240,491	Pending
Dr. Susan Smith McKinney Nursing & Rehabilitation Center	2018 – 2021	\$80,714	\$77,547	\$12,102	\$4,600	Pending
Bellevue Association	2019 – 2020	NA	\$243,272	\$83,823	Pending	Pending
Friends of Harlem Hospital Center	2018 – 2020	\$133,487	\$215,341	\$276,382	Pending	Pending
Kings County Hospital Center	2018 – 2020	\$58,804	\$21,142	\$43,407	Pending	Pending
Sea View Hospital and Home	2018 – 2020	\$110,468	\$42,748	\$21,600	Pending	Pending
Harlem Hospital Center	2018 – 2020	\$9,946	\$12,201	\$5,334	Pending	Pending
Queens Hospital Center	2018 – 2020	\$330,779	\$29,649	\$28,153	Pending	Pending
Friends of North Central Bronx Hospital	2018 – 2019	\$131,555	\$74,525	Pending	Pending	Pending

Audit Committee of the NYC Health + Hospitals Board of Directors Meeting

Corporate Compliance Report

February 5, 2024



Compliance Activities

- **FY2025 Risk Assessment Update**
 - The Office of Corporate Compliance (“OCC”) reviewed oversight agency guidance and work plans for insight on their priorities and objectives, as well as previous oversight agency audits.
 - The OCC and Internal Audits prepared the Draft FY2025 Risk Assessment to be presented to the Enterprise Risk and Compliance Committee in February.

Compliance Activities (cont'd)

- Coalfire 2024 Risk Analysis
 - Coalfire has begun its 2024 HIPAA Risk Analysis
 - Document production and interviews for the acute care facilities will be conducted in February.
 - Review of the Neighborhood Health Clinics will begin in March.

- Developing a Policy Management System
 - The procedure for drafting new Operating Procedures is targeted to be completed by the end of January 2024.
 - Will automate the review and approval process
 - Will automate distribution of policies to intended audiences.
 - Will expand the tool to include Guidance, Administrative Materials, Tip Sheets, etc.

Compliance Activities (cont'd)

- Meetings with facility and program CEOs.
 - As the Chief Corporate Compliance Officer, I meet annually with the facilities and programs' CEOs, which I have done throughout January.
 - The purpose of the meetings is to:
 1. Review their Coalfire Compliance and Risk Reports;
 2. Discuss new and upcoming Operating Procedures;
 3. Discuss recent activities of the OCC, including the Policy Management System, the Workforce Member Compliance Survey, and the FY2025 Risk Assessment; and
 4. Review their General Compliance/HIPAA Training completion rates and their Compliance and Privacy Report metrics.

Compliance Activities (cont'd)

- General Compliance & HIPAA Trainings
 - This year, due to the Office of the Medicaid Inspector General's increased compliance training requirements, the OCC has divided the General Compliance and HIPAA Training modules into three parts.
 - The HIPAA Training is now a standalone module, in which all workforce members are currently enrolled.
 - The Compliance Training has been split into two modules, which are being uploaded to HR's training platform:
 - ✓ Fraud Waste and Abuse and Payor Requirements Annual Training
 - ✓ Code of Conduct and Disciplinary Standards Annual Training

Compliance and HIPAA Training Status

Facility/Program	Percent Complete
Bellevue	86
Elmhurst	87
Harlem	88
Jacobi	82
Kings	89
Lincoln	95
Metropolitan	92
NCB	90
SBH	94
Woodhull	92
Central Office	83
Community Care	97
Gotham	97
PAC	92

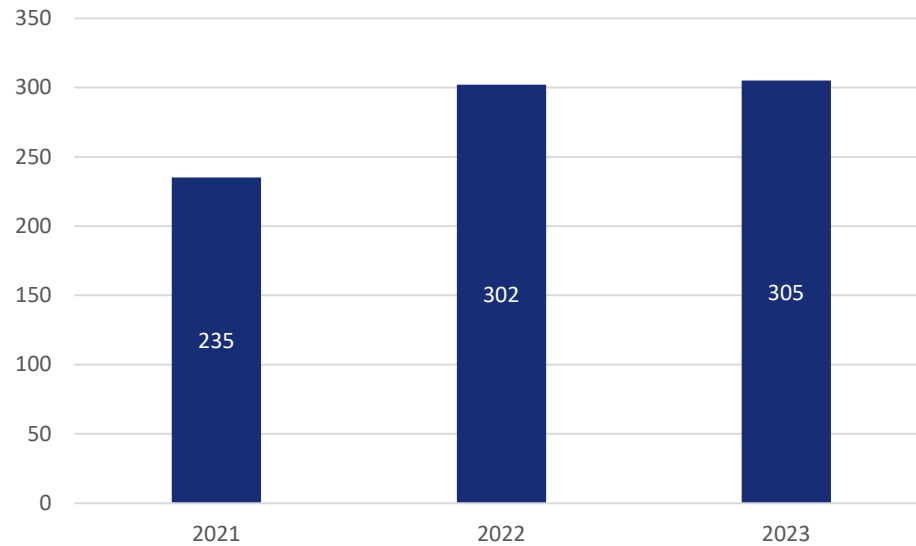
- Completion rates as of 12/29/23
- The overall System completion rate is 88% compared to 85% in 2022.

Compliance Activities (cont'd)

- 2024 Workforce Member Compliance Survey was live during the month of December 2023.
- The response rate was much lower for the 2024 survey than it was for the 2023 survey.
- The OCC is still tabulating the results; however the following are a few highlights:
 - There was an increase the percentage of respondents who knew how to contact the OCC or individual Compliance and Privacy Officers;
 - Supervisors/managers remain the likely first point of contact about a compliance issue;
 - The majority of respondents believe the training provides good guidance on how to act appropriately, and recall key lessons; and
 - More than 50% of respondents want to see more electronic communications and alerts about compliance issues.

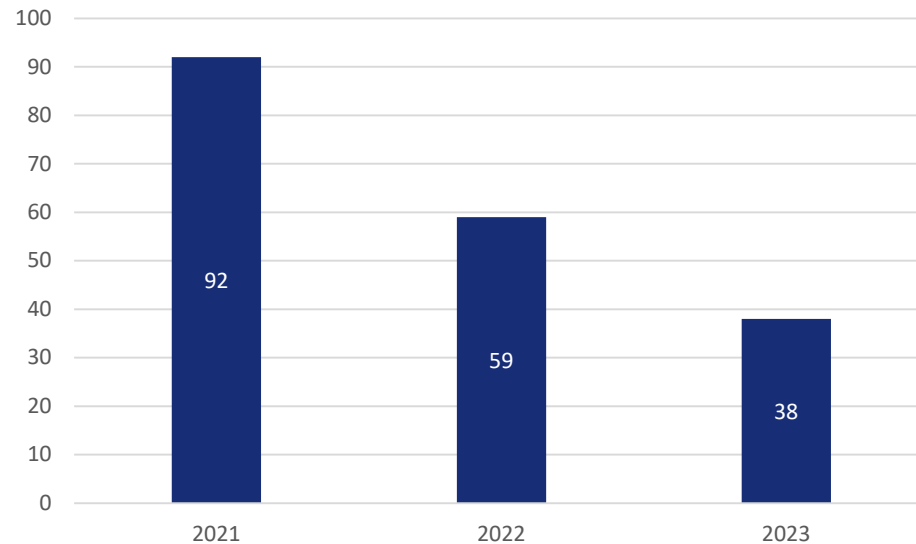
Compliance Report Metrics

- Comparative analysis of compliance cases for 2021, 2022, and 2023



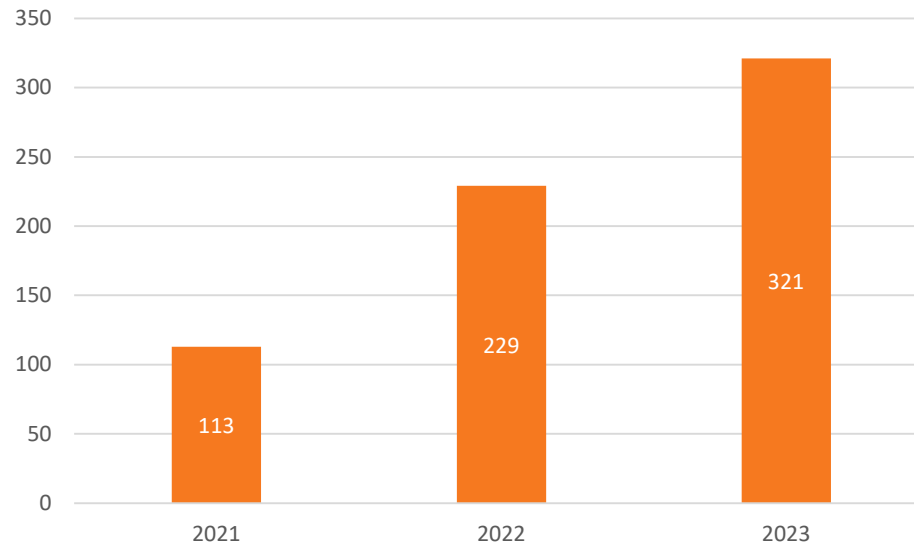
Compliance Report Metrics

- Comparative time to resolve compliance cases for 2021, 2022, and 2023 (days)



Privacy Report Metrics

- Comparative analysis of privacy cases for 2021, 2022, and 2023



Privacy Report Metrics

- Comparative time to resolve privacy cases for 2021, 2022, and 2023 (days)

