



**AUDIT COMMITTEE
MEETING AGENDA**

**June 8, 2026
10:00 A.M.
50 WATER STREET**

CALL TO ORDER

- Adoption of Minutes – April 13, 2026
- Executive Session

Sally Piñero-Hernandez

INFORMATION ITEMS

- KPMG
- Finance Report
- Internal Audits Update
- Compliance Report

**David Guzman
Joseph O’Keefe
Catherine Patsos**

OLD BUSINESS

Sally Piñero-Hernandez

NEW BUSINESS

ADJOURNMENT



April 13, 2026

AUDIT COMMITTEE MEETING TALKING POINTS

As Reported by: José Pagán

Committee Members: Mitchell Katz, Ms. Freda Wang, Ms. Patricia Marthone, and Ms. Tricia Taitt

The meeting was called to order by Mr. José Pagán, Committee Chair at 11:04am.

Mr. José Pagán requested a motion to adopt the minutes of the Audit Committee meeting held on December 8, 2025. A motion was made and duly seconded with all in favor to adopt the minutes.

Mr. José Pagán noted that we will now have an audit update from Mr. O'Keefe.

Internal Audit

Mr. O'Keefe shared that an external audit with the City Comptroller's Office is currently underway. The audit is reviewing our contract with RightSourcing which provides temporary staffing services. It began in December 2025 and is expected to take about a year to complete. All requested documents have already been submitted to them, and the Comptroller's Office are now reviewing them.

Ms. Freda Wang asked, did you mean RightSourcing?

Mr. O'Keefe responded, it is.

Mr. O'Keefe also gave an update on the Auxiliary Fiscal Year 2026 Audit Plan. He noted that so far, three audits have been completed, and three are currently in process. The remaining audits are expected to be finished by the end of the fiscal year. Additionally, three audit reports should be released within the next week or so.

Mr. O'Keefe noted that this is the end of his presentation.

Mr. José Pagán asked if any anyone have any questions before turning the meeting over to Ms. Catherine Patsos.

Corporate Compliance

Ms. Patsos started her presentation by providing an update on the Office of Corporate Compliance (OCC) Activities. She started with the OCC Compliance Survey which was launched last fall to all workforce members. The key take away results are as follows:

- 1,656 workforce members responded
- 16% observed misconduct in the past year
- Majority of those who observed misconduct reported it to their direct manager or another manager in their department
- 29% of respondents who did not report feared retaliation (improved from 72% and 85% from the previous year)
- 99% of managers said they were prepared to respond to employee reports, or that it depended on the issue

Ms. Patsos stated that the response rate was lower than expected.

Ms. Freda Wang asked, if the 16% who observed misconduct had changed from the prior year.

Ms. Patsos responded, these were new questions. She stated that last year they used a survey from Gartner. In previous years, they conducted their own survey and plan to return to that format in 2026, we got better response rate.

Ms. Freda Wang asked, if the 1,656 workforce responses reflected a lower response rate.

Ms. Patsos responded, yes.

Ms. Freda Wang asked, did the length of the survey contributed to the lower response rate.

Ms. Patsos responded, they did not have control over the survey with Gartner and would prefer to return to their own surveys, where they can shorten the questions and improve the results.

Ms. Freda Wang asked, would you keep the observed misconduct question.

Ms. Patsos responded, yes.

Ms. Freda Wang asked, what contributed to the improvement in retaliation concerns.

Ms. Patsos responded, I am unsure and would like to further investigate this in future surveys, noting that many reporters remain anonymous due to fear of retaliation.

Ms. Tricia Taitt asked, what is the total number of workforce members.

Ms. Patsos responded, it is approximately 45,000.

Ms. Tricia Taitt asked, how many of those are managers.

Ms. Andrea Cohen responded, approximately 91% of the workforce is unionized, with non-union employees considered management. First level management represents approximately 9-10%.

Ms. Tricia Taitt asked, whether the 99% manager statistic referred to all managers or only those represented in the survey.

Ms. Patsos responded, yes.

Ms. Tricia Taitt commented, what is the relevance of distinguishing managers versus non-managers.

Ms. Patsos responded, many respondents report misconduct to managers, and it is important that those individuals understand the reporting procedures.

Ms. Tricia Taitt asked, if there are efforts to improve response rates.

Ms. Patsos responded, initiatives are planned for the coming year.

Ms. Patsos, then reported on the Compliance and HIPAA Training. The completion rates are as follows:

- General compliance training: 81%, compared to 71% in 2024
- HIPAA training: 88% compared to 87% in 2024

Ms. Patsos then spoke about the FY-2027 Risk Assessment. She noted that a Joint risk assessment was conducted with Internal Audits. The process involved interviewing Central Office Senior Leadership as well as reviewing Federal and State oversight agency work plans. The draft FY-2027 Risk Assessment was presented to the Enterprise Risk and Compliance Committee (ERCC) on February 23, 2026. The final FY-2027 Risk Assessment will be presented to the ERCC on April 23, 2026 and will form the basis of the FY-2027 Corporate Compliance Work Plan.

Ms. Patsos, then spoke about the 'Touch Base' meetings with the CEOs. Throughout the months of January and February, I met with the facilities and programs CEOs to provide them with the OCC's updates including the following:

- The results of the 2025 Coalfire HIPAA Risk Analysis for their facility or program
- Their 2025 compliance and privacy cases metrics
- Results from the Workforce Member Compliance Survey
- Their General Compliance Training and HIPAA Training Compliance rates
- The OCC's Compliance Hot Topic Series.

Ms. Tricia Taitt asked, what are some of the hot topics.

Ms. Patsos responded, social media use, gifting and receiving of gifts. She also mentions that she is in the process of conducting one on medical records snooping.

Ms. Tricia Taitt asked, how is snooping identified.

Ms. Patsos responded that a patient privacy monitoring tool is used to identify those actions.

Ms. Tricia Taitt asked, if access by assigned nurses would be considered snooping.

Ms. Patsos responded yes.

Ms. Patsos then discussed the compliance metrics for Q1 2026. She noted that the start of 2026 has seen a surge in non-privacy compliance activity. Although the quarter is only 91% complete, non-privacy case volume has already exceeded full-quarter totals from both 2024 and 2025. She noted the following:

- Increase in non-privacy cases (positive reporting indicator)
- Privacy cases was stable
- Increase in anonymous cases

She then discussed comparative metrics for the 4th Quarter showing comparisons across 2023, 2024, and 2025 for non-privacy cases, with a slight increase in 2025.

Ms. Freda Wang asked, what about the increase in-patient care and patient rights issues.

Ms. Patsos responded that these are primarily patients who call into the helpline or report through other means regarding the type of treatment they received, the level of care, or how they perceived they were treated by staff.

Ms. Freda Wang asked if any conclusions could be drawn from the increase in cases.

Ms. Patsos responded that it likely reflects increased awareness of the hotline, which is publicly available as required by the Office of the Medicaid Inspector General.

Ms. Patsos then discuss the privacy case trends and reporting categories. The result is as follows:

- Decline in privacy cases in 2025 vs. prior year
- Slight increase in Q1 2026
- Overall trend lower than 2024
- Privacy cases remain predominant

- Patient care and patient rights are high volume issue types
- Reporting primarily through email and hotline

Ms. Patsos went on to show privacy cases in Q4 for the previous three years. There was a decline in 2025 compared to the prior year. In quarter one of this year, there was a slight increase, though still lower than 2024 overall. She also reviewed comparative analyses of non-privacy and privacy cases by facility.

Ms. Patsos asked if there were any questions. She then reviewed issue types, noting that privacy cases were the predominant category. Patient care and patient rights remain high volume topics. Intake methods show that most reports are submitted via email or hotline.

Ms. Patsos asked if there were any additional questions.

Mr. José Pagán asked what "contact moves" are?

Ms. Patsos responded that contact moves occur when a patient is registered under a different patient record, typically due to insufficient identifying information or patients with similar names and dates of birth. As a result, one patient may receive an after-visit summary containing partial information from another patient, such as name, date of birth, or medical information.

Ms. Patsos noted, that is the end of my presentation,

Mr. José Pagán asked is there any old or new business?

No, new or old business

Meeting adjourned at 11:19am



New York City Health and Hospitals Corporation Discussion with those charged with Governance

Audit plan and strategy for the year ending June 30, 2026

June 8, 2026

Key themes for our discussion

**A better audit
experience**

**Next-generation
technology**

Scope of the audit

**Required
communications**

**Insights for Those
Charged with
Governance**

**Key risks and our
Audit Plan**

People X Platform

Be confident in KPMG with our people and platform integrated into every aspect of your audit. Here's what makes us different:

Agile, industry-experienced team members

led by an empowered lead partner and backed by the strength of our full firm

Modernized project management

with milestones focused on minimizing disruption and maximizing insights

Tailored, data-driven approach

driving a risk-based strategy, with clarity and visibility from the very start

Environment of trust and transparency

through open communication and meaningful conversations

KPMG has put AI and innovation at the forefront and is significantly advancing the capabilities of auditing and financial reporting to uplevel employee experience and accelerate innovation. With the integration of AI innovations across the Microsoft Cloud, further enhanced by KPMG's Audit expertise, together we are creating more value and achieving more together as a result.

Amy Hood
Chief Financial Officer

Deliverables



Auditor's report on the financial statements of New York City Health and Hospitals Corporation (the Corporation) as of and for year ended June 30, 2026



Auditor's report on the financial statements of HHC ACO, Inc. as of and for year ended June 30, 2026



Auditor's report on the statutory financial statements of MetroPlus Health Plan, Inc. as of and for year ended December 31, 2026



Auditor's report on the statutory financial statements of HHC Insurance Company, Inc. as of and for year ended December 31, 2026



Debt compliance letter in connection with the Corporation's outstanding bonds



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



Auditor's reports in connection with cost reports for RHCF-4 (skilled nursing facilities) and AHCF-1 (diagnostic and treatment centers) for the year ended June 30, 2026

Other deliverables



Potential auditor's reports on financial statements required through the Maimonides transaction (contingent on the transaction's closing and final reporting requirements)

Engagement management to fit your team

Our streamlined service delivery model helps minimize disruption for the Corporation.

We're working with management to complete much of our risk assessment and interim substantive testing by June 30, 2026.



The KPMG way

KPMG and the Corporation have a joint interest in driving quality and eliminating peaks in workload, particularly in the post year-end period. That's why we're continuing to:

- **Communicate and coordinate** with all levels of management and those charged with governance, including updates on key milestones
- **Accelerate work** to drive quality and an exceptional client experience
- **Improve the walkthrough and controls experience** by accelerating and streamlining walkthrough efforts and standardizing requested evidence on controls

Client service team

National Sector Leader – Healthcare Andrew Corrigan	Audit Engagement Partners/ Managing Director Maria Tiso – Lead Partner Camille Fremont – Partner Ryan Santonacita – Managing Director	Engagement Quality Control Reviewer Martin Dunbar
Tax Managing Director Devin Duncan	Audit Engagement Senior Manager Yimiao Chen Lauren Kane Steven Kucharczyk	MetroPlus Health Plan, Inc. HHC Insurance Company, Inc. Camille Fremont – Lead Partner Cara Falcetta– Managing Director Eric Crossett- Senior Manager
Subject Matter Professionals Alex Smith – Actuary, Retirement Benefits Anna DeNeut – Actuary, Claims Payable	Audit Manager / Senior Associates / Associates Rudy Ricketts – Manager Various senior associates and associates	
Subcontractor Katigbak CPA PLLC (d/b/a TEAM Avaloria) Healthcare Management Solutions, LLC		

Required communications to those charged with governance

Prepared on: May 21, 2026

Presented on: June 8, 2026



Audit plan required communications and other matters

Our audit of the New York City Health and Hospitals Corporation (the Corporation) as of and for the year ended June 30, 2026 will be performed in accordance with auditing standards generally accepted in the United States of America, as well as the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States.

(Standalone audit of MetroPlus Health Plan, Inc. and HHC Insurance Company, Inc., component units of the Corporation, are not audited in accordance with GAS).

Performing an audit of financial statements includes consideration of internal control over financial reporting (ICFR) as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's ICFR

Matters to communicate		Reference
Role and identity of engagement partner	✓	Lead audit engagement partner is: Maria Tiso
Significant findings or issues discussed with management	X	
Materiality in the context of an audit	✓	Page 9
Our timeline	✓	Page 10
Risk assessment: Significant risks	✓	Page 11
Risk assessment: Additional risks identified	✓	Page 12
Involvement of others	✓	Page 13
Newly effective accounting standards	✓	Pages 14 to 17
Independence	✓	Page 18
Responsibilities	✓	Page 19
Required inquiries	✓	Page 20

✓ = Matters to report

X = No matters to report

Materiality in the context of an audit

We will apply materiality in the context of the preparation and fair presentation of the financial statements, considering the following factors:

Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.

Judgments about materiality involve both qualitative and quantitative considerations.

Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

Determining materiality is a matter of professional judgment and is affected by the auditor's perception of the financial information needs of users of the financial statements.

Judgments about the size of misstatements that will be considered material provide a basis for:

- determining the nature and extent of risk assessment procedures;
- identifying and assessing the risks of material misstatement; and
- determining the nature, timing, and extent of further audit procedures.

Our timeline

March 2026 – June 2026

Planning and risk assessment

- Planning and initial risk assessment procedures, including
 - Involvement of others
 - Identification and assessment of risks of misstatements and planned audit response for certain processes
- Obtain and update an understanding of the Company and its environment
- Inquire of those charged with governance, management and others within the Company about risks of material misstatement
- Communicate audit plan
- Evaluate design and implementation (D&I) of entity-level controls and process level controls for certain processes

Interim

- Ongoing risk assessment procedures, including identification and assessment of risks of misstatements and planned audit response for remaining processes
- Identify and test IT applications and environments
- Perform interim substantive audit procedures
- Evaluate Maimonides transaction

August 2026 – October 2026

Year-end

- Perform remaining substantive audit procedures
- Evaluate results of audit procedures, including control deficiencies and audit misstatements identified
- Review financial statement disclosures
- Present audit results to those charged with governance and perform required communications

November 2026 – May 2027

Other deliverables

- Present and issue management letter for the Corporation
- Plan and perform audits for the following entities:
 - MetroPlus Health Plan, Inc.
 - HHC ACO, Inc.
 - HHC Insurance Company, Inc.
 - Maimonides entities (if applicable)
- Plan and perform audits for regulatory reports (AHCF-1 and RHCF-4) for the Corporation's entities (timing to-be-determine based on State of New York)

Filing date: Issue audit reports for the Corporation on financial statements in October 2026

Risk assessment: Significant risks

Significant risk	Susceptibility to:	
	Error	Fraud
<p>Management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.</p>		Yes

Risk assessment: Additional risks identified

Audit areas

- Cash and cash equivalents
- Due from / to third party payors
- Existence and accuracy of patient accounts receivable and net patient service revenue
- Premium receivable and revenue
- Grant receivable and grant revenue
- Appropriations revenue
- Lease liabilities
- Accounts payable and accrued salaries, fringe benefits, payroll taxes, and expenses
- Long-term debt and debt compliance
- Operating expenses (payroll, supplies, affiliation services)
- Capital assets, net
- Financial reporting
- Legal inquiries

Estimates

- Valuation of patient accounts receivable, net
- Valuation of claims payable liability
- Valuation of pension obligation (GASB 68)
- Valuation of post-retirement obligations (GASB 75)
- Valuation of AWUIL and U.S. government securities
- Valuation of due from / to third party payors

Information technology matters

- Obtain general information and understanding of technology environment, including updates to new systems
- Test system-generated reports utilized during the audit

Involvement of others

Audit of financial statements	Extent of planned involvement
Internal Audit	The audit team will review all reports issued by IA and assess the impact of the IA's efforts on our planned audit approach and establish an appropriate level of coordination between KPMG and IA plans.
KPMG professionals with specialized skill or knowledge who are involved in performance of audit procedures	The engagement team will engage firm specialists to assist in the audit areas of pension, post-retirement benefits liabilities, and claims payable liability.

*Extent of procedures to be determined based on final balances but expected to include detailed analytical procedures.

Newly effective accounting standards

Effective for 2026	Expected impact	Early adoption permitted
GASB 103, Financial Reporting Model Improvements	Still evaluating	✓
GASB 104, Disclosure of Certain Capital Assets	●	✓
Effective for 2027 and beyond		
GASB 105, Subsequent Events	●	✓

Expected impact: ● high ● moderate ● low ● none

Newly effective accounting standards

GASB 103, Financial Reporting Model Improvements

Establishes new accounting and financial reporting, and modifies existing requirements, related to management's discussion and analysis, unusual or infrequent items, presentation of proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units, budgetary comparison information, and financial trends information in statistical section. The information presented should be confined to the topics discussed in the five sections outlined below

- Overview of the Financial Statements
- Financial Summary
- Detailed Analyses
- Significant Capital Asset and Long-Term Financing Activity
- Currently Known Facts, Decisions, or Conditions

Potential Impact: To comply with GASB 103, the Corporation needs to restructure its Statement of Revenues, Expenses, and Changes in Fund Net Position to reflect the newly mandated operating/non-operating classifications and required subtotals. Furthermore, the MD&A needs to be modified to conform to the standard's five-section framework, shifting the narrative to an analytical, driver-based explanation of financial variances.

GASB 103, Financial Reporting Model Improvements

Presentation of proprietary fund resource flows statement

- Distinguish between operating and nonoperating revenue and expenses;
- Present noncapital subsidies separately before other nonoperating revenue and expenses;
- Use all-inclusive format.

Operating revenues (detailed)

Total operating revenues

Operating expenses (detailed)

Total operating expenses

Operating income (loss)

Noncapital subsidies (detailed)

Total noncapital subsidies

← New section

Operating income (loss) and noncapital subsidies

← New subtotal

Other nonoperating revenues and expenses (detailed)

Total other nonoperating revenues and expenses

Income (loss) before unusual or infrequent items

Unusual or infrequent items (detailed)

← New section

Increase (decrease) in fund net position

Fund net position—beginning of period

Fund net position—end of period

Newly effective accounting standards

GASB 104, Disclosure of Certain Capital Assets

Establishes requirements for certain types of capital assets to be disclosed separately in the capital asset roll forward required by Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. It also establishes requirements for assessing whether capital assets are held for sale and additional disclosures for those assets.

Capital asset roll forward

Within capital asset roll forward, information about the following capital assets and related amortization should be disclosed separately:

- Lease assets reported in accordance with Statement 87 by major class of underlying asset
- Subscription assets reported in accordance with Statement 96
- Intangible right-to-use assets recognized by an operator in accordance with Statement No. 94 by major class of underlying asset
- All other intangible assets by major class of asset.

Capital Assets Held for Sale

Capital assets qualify as a capital asset held for sale if both below criteria are met:

- Government has decided to pursue sale of asset
- It is probable sale will be finalized within one year of financial statement date.

Potential Impact: To comply with GASB 104, the Corporation should revise its capital asset rollforward to separately disclose newly disaggregated asset categories (such as leases and IT subscriptions, if applicable). Furthermore, management should evaluate its portfolio each reporting period to identify any capital assets 'held for sale' and ensure they are presented with the required disclosures.

Shared responsibilities: Independence

Auditor independence is a shared responsibility and most effective when management, those charged with governance and audit firms work together in considering compliance with the independence rules. For KPMG to fulfill its professional responsibility to maintain and monitor independence, management, those charged with governance and KPMG each play an important role.

System of Independence Quality Control

The firm maintains a system of quality control over compliance with independence rules and firm policies. Timely information regarding upcoming transactions or other business changes is necessary to effectively maintain the firm's independence in relation to:

- new affiliates (which may include subsidiaries, equity method investees/investments, sister companies, and other entities that meet the definition of an affiliate under AICPA independence rules); and
- new officers or directors with the ability to affect decision-making, individuals who are beneficial owners with significant influence over the Corporation, and persons in key positions with respect to the preparation or oversight of the financial statements.

Certain relationships with KPMG

Independence rules prohibit:

- certain employment relationships involving directors, officers, or others in an accounting or financial reporting oversight role and KPMG and KPMG covered persons; and
- the Corporation or its directors, officers, from having certain types of business relationships with KPMG or KPMG professionals.

Responsibilities

Management responsibilities

- Communicating matters of governance interest to those charged with governance.
- The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

KPMG responsibilities – Objectives

- Communicate clearly with those charged with governance the responsibilities of the auditor regarding the financial statement audit and an overview of the planned scope and timing of the audit.
- Obtain from those charged with governance information relevant to the audit.
- Provide those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process.
- Promote effective two-way communication between the auditor and those charged with governance.
- Communicate effectively with management and third parties.

KPMG responsibilities – Other

- If we conclude that no reasonable justification for a change of the terms of the audit engagement exists, and we are not permitted by management to continue the original audit engagement, we should:
 - withdraw from the audit engagement when possible under applicable law or regulation;
 - communicate the circumstances to those charged with governance; and
 - determine whether any obligation, either legal contractual, or otherwise, exists to report the circumstances to other parties, such as owners, or regulators.
- Forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in accordance with the applicable financial reporting framework.
- Establishing the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.
- Communicating any procedures performed relating to other information, and the results of those procedures.

Required inquiries

- What are your views about fraud risks, including management override of controls, at the entity and whether you have taken any actions to respond to these risks?
 - Are you aware of, or have you identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
 - Are you aware of or have you received tips or complaints regarding the entity's financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what was your response to such tips and complaints?
 - How do you exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Has the entity entered into any significant unusual transactions?
 - Have there been any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
 - What is the audit committee's understanding of the Corporation's relationships and transactions with related parties that are significant to the Corporation?
 - Does any member of the audit committee have concerns regarding relationships or transactions with related parties and, if so, what are the substance of those concerns?
 - Has there been any correspondence with regulators or licensing authorities?



Questions?

For additional information and audit committee resources, including National Audit Committee Peer Exchange series, a Quarterly webcast, and suggested publications, visit the KPMG Audit Committee Institute (ACI) at <https://boardleadership.kpmg.us/audit-committee.html>

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Office of Internal Audits Update

Audit Committee Meeting
June 8, 2026

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



External Audits Update

- **EXTERNAL AUDITS - City Comptroller's Audit of the Rightsourcing Contract**
- Audit Notification Letter Received – December 24, 2025 Entrance Conference – January 7, 2026
- Status: In progress
- Audit is on-going

External Audits Update

- **EXTERNAL AUDITS – Internal Revenue Service – Audit Form 941 Reporting**
- Audit Notification Letter Received – March 24, 2026
- Status: In progress
- Audit is on-going

INTERNAL AUDIT ACTIVITIES

- Number of Audits on FY 2026 Plan.
- Completed Audits 4
- In Progress 2
- Not Started 0



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

Office of Corporate Compliance Report
Catherine Patsos - Corporate Compliance
Officer
June 8, 2026

Office of Corporate Compliance Activities

- Coalfire 2026 HIPAA Risk Analysis
 - Coalfire has begun its 2026 HIPAA Risk Analysis
 - They completed all of the acute care site visits the week of May 18, 2026, and will conduct site visits at the other facilities in June.
 - Coalfire is in the process of conducting enterprise and facility-based interviews.
 - For the Supply Chain Risk Management piece, Coalfire will conduct provide 3 integrated deliverables:
 1. Vendor Criticality Matrix
 2. SCRM Tabletop Exercises
 3. SCRM SOP Refinement & Operational Support
 - The scope of this project is expected to start in September 2026 and continue through the beginning of 2027.

OCC Activities (cont'd)

- **FY2027 Risk Assessment & Compliance Work Plan**
 - Internal Audits and the OCC conducted a joint Risk Assessment for FY2027.
 - The process involved interviewing Central Office Senior Leadership, as well as reviewing federal and state oversight agency Work Plans for the Compliance Risk Assessment.
 - The Draft FY2027 Risk Assessment was presented to the Enterprise Risk and Compliance Committee (“ERCC”) on February 23, 2026 and on April 23, 2026.
 - The Final FY2027 Risk Assessment was presented to the ERCC on June 2, 2026, and formed the basis of the FY2027 Corporate Compliance Work Plan.

Executive Summary: Q1 2026 Compliance Metrics

Reporting Period: Q1 CY2026 (Full Quarter Conclusion)

Strategic Overview

Q1 2026 marked a record-breaking performance period for the Office of Corporate Compliance (OCC). Total case volume reached 260 reports, driven by a surge in non-privacy matters which nearly doubled year-over-year. This reflects significant growth in organizational engagement and trust in reporting channels.

Metric Category	Q1 2026 Full Quarter	Strategic Insight & YOY Change
Compliance Case Volume	167 Cases	99% Increase over Q1 2025 (84 cases). Volume surpassed the combined 2024/2025 averages.
Privacy Volume	92 Cases	15% Increase over Q1 2025 (80 cases). Activity remains consistent with high-water mark levels.
Reporter Anonymity	71 Anonymous Cases	145% Surge compared to Q1 2025 (29 cases). High anonymous utilization signals established reporting trust.
Engagement Velocity	260 Total Cases	Overall organizational engagement grew by 58% YOY (260 vs 165 cases in Q1 2025).

Critical Issue Trends

Proactive Culture: Guidance requests grew 6x (18 vs 3). **Targeted Risks:** Patient Rights issues grew 137% (45 vs 19) and Billing issues quadrupled (12 vs 3).

Facility Case Concentration

Hotspots: Non-privacy volume is heavily concentrated in **Kings** (48), **Elmhurst** (36), and **Bellevue** (32), driving 70% of acute care workload.

Privacy Geographic Focus

Corporate Core: Central Office remains the primary outlier for privacy (64 cases), Jacobi (25) and Metropolitan (19) follow as the highest facility drivers.

Channel Effectiveness

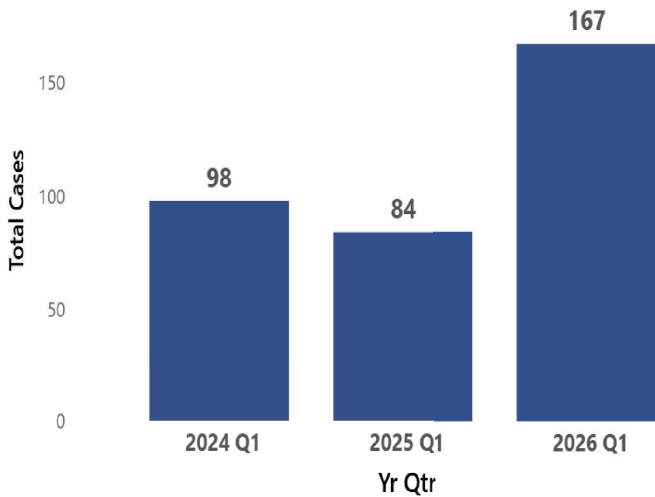
Outreach ROI: The "Contact Moves" intake channel successfully captured 22 cases (a 144% increase), validating recent facility-level engagement strategies.

Compliance Report Metrics

Non-Privacy Compliance Report Metrics

- 1st Qtr. comparative analysis of all compliance cases for CY's 2024, 2025 & 2026

Non-privacy Compliance Case Volume by Year for Q1

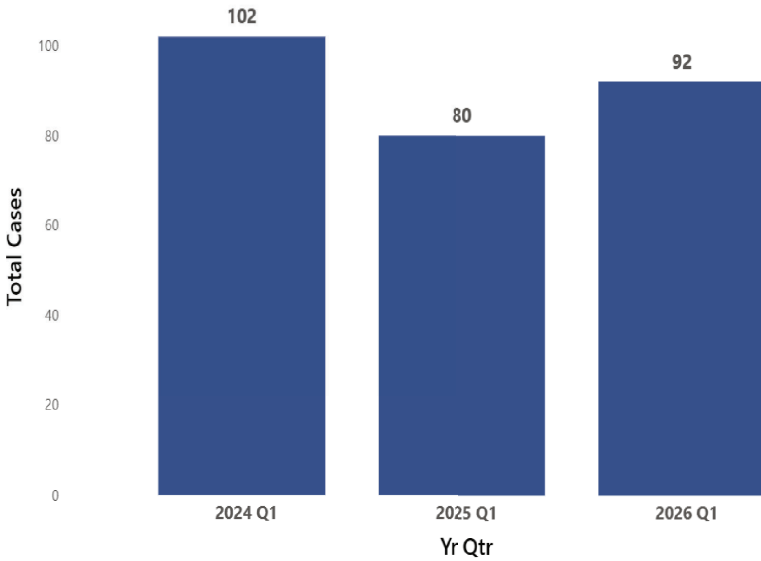


Compliance Report Metrics

Privacy Compliance Report Metrics

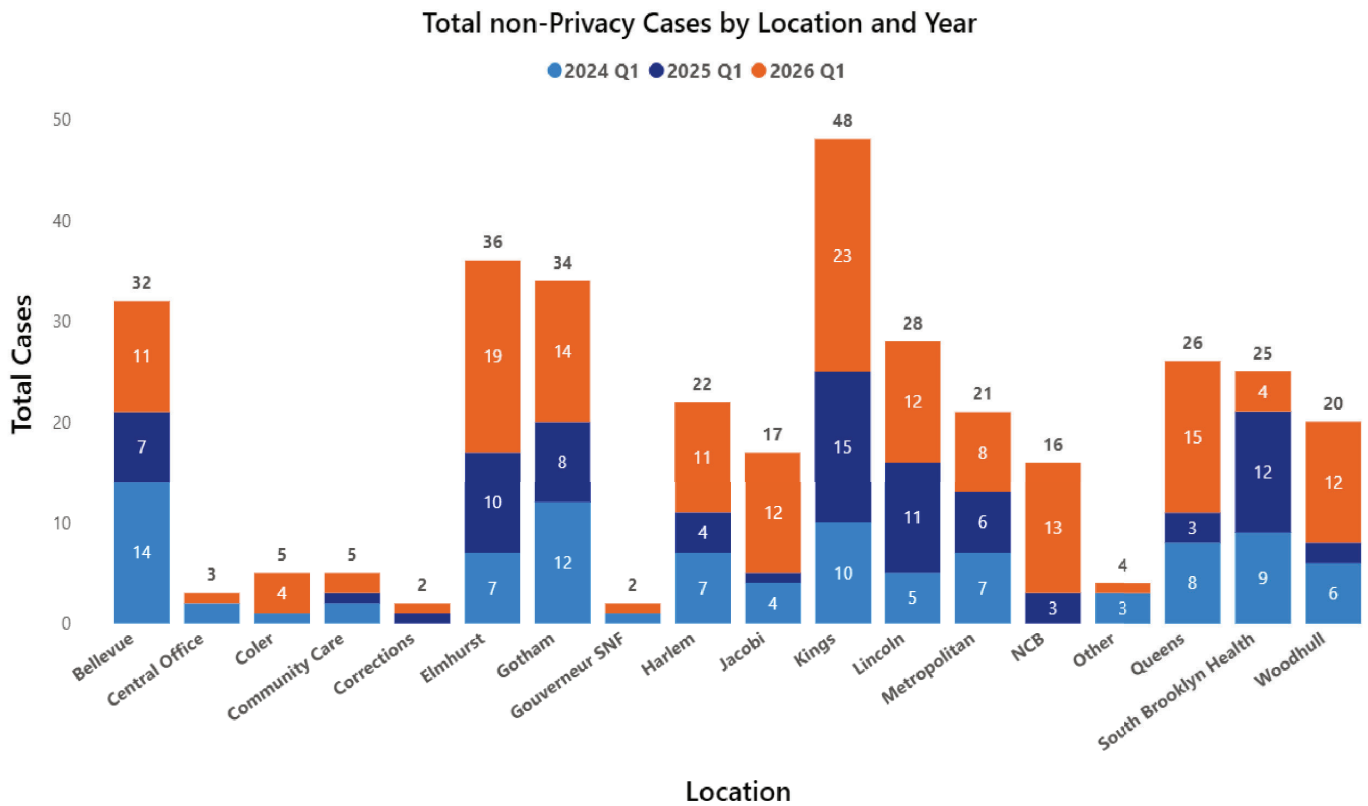
- 1st Qtr. comparative analysis of all privacy cases for CY's 2024, 2025 & 2026

Privacy Compliance Case Volume by Year for Q1



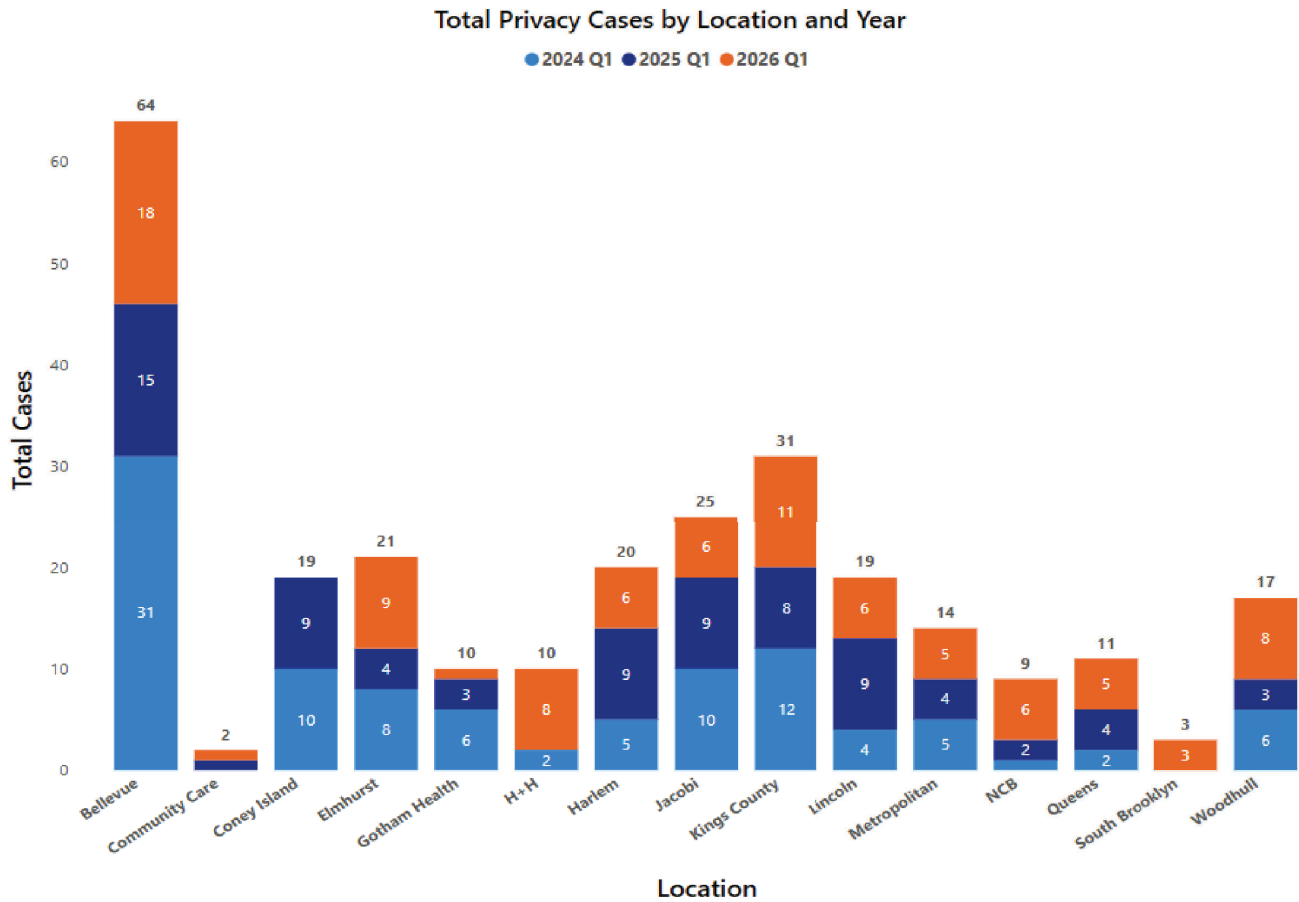
Compliance Report Metrics

- 1st Qtr. comparative analysis of **all non-Privacy** cases for CY's 2024, 2025 & 2026 by Facility



Compliance Report Metrics

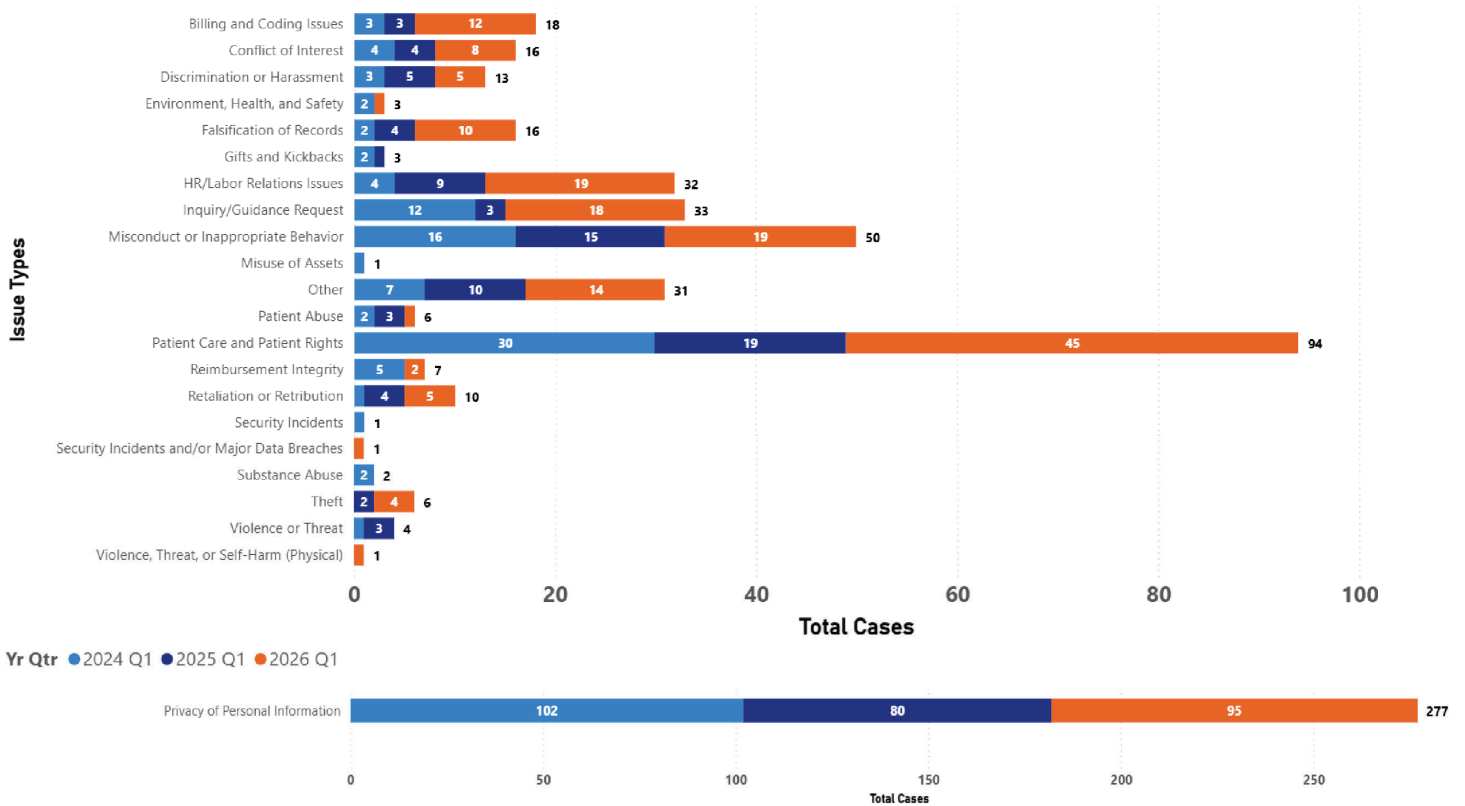
- 1st Qtr. comparative analysis of **all Privacy** cases for CY's 2024, 2025 & 2026 by Facility



Compliance Report Metrics

- 1st Qtr. comparative analysis of all cases for CY's 2024, 2025 & 2026 by Issue Type

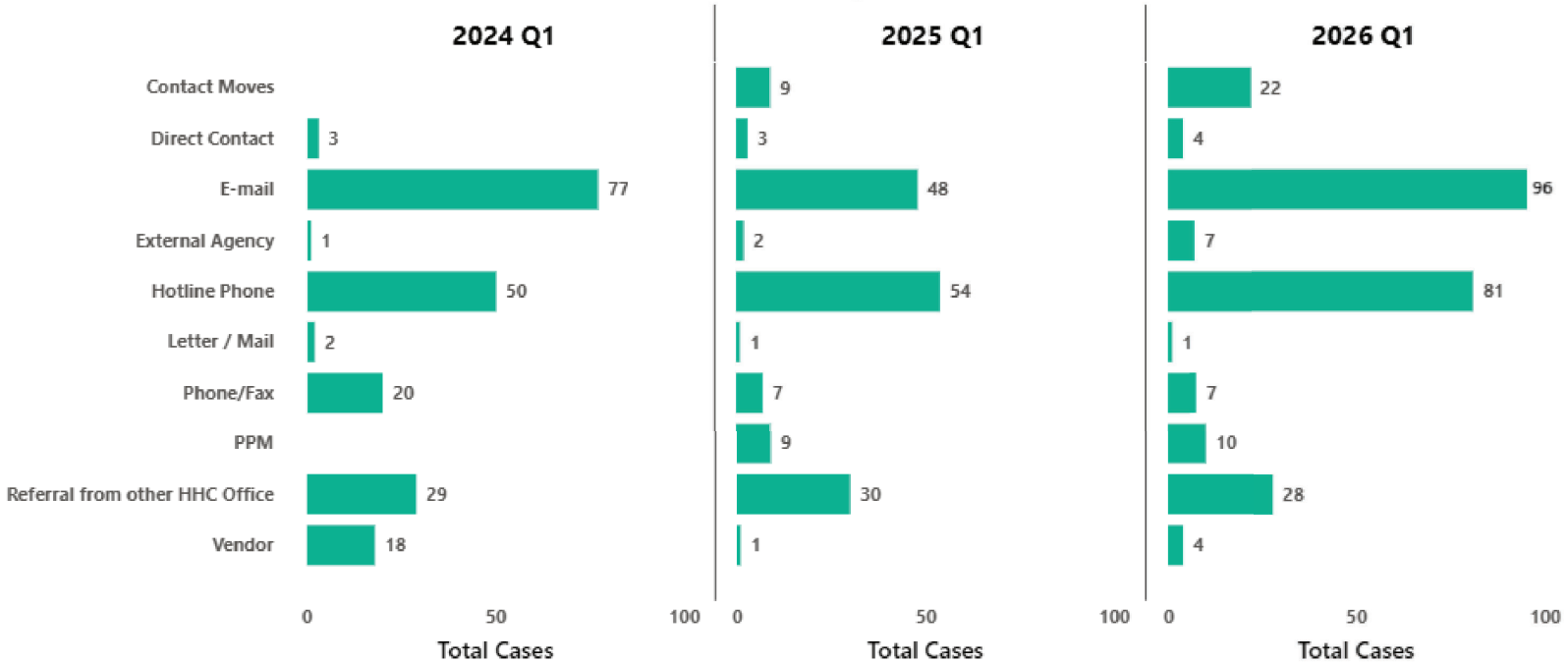
OCC Case Volume by Issue Type



Compliance Report Metrics

- 1st Qtr. comparative analysis of all cases for CY's 2024, 2025 & 2026 by Intake Method

Compliance Case Volume by Intake Method



Compliance Report Metrics

- 1st Qtr. comparative analysis of all cases for CY's 2024, 2025 & 2026 by Reporter Anonymity

