

AUDIT COMMITTEE
MEETING AGENDA

April 5, 2012

12:00 P.M.

125 Worth Street,
Rm. 532
5th Floor Board Room

CALL TO ORDER

Ms. Emily A. Youssouf

- Adoption of Minutes February 9, 2012

Ms. Emily A. Youssouf

INFORMATION ITEMS

- Internal Audits Updates
- Compliance Update

Mr. Chris Telano

Mr. Wayne McNulty

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

MINUTES

AUDIT COMMITTEE

MEETING DATE: February 9, 2011
TIME: 12:00PM

COMMITTEE MEMBERS

Emily Youssouf, Chair
Josephine Bolus, RN
Jo Ivey Boufford, MD

OTHER MEMBERS OF THE BOARD

Michael A. Stocker, MD

STAFF ATTENDEES

Antonio Martin, Executive Vice President/CCOO
Salvatore Russo, General Counsel, Legal Affairs
Marlene Zurack, Senior Vice President, CFO
Patricia Lockhart, Secretary to the Corporation, Chairman's Office
Deborah Cates, Chief of Staff, Chairman's Office
Jay Weinman, Corporate Comptroller
Christopher A. Telano, Chief Internal Auditor/AVP, Office of Internal Audits
Wayne McNulty, Corporate Compliance Officer
Devon Wilson, Senior Director, Office of Internal Audits
Julian John, Chief Financial Officer, Kings County Hospital Center
Gassenia Guilford, Senior Director, Corporate Finance
Kathleen McGrath, Senior Director, CO Communications
Chalice Diakhate, Director, Office of Internal Audits
Christopher Byrne, Controller, Bellevue Hospital Center
Ricardo Corrales, Supervisor Buildings & Grounds, Woodhull Medical & Mental Health Center
Lisa Scott-McKenzie, Senior Associate Executive Director, Woodhull Medical & Mental Health Center
Paul Pandolfini, Chief Finance Officer, South Brooklyn/Staten Island Network
Daniel Frimer, Controller, South Brooklyn/Staten Island Network
Kevin Fehily, Associate Executive Director, Materials, South Brooklyn/Staten Island Network
Kiho Park, Associate Executive Director, Queens Health Network
Zaheer Baig, Controller, Woodhull Hospital
Rosemarie Thomas, Staff Auditor, Office of Internal Audits
Steven Van Schultz, Director, Office of Internal Audits
Violetto Palmere, Assistant Director
Armel Sejour, Supervising Conference Examiner, Office of Internal Audits
Elizabeth Guzman, CFO, Metropolitan
Joseph Dubroja, Auditor, Office of Internal Audits
Patricia Jones, Regulatory Affairs/AED
Roger Mayer, Director, Office of Internal Audits
Nanda Damodara, Assistant Controller, Woodhull Medical & mental Health Center
Carol Parjohn, Supervisin Confidential Auditor, Office of Internal Audits
Satish Malla, Staff Auditor/IT, Office of Internal Audits

RECORDING SECRETARY

Carlotta Duran, Sr. Executive Secretary, Office of Internal Audits

FEBRUARY 9, 2012
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
NYC HEALTH & HOSPITALS CORPORATION

An Audit Committee meeting was held on Thursday, February 9, 2012. The meeting was called to order at 12:35 PM by Ms. Youssouf, Committee Chair. Ms. Youssouf asked for a motion to adopt the minutes of the Audit Committee meeting held on December 6, 2011. A motion was made and seconded with all in favor to adopt the minutes. Ms. Youssouf introduced the newest Audit Committee and Board Member Dr. Jo Ivey Boufford who was President of HHC under Mayor Koch's second and third administration and currently President of the New York Academy of Medicine.

Ms. Youssouf then stated that she has been hearing that some people are kind of pushing back and nervous about what Internal Audits is doing. She would like to reiterate the importance of Internal Audits in an organization. It is not that you did something wrong and you are going to jail. It is more, okay, this is something we think we can improve and this is how to improve it. In most organizations various staff members will come to internal audits to ask for help. She urged everybody on the staff to pass the word along that internal audit is their friend, not the enemy. She then turned to Mr. Telano and asked him to introduce his staff.

Mr. Telano stated that he wanted to take this opportunity to thank his staff because they are the ones who perform all the work. After each audit meeting, he receives some accolades from each of the members and he wanted to pass that on to his many staff members.

Ms. Youssouf directed the audit staff by stating that the Audit Committee members are very, very impressed with the work all of them do and thanked them. She then asked Mr. Telano to begin his presentation.

Mr. Telano thanked Ms. Youssouf and stated that he will be using the Internal Audits briefing document as a guide and will discuss each of the sections.

Mr. Telano began the presentation by stating that the first item to be discussed is going over the completed audits. The first one is an audit of vital records performed at Metropolitan Hospital. He asked the representatives from Metropolitan to come to the table.

Ms. Youssouf asked them to introduce themselves. They did as follows: Patsy Jones, Associate Executive Director for Regulatory Affairs and Elizabeth Guzman, CFO.

Mr. Telano continued by stating that in his opinion this audit was the best example of the value-added approach that he has been pushing for throughout the organization. As Ms. Youssouf stated earlier, this was an audit in which we believe has assisted the Corporation and Metropolitan Hospital in making their operations more efficient. Mr. Telano noted that the Metropolitan staff was very, very proactive in addressing the audit comments. They reacted immediately, sometimes by the end of the day, in correcting some of the inefficiencies that were noted. He said that he applauds them in assisting us in that manner.

Mr. Telano continued by stating that as the briefing states one of the issues found was regarding the software system being used to register deaths and births. This system is provided by the Department of Health. The administrator assigned to this system was terminated in 2009 and there were duplicate accounts and we found there was no password expiration. It was recommended to them that all of these items be changed and as mentioned, management corrected everything immediately. The other finding was regarding the biometric machines which are also provided by the Department of Health. They are basically used to certify the birth and death certificates. The software use is EVERS, it's a web-based software hooked up to their computer and they input all the information. The process is they put their thumb in the machine to certify that all the information is accurate and timely. The finding is that there were some machines unaccounted for. According to the Department of Health, there should be thirteen machines, when a physical count was conducted there were eight. According to Metropolitan records they have seven.

Mr. Telano continued with the next area which was that birth registrations were not being done timely. We found that they had not been entered in the system for a nine-day period. Once the staff was notified, they immediately updated everything. Mr. Telano stated that it's his understanding that births and death should be entered within five days. The other finding was that spontaneous termination of pregnancies, STOPS and induced termination were being reported inconsistently. It appeared that the staff did not understand the difference between them, therefore there were being reported differently. Also, these STOPS and ITOPS had to be reported to the Department of Health electronically by the end of February, but we found that they were being reported manually as in the past which did not meet DOH's requirements. Once again when management was notified, they took action.

Mr. Telano continued with the last finding which is about death registrations and the late requests for burial permits for four people who had expired during the review. The burial permits are supposed to be completed five days after death, but they were requested 58 to 190 days after date of death. DOH policy requires the completion of a burial permit within 72 hours of death which means that bodies were still in the morgue.

Mr. Telano asked Ms. Guzman if this was correct. She responded by stating that they were fetuses. Mr. Telano stated that he did not think so, that they were people that were injured.

Ms. Guzman stated that this process has been tightened. There is daily communication between the morgue and the office to make sure whatever the status of what's in the morgue is being managed in a timely fashion.

Ms. Youssouf asked Ms. Guzman if she thought the internal audit report was helpful. Ms. Guzman responded yes.

Dr. Stocker asked if there's a plan to make sure that things discovered in an audit, in an individual facility becomes a lesson for the whole organization that this should not have to be done for every facility.

Mr. Martin answered yes, that that's his responsibility and he will pass on the recommendations and findings at the Senior Vice Presidents' meeting.

Dr. Boufford stated that this strikes her as a policy and procedures updates and training issues and it speaks to the system-wide question and whether steps should be taken to lead the other facilities.

Ms. Guzman responded that she's not sure if that's their role, but would hope that that's the role of the Audit Committee and possibly the Corporate Office to manage. In terms of Metropolitan, Ms. Jones was designated as the point person. Ms. Jones meets with the departments on a regular basis to check in and see that everything is in place. Ms. Guzman feels confident that this process has improved all the requirements.

Ms. Youssouf stated that what the Audit Committee has asked for is "best practices", whenever an institution finds things and finds ways to correct it she believes is your responsibility.

Mr. Martin stated that that's his job.

Mrs. Bolus asked if the forms were electronic or paper. To which Mr. Martin responded that the transmission to the Department of Health is electronic.

Mrs. Bolus then asked if the others are all paper? Mr. Telano responded that the birth and death registrations are through the software EVERS.

Dr. Boufford asked if the death registrations are also electronic. Mr. Telano responded yes, everything is electronic.

Ms. Youssouf if there were any questions. There were none. She thanked them.

Mr. Telano continued with his presentation by stating that he will speak about two audits done at Coney Island Hospital; Purchasing and the Medical Surgical Inventory Warehouse. He asked the representatives of Coney Island Hospital to come up to the table.

Ms. Youssouf asked them to introduce themselves for the record. They introduced themselves as follows: Gary Imperato, Purchasing Director; Paul Pandolfini, CFO and Kevin Fehily, Associate Executive Director for Material Services.

Mr. Telano stated that the issues found in the Purchasing audit were the same issues found throughout the Corporation. The first one is the for-payment only Purchase orders in which the invoice is paid before the purchase order is completed. These types of transactions are permitted because of emergency purchases for patient care. However, they need to be properly authorized by the executive director or his/her designee. The other two findings that we find consistently are the splitting of purchase orders. In the past, before the new Operating Procedure was issued there was a \$5,000 threshold, if it was over \$5,000 it needed additional approvals. We looked for purchase orders under that threshold for the same vendor in a short period of time for a similar item. The third area, Mr. Telano continued that seems to be prevalent throughout the organization is the processing of returned goods and the crediting on subsequent invoices.

Ms. Youssouf asked if there are plans to tighten this issue.

Mr. Pandolfini responded that for-payment only situations, we do them all and signing off on them and analyzing how to prevent it going forward. Some of the situations arise when crossing over from one

fiscal year to the next and that they are going to have to be more diligent in transitioning from one year to the next.

Mr. Imperato stated that as far as the split purchase orders are concerned, these are engineer and maintenance type orders, repairs and plumbing supplies for nonmedical. We started to move those purchases into contractors as these vendors did not have contracts. At this particular time they are being negotiated. There are other vendors that have contracts for those products. We are moving those purchases into those areas.

Dr. Stocker asked if they have seen the new procurement operating procedure? Mr. Imperato responded yes. Mr. Stocker ask him to comment on it. Mr. Imperato stated that it makes life a lot easier.

Mr. Imperato continued by stating that as far as the bidding practices is concerned we are now able to purchase up to \$25,000 for nonmedical, it actually streamlines the process. In as much as a bid takes a while, a written bid takes four to six weeks, sometimes longer, this will make life easier for the end user and put things in the proper place.

Dr. Stocker said that the idea was to make this workable but also follow the operating procedure.

Mrs. Bolus asked if the software detects if the end user has gone over the minimum amount?

Mr. Imperato responded that in the OTPS module there is a way to find out how many vendors are being used and how much has been spent and how the money is spent.

Ms. Youssouf asked if the system is able to keep track of the same vendors being used and how much they are getting?

Mr. Imperato responded that that was correct and we can look at the method of purchase and contract.

Mrs. Bolus asked if there a way to track when an item comes off warranty.

Mr. Imperato said that currently he does know of any software that does that. That it's up to the individual department to know when the warranty comes up.

Mrs. Bolus stated that was one of the problems, that in the past they were being presented with things that were past the warranty date and resulted in hasty purchases.

Dr. Stocker asked if all the contracts are being entered into GHX system now and does it track when they are going to expire. To which Mr. Imperato responded that the GHX system is much better than it was, there are a number of contracts that are active in there and are kept up to date. There are still some issues when things expire but it's much better than a year ago and that is due to the training the staff is getting in collaboration with Greater New York.

Dr. Stocker asked how comprehensive is it and are all the contracts that supposed to be on it are actually there.

Mr. Fehily responded that for all medical supplies and equipment, yes, and some household items. He does not think the engineering supplies has been moved yet, but that is the next step.

Mr. Telano continued by stating the other audit at Coney Island was a surprise count of the inventory medical/surgical area and the findings were that 81 percent of the items counted were incorrect. Noted also was that there were no security cameras around the stores. Warehouse management was not aware of all the individuals who have access to the inventory area and we found some items that were waiting for donation were left unattended and unsecured in the hallway. We also noted that when items were being distributed up to the units that there is some control weaknesses, no verification that the items being sent are the ones being ordered and there is no count being done to ensure that what the surgical unit ordered is the item received. The last finding had to do with the location of the warehouse. It's on the basement floor of the facility and because Coney Island is near or on the beach there is a lot of flooding. Air quality and the lighting are also very poor. The ceiling is low with exposed heating pipes. It just seems that some improvements need to be made within the physical warehouse.

Ms. Youssouf stated that this part raises some concerns. She asked if they have developed any kind of systematic plan or are in the process to actually address these items as far as some kind of inventory control, logging in, some form of accountability, proper counts as well as moving the storage area. Ms. Youssouf continued by saying that being close to a flood disaster puts the corporation in a very vulnerable position in terms of a lot of money being stored there in terms of product.

Mr. Pandolfini responded that in terms of controlling inventory, they have been reinforced through training and should be happening in the stores management area. Counts are done on a weekly basis. The counting department and assistant comptroller have put a program in place to do a shelf system count. There are still discrepancies and are in the process of examining what could be done to correct it. A lot of the discrepancies in counts are due to differences in the goods ordered and the way they are dispensing, for example a unit may be a case, but when dispensing it could be a bottle. In the absence of an automated inventory system, it is a fairly cumbersome manual process to keep track, but it has to be done. They are doing the best they can with the resources they have, they will continue to monitor this and improve it on a weekly basis by ongoing monitoring and feedback.

Ms. Youssouf asked if there was a best practice that another facility utilizes that perhaps would be helpful to share with Coney Island and she stated that the lack of controls is a big issue.

Mr. Martin responded that he did not know, but will certainly look to see and try to find out if there is some sort of best practice.

Ms. Youssouf added that if he could get back to them on that and also she said that she would very much like to encourage them to try to put together some kind of plan. That she knows it is difficult and that she appreciates it, but it is also incredibly important.

Dr. Boufford asked if there's a bar coding system and if that's a system that might be explored? To which Mr. Martin responded that he thinks it's a great idea that he certainly thought of that too. But he would include that as well as anything else in terms of best practice.

Mr. Pandolfini added that as far as the camera placement goes, there is a hospital-wide project going on right now but for safety and security reasons. It's not completed but it includes the area that was audited.

Dr. Stocker asked that after going through the trouble of an audit, is there a way of instituting them into an operating procedure and that at least evaluating the possibility of that. To which Mr. Telano responded that he does not believe there is an OP on that. Mr. Stocker then stated that it seems like a way to institutionalize what is found and make it available.

Mr. Martin stated that there is an operating procedure in terms of filing a birth and death certificate.

Ms. Youssouf stated that again inventory control may be a bigger issue because there seems to be an issue with this elsewhere. She knows it's a big issue to deal with especially with the amount of inventory therefore she thinks the recommendation of the scanners, the bar code, is a great one.

Dr. Boufford stated that it's a capital project for the other side.

Ms. Youssouf stated that there's got to be a manual way to at least do something. Also she hopes that by the next Audit Committee they'll be a plan in place.

Mr. Telano added that the cycle counts they have done help and it brings to light unit of measure issues that Mr. Pandolfini was saying. Four out of the 15 discrepancies found probably resulted because of unit measure issues.

Dr. Stocker stated that he just wanted to say great job in evacuating the hospital during the storm.

Ms. Youssouf thanked them.

Mr. Telano continued stating that the next audit is another about purchasing with the same findings. He then asked the committee if they wanted the representatives to approach the table. To which Ms. Youssouf responded no and asked if there was anything different. Mr. Telano responded no. Ms. Youssouf then asked whose audit was it. Mr. Telano responded Generations+ Northern Manhattan Network.

Ms. Youssouf said that once again, this is a problem that it's a good thing the issues were highlighted and it's great to know what the solution is or what is going to be introduced in subsequent meetings.

Mr. Telano stated that the last item is the audit of the biomedical engineering function that occurred at Woodhull. Mr. Telano asked the representatives to come up to the table.

They introduced themselves as follows: Lisa Scott-McKenzie, Senior Associate Executive Director; Zaheer Baig, Comptroller and Mr. Corrales, Superintendent Buildings and Grounds.

Mr. Telano said that the objective of the review was to evaluate the controls of the management of the biomedical equipment. The equipment type is EKG's, ventilators and radiology. Overall, it was found that the record keeping of the database that they use needs some tightening up. For example, equipment that was relinquished still appeared to be active on the database. Work orders were not signed and reviewed by supervisory personnel. Biomedical engineering is not always notified when equipment is being moved, and there was no administrative oversight to the database system. Overall the recordkeeping being use needs to be corrected.

Ms. Youssouf said to please tell us how is this being addressed.

Ms. Scott-McKenzie started by thanking Internal Audits for their friendship and their recommendations. The audit was conducted in a very professional manner and we found their suggestions to be very helpful. All the items identified have been corrected except for the equipment that is moved during emergencies. Some additional supervisory controls have been added for example, patient services, AOD and some of the ADNs will track the equipment the next morning after to be sure we know where those pieces are located. We are also looking into an asset tracking system or GPS type system for the equipment. Since sometimes the equipment is put away in closets, with this system we'll be able to track them.

Ms. Youssouf added that she thinks that is a brilliant idea and maybe something that can be best practice that others may do.

Mrs. Bolus added that some of the equipment has to be put in the closet or JACHO will fine us for being in the walkways.

Ms. Scott-Mckenzie stated that it does have to be moved from the aisle, but in our facility there are segregated areas where they should be placed and that's where we expect to find it.

Ms. Youssouf thanked them.

Mr. Telano stated that he has a couple of other audits in progress. Last week the affiliation audits were started with SUNY at Kings County. As a follow-up from last meeting, the auxiliary audit at East New York is being completed. The field work by the CPA firm for year 2011 will also be starting next week.

On the external audits, regarding Overtime, we received some communication from the State Comptroller's Office after them being silent since June of 2010. They wanted an update on financial information for calendar year 2010 and 2011 because the work was done on data from 2009. They advised me that this information would be background and will not result in any additional findings.

The last page is follow-up audits which you had requested to be included. Since the last meeting, we did a follow-up audit on Medicare Billing at Gouverneur and everything has been resolved. The other audit still outstanding on the schedule from December, is the follow-up of the Purchasing audit at Queens Network, we have a meeting with them next week on the 15th. We reached out to them in January to try to perform this review, but they were not available to meet with us until February 15th, so we are a little behind on that.

Ms. Youssouf thanked Mr. Telano for a thorough report and she again thanked his staff.

Mr. McNulty began by introducing himself to the Committee Members and started his presentation with an Office of Corporate Compliance (OCC) staffing update. Mr. McNulty stated that the last time the Audit Committee met the OCC had five (5) vacancies. He was pleased to announce that all those vacancies had been filled and commented that a number of exceptional individuals were recruited. It was pointed out that one individual is currently the inspector general for the Workers Compensation Board of New York State. Mr. McNulty added that this individual also had sixteen (16) years experience as a deputy chief in the criminal bureau of the U.S. Attorney's Office for the Eastern District of New York. Mr. McNulty also informed the Committee that two individuals were recruited internally. He stated that one is the deputy corporate compliance officer, James Saunders. Mr. McNulty noted that Mr. Saunders has over twenty (20) years experience with HHC, He added that Mr. Saunders put in fifteen (15) or twenty (20) years at Bellevue and then at Central Office in the Office of Media Relations & Communications. He further added that Mr. Saunders was currently at Coney Island Hospital in the role of AED (Associate Executive Director) of facilities and communications. Mr. McNulty remarked that the other individual recruited internally was Iva Perlman. Mr. McNulty stated that Ms. Perlman was currently serving as HHC's deputy corporate risk manager. He stated that Ms. Perlman has years of experience at HHC and is a nurse by training. Mr. McNulty provided that the other individuals recruited included one individual who comes from the (NY) Attorney General's Medicaid Fraud Inspector Unit, and one individual who comes from IPRO.

Ms. Youssouf stated that that is wonderful, great recruiting and that she is happy that all those positions are filled.

Mr. McNulty continued by moving along to the Deficit Reduction Act (DRA) Certification and the Department of Social Services (DSS) Mandatory Provider Certification. Mr. McNulty explained that the DRA certification, which is required by the Federal Government, mandates that HHC certify it has written policies and procedures related to fraud, waste and abuse, whistle blower polices and policies that prohibit retaliation. With regard to the DSS provider certification, Mr. McNulty explained that this certification provides that HHC has a mandatory compliance program in place and HHC has all the elements in place for such a program. He advised the Committee that Mr. Aviles certified in December, through the office of the Medicaid Inspector General, that HHC had met both the requirements for the DRA certification and the DSS mandatory provider compliance program certification.

Mr. McNulty then continued with the CY 2010 Corporate Compliance Workplan. He remarked that the CY 2010 Workplan had 17 items. He added that the OCC had completed eight (8) of these items and the remaining nine (9) items were near completion. Mr. McNulty continued noting that In CY 2011 the OCC added 40 additional items to the Workplan, which were listed in attachment number two, page 16. He explained that new items were in the assessment phase where a determination would be made as to whether or not there is a risk or vulnerability with respect to a particular item. It was pointed out that these items came from the following: (1) Office of Inspector General and the Office of Medicaid Inspector General's work plans; (2) fraud alerts received by HHC; and/or (3) internal audits of HHC-operated facilities conducted by regulatory bodies. Mr. McNulty informed the

Committee that a web-based process procured last April, MediRegs, was used to help with the risk assessment process. He remarked that MediRegs was a very good product that has helped the OCC identify what the regulatory or the best practice standard was so that this standard can be met when the risk assessment are performed. Mr. McNulty provided that once the assessment cycle is finished the next step is the mitigation cycle. It was provided that once a risk or vulnerability is identified a plan of correction is determined and implemented by way of written policies and procedures and other internal control and practices. Mr. McNulty added that the next step in the process was the monitoring and auditing cycle. Additionally, where necessary items entered into a post cycle review phase - - thus where an item is closed and an effective plan of correction has been put forth but the item is reviewed once again in a year or two.

Mr. McNulty stated that he has been in talks with Mr. Chris Telano and his Office of Internal Audits to work jointly on the post cycle review phase to make sure that whatever plans or corrections in place were working. Mr. McNulty asked if there were any questions with respect to the Work plan.

Ms. Youssouf responded that this is very well organized and that the progress that has been made in his department since his takeover is equally as impressive as Internal Audits and that she is very pleased to see this.

Dr. Boufford asked if the group identifies possible vulnerability areas as well.

Mr. McNulty responded that the Office of the Inspector General for the Federal Government releases a general report that indicates the areas (of risk) that they look at. He added that the OCC then assesses whether or not HHC has vulnerabilities in these areas. The State Office of the Medicaid Inspector General releases a report six months thereafter and the OCC then updates its report (Workplan). It was noted that if any particular hospital facility has been audited by a regulatory body, the OCC communicates the same with HHC's Offices of the Inspector General, Internal Audits, and Legal Affairs.

Dr. Boufford asked if there is any communication with the Professional Affairs/Quality Committee, since the list includes hospital admission of undocumented immigrants and low birth weight.

Mr. McNulty stated that at first glance it looks like those items would be quality related, but the OIG is looking at whether or not HHC is following (CMS) conditions of participation.

Dr. Boufford added that she meant communication. To which Mr. McNulty responded that yes, in the agenda, on page four, item number V, it was agreed that a committee on compliance and quality would be established and it would meet with the chief medical officer and other members on a quarterly basis. This committee would look at Workplan items and determine whether a particular item should have oversight through the Audit Committee or the Quality Assurance Committee, or both under certain circumstances.

Dr. Boufford inquired whether item # 28 on the Workplan status update table (Human Research Subject Protection) was an IRB function.

Mr. McNulty responded that the Corporation has a human research protections administrator (HPA), who is required under HHC's terms of assurance with the Federal Government to enable HHC to

perform research. He commented that the OCC was working jointly with the HPA to further develop HHC's human research protections program. It was noted that HHC has a research council chaired by Dr. Wilson, HHC's Chief Medical Officer; it was also noted that the OCC was working with this council and the HPA on strengthening HHC's written policies and procedures with respect to research compliance. Mr. McNulty then moved forward on the agenda to item number IV (Updating Written Policies and Procedures), which he explained involved taking a closer look at HHC's written policies and procedures with respect to billing practices and other practices mentioned in the 1998 Office of the Inspector General's (OIG) compliance guidance. Mr. McNulty stated that the OCC was also looking at OIG's their 2005 supplement to ensure that HHC's current practices are consistent with OIG's recommendations contained therein.

Mr. McNulty continued by stating that the OCC was looking at HHC's Principles of Professional Conduct. He added that although HHC has a good Principles of Professional Conduct (POPC) in place now that is distributed to its staff and a corresponding signed acknowledgment is obtained, the POPC would be further developed in the form of an operating procedure. He added that he anticipated completion of the subject operating procedure in a month or so.

Ms. Youssouf asked if it's signed upon employment or is it re-signed every few years. To which Mr. McNulty responded that it's signed one time upon employment, but that the same principles were part of HHC's annual training.

Ms. Youssouf: asked Mr. McNulty to discuss item number VI on the agenda.

Mr. McNulty continued with the Network compliance activities. He explained that, where appropriate, individual compliance committees will be instituted at HHC's Diagnostic and Treatment Centers (D & TCs) and nursing facilities. Giving an example, he explained that in the Bronx, Segundo Ruiz Belvis and Morrisania D&TCs would have a joint committee meeting, but that individual meetings would also be conducted (at Renaissance). He commented that individual meetings are necessary to focus on compliance issues unique to these particular facilities. It was added that separate meetings would take place at Metropolitan and Harlem Hospital in CY 2012. Mr. McNulty then turned his attention to the last item on the report -- excluded providers. He remarked that there were no reports of self disclosures occurred since the last Audit Committee meeting.

Mr. McNulty stated that was end of his report.

Ms. Youssouf thanked both Compliance and Internal Audits and asked if there were other business.

Ms. Youssouf asked for motion to adjourn. The Board seconded. The meeting adjourned at 1:40pm.

Submitted by,

Emily Youssouf
Audit Committee Chair