Minutes of the Audit Committee meeting of the Board of Managers of the Dallas County Hospital District, held Wednesday, November 13th, 2024, scheduled for 10:30 a.m. in the WISH Building Executive Conference Room (02-175) at Parkland Health and via WebEx. These minutes do not constitute a certified agenda from the meeting.

I. Attendance and Call to Order

Committee Chair Todd Furniss, JD, noted that a quorum was physically present and called the meeting to order at 10:30 a.m. Committee members Vincent Hall; Ramon Miguez, PE, and Elizabeth Palacios, MD, attended in-person.

Board Member attendees included: Marjorie Petty

Staff Present (via Webex and in-person) included:

Amy LaBarge, Dir. Internal Audit
Brett Moran, ACMO-CMIO
Carmen Bowling, SVP Nursing (via Webex)
David Alexander, SVP Nursing (via Webex)
Dawn Marchetto, SVP Nursing (via Webex)
Donna Richardson, EVP & CNE
Edmundo Castaneda, EVP & COO
Felicia Miller, EVP & Chief Talent Officer
Fred Cerise, President & Chief Executive Officer
Gerry Baker, SVP/Revenue Cycle
James Orrison, Administrative Resident
James Perez, VP Clinic Operations (via Webex)
Jared Ginter, VP Institutional Risk Mgmt.
Jessica Hernandez, SVP Chief DEI Officer
Joe Longo, SVP/Chief Information Officer
Kathleen Doherty, VP Nursing (via Webex)
Keri Disney-Story, VP/Clinical Finance
Lisa Cross, Dir., Post-Acute Service (via Webex)
Melanie Roberts, SVP & Chief Compliance & Ethics Officer
Morgan Simmons, Governance Program Coordinator
Molly Case, Sr. Dir., Virtual Care (via Webex)
Pamela Bryant, SVP Chief Supply Chain Office
Patricia Shirey, VP Clinic Operations (via Webex)
Saul Cordero, SVP Chief Governance & Strategy Officer
Shannan Bradley, VP Care Mgmt., & Post-Acute Services (via Webex)
Steven Roth, EVP Chief Legal Officer
Richard Humphrey, EVP & CFO
Vic Summers, SVP Internal Audit

Other Attendees:
Chris Clark, FORVIS-MAZARS
David Harwood, FORVIS-MAZARS
Abbey Tony, FORVIS-MAZARS

II. Mission Statement

Committee Chair began the meeting by stating the mission statement:
Advance Wellness | Relieve Suffering | Develop and Educate

III. Public Comments Regarding Agenda Items

No members of the public registered for comments regarding the agenda items.

IV. Conflicts of Interest

After review of the agenda, the Chair noted zero conflicts of interest for Board Members present.

V. Reports Requiring Deliberation(s) or Approval(s)

A. DCHD Parkland Health Pre-Audit Letter

Chris Clark presented the scope of work FORVIS-MAZARS completed for Parkland in 2023 and 2024. This work included financial statement audits, uniform grant compliances audit and statutory AUDITS. Chris mentioned the key risk areas and disclosures based on the risk assessment process and presented the timeline regarding the overall risk assessment which will be complete in January 2025 when FORVIS-MAZARS returns to present the post-audit communication and findings to the Audit Committee. Chris made sure the Board knew of FORVIS-MAZARS independence and routine checks for all partners and professionals.

The Committee asked questions and received additional information related to the Forvis Report on DCHD Parkland Health Pre-Audit Letter

B. 2023 DCHD Defined Benefit & Contribution Plan Audited Financial Statements

Chris Clark mentioned that included in the Board's packet materials, there are two audits regarding benefits and contribution plans. Chris mentioned in terms of the supplemental plan, Parkland ended the year with $1.4 Billion in assets and on the defined benefits plan Parkland ended the year with about $1.7 Billion in assets. There was strong investment return in 2023. Chris mentioned FORVIS-MAZARS issued an unmodified and clean opinion on the plans financial statements meaning they are providing Parkland with a reasonable level of assurance that the financial statements and footnotes are both accurate and complete. Parkland's policies and practices as it relates to employee benefit plans are consistent with accounting and industry standard. Chris presented a few risk areas which included: management override of controls, plan contributions and management estimates, none of which had any matters reportable during the risk assessment process.

C. Open Session Summary to discuss following topics:
   a. Update on Fiscal Year 2024 Audit Plan
   b. Patient Scheduling Process Audit: *Presentation regarding the patient scheduling process and practices.*
   c. Open Session Audit Follow-up Reports: *Update on corrective action plans for audits presented in prior open session Audit Committee meetings.*

Amy LaBarge presented the open session audit summary. Amy mentioned as part of the Audit 2024 plan, 69% of projects are completed. Amy mentioned the Patient Scheduling process audit. Overall, the decentralized scheduling environments at Parkland result in many individuals across different departments having to schedule appointments. This makes it difficult to ensure that expected scheduling functions are performed consistently, and documentation is accurate.

D. Fiscal Year 2024 Internal Audit Annual Performance Report

Amy LaBarge mentioned the FY24 Annual Report summarizes the audit activities for the fiscal year required by the IIA standards. Amy mentioned out of the 36 planned activities, 20 are completed, and 10 are in progress (7 are carry-overs form 2023). The purpose of the annual report is to provide information on the assurance services, consulting services and other activities of the internal audit function. Amy mentioned the time summary for the internal audit department which budget 66 direct hours and 34 indirect hours, and the department remained on budget.

E. Fiscal Year 2025 Annual Audit Plan

Amy LaBarge presented the 2025 annual audit plan. Amy presented the organizational chart for the internal audit department which includes compliance audit, information systems audit and financial audit. Amy reviewed the planning process which includes ERM process reviews, discussion with the Audit Committee and Board of managers, ongoing monitoring and assessment of information received. Amy presented "The Three Lines of Defense Model" which cover management controls, governing body/Audit Committee controls and external/internal controls. Amy presented the FY2025 Audit Plan which aims to carry forward asset, contract labor and signa claims form 2024. The annual audits that occur each year will include, cash monitoring, HIPPA privacy, physical inventory, ERM, and more. Affiliates will continue to be monitored as well as risk projects such as professional billing, supply chain and information security.

F. Presentation on Recent and Potential Future Third-party Reviews/Audits Conducted of Parkland Departments and Systems

Vic Summers presented on the third-party reviews that were not initiated through the Internal Audit department but through third party services. These audits include financial risk areas, compliance, legal, IT and the MSA. Vic mentioned the compliance committee sees these audits as well, so from a legal perspective there are three reviews that occur between the audit committee, governance and compliance committee and internal audit.

Todd Furniss mentioned after listening to Charlie Johnson (FORVIS-MAZARS) he recommends that the Audit Committee has a better view of every and all audits occurring

with general awareness about new risks. Todd also mentioned the need to close certain gaps or overlap among the Compliance, Legal and Audit department.

The Committee discussed the organization of the internal audit department and the opportunities moving forward into FY2025.

VI. Executive Session

At 11:13 a.m., the Committee moved into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

Members of management were excused from the discussion of topics as necessary.

A. Executive Session Summary to discuss following topics:

   i. Virtual Visits Audit
   Presentation regarding virtual visit processes and related regulatory compliance.

   ii. UTSW Contract Fiscal Year 2024 Documentation Review
   Presentation regarding the billing of Master Services Agreement Relative Value Unit (MSA RVU) claims per contractual and regulatory requirements.

   iii. Nursing Homes Audit
   Presentation regarding the process and reporting of specific regulatory Nursing Home citations.

   iv. Executive Session Audit Follow-up Reports
   Update on corrective action plans for audits presented in prior executive session Audit Committee meetings

B. Fiscal Year 2025 Enterprise Risk Management (ERM) Presentation and Discussion of Findings (Tex. Gov't Code §§551.071 and 418.183(f)

C. Discussion regarding report and/or information provided by the Chief Audit Executive and related items on this agenda
(Tex. Health & Safety Code §§161.032 & 161.0315 and Tex. Occ. Code §160.007)

Chair adjourned Executive Session and moved into Open Session at 12:47 pm.

VII. Action Items

A. Committee may take action on any agenda item(s) above.

VIII. Adjourn

With no further business to discuss, the Committee Chair entertained a motion to adjourn the meeting at 12:47 p.m.

Ramon Miguez, motioned to adjourn the meeting. Vincent Hall seconded the motion. The motion passed unanimously.

SO RECORDED:

Todd Furniss
Todd Furniss (Feb 3, 2025 11:24 CST)

Todd Furniss, JD
Committee Chair

Steven J Roth
Steven J Roth (Jan 3, 2025 15:22 CST)

Steven Roth, JD, MPH
Assistant Secretary