



# SVHCD AUDIT COMMITTEE

## AGENDA

Tuesday, January 9, 2024

6:00 p.m.

**To Be Held in Person at  
 Sonoma Valley Hospital, 347 Andrieux Street  
 Administrative Conference Room  
 Sonoma, CA 95476  
 and Via Zoom Videoconference**

To Participate via Zoom Videoconferencing,  
 use the link below:

[https://sonomavalleyhospital-  
 org.zoom.us/j/95605538766?from=addon](https://sonomavalleyhospital-org.zoom.us/j/95605538766?from=addon)

**Meeting ID: 956 0553 8766**

One tap mobile

+12133388477,,95605538766#

<p>In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact Interim Board Clerk, Stacey Finn at <a href="mailto:sfinn@sonomavalleyhospital.org">sfinn@sonomavalleyhospital.org</a> or (707) 935.5005 at least 48 hours prior to the meeting.</p>		
<p><b>AGENDA ITEM</b></p>	<p><b>RECOMMENDATION</b></p>	
<p><b>MISSION STATEMENT</b>  <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p>		
<p><b>1. CALL TO ORDER/ANNOUNCEMENTS</b></p>	<p><i>Boerum</i></p>	
<p><b>2. PUBLIC COMMENT SECTION</b>  <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.</i></p>	<p><i>Boerum</i></p>	
<p><b>3. MINUTES 11.08.23</b></p>	<p><i>Boerum</i></p>	<p>Action</p>
<p><b>4. AUDIT FIRM CONSIDERATION</b></p>	<p><i>Armfield</i></p>	<p>Inform</p>
<p><b>5. REVIEW OF COMMITTEE CHARTER</b></p>	<p><i>Boerum</i></p>	<p>Inform</p>
<p><b>6. 2024 WORK PLAN</b></p>	<p><i>Boerum</i></p>	<p>Action</p>
<p><b>7. ADJOURN</b></p>	<p><i>Boerum</i></p>	



**SVHCD**  
**AUDIT COMMITTEE MEETING**  
**MINUTES**  
**TUESDAY, NOVEMBER 7, 2023 6:00 PM**  
**In-Person at Sonoma Valley Hospital**  
**347 Andrieux Street, Sonoma**  
**Optional Zoom**

<b>Present</b>	<b>Excused</b>	<b>Staff</b>	<b>Public</b>	
Bill Boerum in person Dennis Bloch in person Art Grandy via Zoom Wendy Lee Myatt in person		Ben Armfield, CFO, in person John Hennelly, CEO, in person	Elizabeth Marek, Armanino, LLP, via Zoom Brian Sackstein, Armanino, LLP, via Zoom	
<b>AGENDA ITEM</b>	<b>DISCUSSION</b>		<b>ACTIONS</b>	<b>FOLLOW-UP</b>
<b>MISSION &amp; VISION STATEMENT</b> <i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>				
<b>1. CALL TO ORDER/ANNOUNCEMENTS</b>	<i>Boerum</i>			
	Called to order at 6:02 pm.			
<b>2. PUBLIC COMMENT SECTION</b>	<i>Boerum</i>			
	None			
<b>3. CONSENT CALENDAR</b> Minutes 11.22.22	<i>Boerum</i>		<b>MOTION:</b> by Bloch to approve, 2 <sup>nd</sup> by Lee Myatt. All in favor.	
<b>4. SVHCD AUDITED FINANCIAL STATEMENTS FOR JUNE 30, 2022</b>	<i>Armanino, LLP</i>			
	Mr. Sackstein, audit partner, and Ms. Marek, engagement manager, presented the unmodified opinions of the financial statements and schedule of expenditures of federal awards and compliance with required major federal award programs.			

	<p>The single audit included two additional audit letters. This included the major program which was the provider relief fund general distributions and America rescue plan (ARA) rural payments. SEFA reported on for year-end 06.30.23 is based on HHS requirements of PRF payments received in Period 4. No material weaknesses or significant deficiencies over internal controls over financial reporting or compliance.</p> <p>An active discussion and questioning by the Committee to clarify various aspects of accounting treatment as reported by Ms. Marek as well as interpretations of the graphical analyses presented by Mr. Sackstein.</p> <p>The audit resulted in no material weakness noted and no significant deficiencies.</p>		
<b>5. AUDIT COMMITTEE 2024 WORKPLAN</b>	<p>Mr. Boerum recommended meetings in April and October. Mr. Sackstein offered to propose a timeline for 2024 meetings to Mr. Armfield for committee and Board review and approval. The committee agreed for Mr. Sackstein to send recommended meeting times in 2024.</p>		
<b>6. OTHER</b>	<p>Mr. Boerum noted that the Audit committee charter is due for its annual review. He proposed having a meeting January 10<sup>th</sup> to do so. This meeting will include a discussion about engaging a new audit firm.</p>		
<b>7. ADJOURN</b>	<i>Boerum</i>		
	Meeting adjourned at 7:57 p.m.		



SUBJECT: Audit Committee Charter	POLICY #
DEPARTMENT: Board of Directors	PAGE 1 OF 3
APPROVED BY: Board of Directors	EFFECTIVE:
	REVISED: 08.26.14

**Purpose:**

The purpose of the Audit Committee of Sonoma Valley Healthcare District (District) is to assist the District Board in its annual audit process. Subject to the ultimate authority of the District Board, the Audit Committee shall select, engage and oversee the District's outside auditor and approve and oversee all audit services provided by the District's outside auditor.

**Policy:**

**SCOPE AND APPLICABILITY**

This is a District Board Policy and it specifically applies to the Board, the Audit Committee, and the President/Chief Executive Officer (CEO) of the Sonoma Valley Hospital (SVH).

**RESPONSIBILITY**

Subject to the ultimate authority of the District Board, the Audit Committee (AC) shall:

1. Recommend the appointment and compensation of the independent auditor and provide oversight of the annual financial audit process. The independent auditor shall report directly to the Audit Committee.
2. Establish policies and procedures for the review and pre-approval by the AC of all auditing services.
3. Review and discuss with the independent auditor: (a) its audit plans and audit procedures, including the scope, fees and timing of the audit; (b) the results of the annual audit examination; and (c) the annual financial statements audited by the independent auditor.
4. Review the annual financial audit with management and determine whether to recommend the acceptance of the audit to the District Board.
5. Review with the independent auditor its judgment as to the quality, and not just the acceptability, of the District's accounting practices and internal controls, and such other matters as are required to be discussed with the Audit Committee under generally accepted auditing standards.
6. Review with the independent auditor and management any changes or improvements in financial or accounting practices that are necessary or desirable, and the extent to which any changes or improvements previously approved by the AC have been implemented.



SUBJECT: Audit Committee Charter	POLICY #
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DEPARTMENT: Board of Directors	EFFECTIVE:
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- 7. Review with the independent auditor any audit problems or difficulties and management's response to these issues.
- 8. Oversee the resolution of any disputes between management and the independent auditor if and when such disputes arise.
- 9. Perform such other duties and functions as are assigned, from time to time, to the AC by the District Board.
- 10. Annually review and reassess the adequacy of its charter and recommend any changes, if needed, to the District Board.

**Membership**

The Audit Committee shall be comprised of not less than two (2) members of the public, the Chair of the District Board, the Treasurer of the District Board, and the Chair of the Finance Committee. The CEO and the Chief Financial Officer (CFO) of the Hospital shall be non-voting members of the committee.

All voting members of the AC must be stakeholders of the District. A stakeholder has been defined by the District Board as:

- Living some or all of the time in the District, or
- Maintaining a place of Business in the District, or
- Being an accredited member of the Hospital's Medical Staff

The District Board Chair shall serve as the Chair of the AC. If the District Chair is not present at an Audit Committee meeting the Treasurer shall serve as Chair of the AC.

**Operations**

The Audit Committee shall meet at such times and places as the Audit Committee shall determine, but no less than two (2) times annually. Meetings of the Audit Committee may be called by the Chair of the Board, the CEO or the CFO.

All AC meetings shall be announced and conducted pursuant to the Brown Act.

Narrowly focused and short term ad hoc subcommittees may meet to address specific issues that will be brought to the AC for review and referral to the Board for its deliberation and action. Subcommittee meetings are not subject to the Brown Act.



SUBJECT: Audit Committee Charter	POLICY #
DEPARTMENT: Board of Directors	PAGE 3 OF 3
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The AC shall be authorized to adopt its own rules or procedures not inconsistent with (i) any provision of this Charter, (ii) any provisions of the Bylaws of the District, and (iii) the laws of the State of California.

The Chair of the Audit Committee shall report to the District Board on the actions taken by the committee.

**Public Participation**

The general public, Medical Staff, and Hospital staff are always welcome to attend and provide input. Other Board members may attend but may not comment as it may be a Brown Act violation.

## 2024 Audit Committee Work Plan

January	February	March	April
Audit Firm Consideration Review of Committee Charter Work Plan 2024	Charter Review Schedule work plan additions	Review audit firm proposals Recommend audit firm/team to Board	
May	June	July	August
September	October	November	December
Progress report on audit project	Review draft audit report		