Minutes of the Audit Committee meeting of the Board of Managers of the Dallas County Hospital District, held Wednesday, August 20th, 2025, scheduled for 10:00 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 10:00 a.m. Committee members Ramon Miguez, PE, Reina Gonzalez, JD, Yasmin Simon, JD and Elizabeth Palacios, MD, attended in-person.

Board Member attendees included: Marjorie Petty, JD, and Vincent Hall

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

Amy LaBarge, SVP & Chief Audit Officer
Donna Richardson, EVP & CNE
Edmundo Castaneda, EVP & COO
Felicia Miller, EVP & Chief Talent Officer
Fred Cerise, President & Chief Executive Officer
Keri Disney-Story, VP/Clinical Finance
Michelle Ng, Administrative Resident
Melanie Roberts, Chief Compliance & Ethics Officer (via Webex)
Morgan Simmons, Board Governance Program Coordinator
Saul Cordero, SVP & Chief Governance and Strategy Officer
Steven Roth, EVP Chief Legal Officer
Richard Humphrey, EVP & CFO

Other Attendees:
Charlie Johnson – Forvis Mazars (via Webex)

II. Mission Statement

The 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.

The Board Chair, Marjorie Petty, made initial remarks regarding committee size and composition. Marjorie stated that the original committee size of three board members will now consist of five in total. The new committee members will be: Ramon Miguez, Reina Gonzalez, Elizabeth Palacios, and Yasmin Simon, in addition to the committee chair, Todd Furniss. Marjorie acknowledged and expressed her appreciation for the committee identifying the conflict of language within the charter. The charter will be amended during this meeting and recommended to the full Board for approval during the August 27th meeting.

V. Audit Committee Key Takeaways

Amy LaBarge presented Key Takeaways for August 2025. Amy presented the Audit Plan progress which is 24% complete and addressed the follow-up issues within the Audit department as of July 2025. Amy mentioned the committee will receive a presentation of the Institute of Internal Auditors Quality Assurance Review by Forvis Mazars and the committee will also deliberate and take action on the FY26 internal audit budget as well.

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

A. External Quality Assessment Report

Mr. Johnson emphasized that Parkland's internal audit function received the highest level of conformance with the Institute of Internal Auditors standards, with all assessed standards rated as "Generally Conforms." This outcome was based on stakeholder interviews, document reviews, and sample work paper evaluations. He highlighted several best practices observed during the review, including the internal audit team's dynamic and regularly updated audit planning process, which allows for flexibility and responsiveness to emerging issues. He also commended the policy implemented by Dr. Cerise requiring executive approval for significant changes to management action plans related to audit recommendations, noting this as a strong example of executive oversight and alignment.

Additionally, Mr. Johnson praised the internal audit team's above-average experience and professional credentials. He recommended that Parkland continue to expand its advisory services, suggesting that such engagements complement the assurance mission and enhance value to both management and the board. He concluded his presentation by expressing appreciation for the opportunity to work with Parkland and invited questions from the committee, offering to clarify any points as needed.

B. Audit Committee Charter

Amy LaBarge introduced the two changes to the Audit Committee Charter. The first change concerning committee composition, changed from the committee consisting of the Chair and two other Board Members to "at least two" other Board Members. This change will now be consistent with the Board Bylaws. The only other change occurred to the Internal Audit section which will now include updated language regarding the professional practices' framework name change. This section will now reflect the name

"The institute of Internal Auditors' International Professional Practices Framework and Global Internal Audit Standards.

Todd Furniss asked for a motion to recommend the Board Audit Committee Charter for Board approval. Ramon Miguez motioned for approval. Elizabeth Palacios seconded. The motion carried unanimously.

C. Internal Audit Department Charter

Amy LaBarge presented the updates on the Internal Audit Charter. The committee reviewed the revised Internal Audit Charter dated July 2025. The updated version introduces several structural, content, and governance enhancements aimed at improving clarity, accountability, and alignment with professional standards. The revised charter features clearer section headings such as Purpose, Scope, and Responsibilities, replacing the previous narrative format. The revised charter introduces the concept of Aligned Assurance, promoting coordination with other assurance functions to maximize coverage and reduce duplication, with an escalation process defined if coordination is insufficient. It also mandates an annual review of the charter by the CAE, followed by review by the Audit Committee and approval by the Board of Managers.

Todd Furniss asked for a motion to recommend the Internal Audit Department Charter for Board approval. Elizabeth Palacios motioned for approval. Ramon Miguez seconded. The motion carried unanimously.

D. Fiscal Year 2025 Audit Plan and 2026 Draft Audit Plan

Amy LaBarge presented the adjustments to the Internal Audit Plan from 2025. Amy noted the original plan was based on 16 budgeted FTEs, but the team has been operating with approximately 11 to 12 FTEs. This staffing level is intentional, as an effort is underway to revise job descriptions to include more IT-related skills. The team has delayed hiring until these changes are finalized to ensure appropriate skill alignment and avoid misaligned expectations for new hires. Due to timing and resource constraints, the team recommended removing five audits from the current plan and reallocating efforts toward supporting Workday implementation. Three full-time FTEs are currently dedicated to assisting with data extraction and loading for Workday, which is considered a critical organizational initiative. Amy also proposed adding two audits, including further support for HCM and potentially payroll, based on emerging needs. The changes to the audit plan were discussed with the executive leadership, who agreed with prioritization and confirmed that the removed audits were of lower strategic importance.

Todd Furniss asked for a motion to recommend the FY25 audit plan adjustments for Board approval. Elizabeth Palacios motioned for approval. Ramon Miguez seconded. The motion carried unanimously.

Amy LaBarge next presented on the FY26 Audit Plan. Amy explained that the current year's audit planning process incorporated feedback from last year's review, as the current year's review is still in progress. Preliminary comments from the ongoing review were considered in shaping the audit list. Input was also gathered through phone calls and discussions with executive leaders and chiefs, drawing on prior audit experience, regulatory research, and professional forums. Topics flagged by agencies such as HHS, OIG, and DOJ were prioritized to ensure readiness for upcoming changes. Consultant resources and required stakeholder input, including from the committee, were also factored into the planning. A preliminary list of potential audits for 2026 was presented, compiled through this comprehensive process. The team requested committee members to review the list and provide feedback on audits to add or remove. It was noted that the list currently exceeds resource capacity by six audits, assuming a staffing level of 14 FTEs. Any additions would require further reductions. The team emphasized that audit execution depends on available documentation, especially for audits involving the health plan, where access is limited and reliant on collaboration.

Todd Furniss asked for a motion to recommend the FY26 audit plan for Board approval. Elizabeth Palacios motioned for approval. Ramon Miguez seconded. The motion carried unanimously.

E. Internal Audit Fiscal Year 2026 Budget

Amy LaBarge presented the project budget for FY26 and mentioned the supplies category is slightly higher than anticipated due to the need for update conference rooms, replacement equipment and continuing education. The FY26 professional fees are like what was presented in 2025 with the addition of Gartner Consulting fees now included. While technology investments are expected to eventually yield productivity gains, such as through AI-driven coding automation, these benefits will take time to materialize. In the short term, expenses will rise due to parallel operations—maintaining current staff while implementing new systems. It was noted that system costs may be lower than FTE expenses, but transitional double costs are unavoidable.

It was suggested that the budget be reassessed to ensure it aligns with the anticipated staffing levels, as current projections may be higher than expected.

Todd Furniss asked for a motion to recommend the FY26 Audit Department Budget for Board approval with the notion that there may be slight changes to the Audit Department Budget as discussed in the meeting which will be brought forth to the full Board on August 27th. Elizabeth Palacios motioned for approval. Ramon Miguez seconded. The motion carried unanimously.

F. Open Session Summary to discuss the following topics:

i. Follow Up Report Status
Amy reported on the follow-up status reports which showed four closed issues resulting in closing out one audit and one action due date change requests were received. The issues involved patient property, patient scheduling and lastly, Lien Waivers during a construction project review.

VII. Executive Session

At 10:48 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.
Tex. Health & Safety Code §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007; Tex. Gov't Code §§551.071.

A. Executive Session Summary to discuss following topics:
Tex. Health & Safety Code §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007

i. Contract Labor Audit, Report No. 24-05
Review to provide assurance that the controls established for contract labor invoice reconciliation are operating effectively.

ii. Follow-up Report Status – Executive Session
Update on corrective action plans for audits presented in prior executive session Audit Committee meetings.

B. 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.

C. Consultation with Attorney
Tex. Gov't Code § 551.071.

i. Pending Litigation Pertaining to a Retaliation Claim

ii. Review of Open Litigation, Claims, and Settlements
(See Attached List)

Chair adjourned Executive Session and moved into Open Session at 11:24 am.

The Chair, Todd Furniss, asked for follow-up items from the committee. None were mentioned.

VIII. Action Items

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

B. Deliberation and Possible Action on the Audit Committee Charter

C. Deliberation and Possible Action on the Internal Audit Charter

D. Deliberation and Possible Action on the possible adjustment of the Fiscal Year 2025 Audit Plan

E. Deliberation and Possible Action Regarding the Internal Audit Fiscal Year 2026 Budget

IX. Adjourn

With no further business to discuss, the Committee Chair entertained a motion to adjourn the meeting at 11:24 a.m.

SO RECORDED:

Todd Furniss
Todd Furniss (Sep 30, 2025 17:49:14 CDT)
Todd Furniss, JD
Committee Chair

Steven Roth
Steven Roth (Oct 1, 2025 12:29:26 CDT)
Steven Roth, JD, MPH
Assistant Secretary

Active Litigation Matters, August 2025

Construction Cleaning, Inc. v. Dallas County Hospital District
Cause No. CC-24-02035-C, In the County Court at Law No. 4, Dallas County, Texas

Dallas County Hospital District v. Morgan McAnelly, et.al.
Cause No. DC-22-02879, In the 44th District Court, Dallas County, Texas.
On appeal to the 5th Court of Appeals, Dallas, Texas, Cause No. 05-23-01295-CV

Dallas County Hospital District v. Goldwire, et. al.
Cause No. DC-23-01996, In the 68th District Court, Dallas County, Texas

Dallas County Hospital District v. Haley Burr, et. al.
Cause No. DC-23-20781, In the 101st District Court, Dallas County, Texas

Paul Aaron French a.k.a. Michael Vega v. Dallas County, et al.
Cause No. 3:22-CV-02702-E, In the US District Court, Northern District of Texas, Dallas Division

Hyde, Jason J. v. Dallas County, et al.
Cause No. DC-24-18636, In the 134th District Court, Dallas County, Texas

Shamond Lewis v. Dallas County, et al.
Cause No. 3:23-CV-00381-D, In the US District Court, Northern District of Texas, Dallas Division

Oludele Oladoja v. Dr. Zia Rehman
Cause No. 3:24-CV-02709-K-BN, In the US District Court, Northern District of Texas, Dallas Division

Dallas County Hospital District v. BARA, a Joint Venture
Cause No. DC-24-01577, In the 192nd District Court, Dallas County, Texas

Alejandrino Lopez v. Dallas County Hospital District d/b/a Parkland Health System d/b/a Parkland Memorial Hospital
Cause No. 4:25-CV-568, In the US District Court, Eastern District of Texas, Sherman Division

Angelica Reyna v. Parkland Health & Hospital System
Cause No. CC-24-08766-C, In the County Court at Law No. 3, Dallas County, Texas

Brandon Norwood v. Dallas County Hospital District
Cause No. 3:23-CV-01490-S, In the US District Court, Northern District of Texas

Alvah Johnson, Michael Pierce and Theodore Bramble v. Dallas County Hospital District
Cause No. 3:23-CV-01574-N, In the US District Court, Northern District of Texas

Edrise Newton v. Dallas County Hospital District d/b/a Parkland Health & Hospital System
Cause No. 3:24-CV-3008, In the US District Court, Northern District of Texas, Dallas Division

Mitzi Errett v. Parkland Health and Hospital System
Cause No. CC-22-05572-A, In the County Court at Law No. 1, Dallas County, Texas

Kiana Johnson v. Dallas County Hospital District
Cause No. CC-24-01307-B, In the County Court at Law No. 2, Dallas County, Texas

Giovonni Shelton v. Parkland Health
Cause No. 3:24-CV-2190, In the US District Court, Northern District of Texas, Dallas Division

Christopher Jordan Horn v. Kristi Tillery
Cause No. JPC-25-01010-22, In the Justice Court Precinct 2, Place 2 Dallas County, Texas

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