

HEALTH SERVICES AND DEVELOPMENT AGENCY
AUDIT COMMITTEE MINUTES
AUGUST 25, 2010

COMMITTEE MEMBERS PRESENT

Lammert, Gregory, Vice Chair
Handorf, Charles, M.D
Johnson, D. Lynn
Jordan, Lisa, designee for the Commissioner of Commerce and Insurance

COMMITTEE MEMBERS ABSENT

Jones, Clark, Chair

AGENCY MEMBERS PRESENT

Koella, Carl, III, Chair
Southwick, William
Weaver, Faye, designee for the Comptroller of the Treasury

STAFF PRESENT

Hill, Melanie, Executive Director
Bobbitt, Melissa, Administrative Services Assistant III
Brogden, Reid, General Counsel
Christoffersen, Jim, Deputy General Counsel
Craighead, Alecia, Statistical Analyst III
Farber, Mark, Assistant Executive Director
Finchum, Rhonda, Director Administrative Services
Earhart, Phillip, Health Planner III
Wells, Phil, Health Planner III

Vice-Chair Lammert called the meeting to order in Meeting Room 12 of Legislative Plaza, Nashville, Tennessee.

Ms. Hill instructed the members to reference the Agenda under tab one in their notebooks as she outlined the items to be reviewed.

I. Charter Review

The Charter Review was reviewed and approved in 2009 with minor revisions. [Mr. Koella requested that the statement, ““when fraud is found,” be changed to “in the unlikely event that fraud is found.”]

Mr. Johnson moved to adopt the changes. Dr. Handorf seconded. The motion carried by Unanimous Voice Vote [4-0-0] **APPROVED.**

AYE: Jordan, Handorf, Johnson, Lammert

NAY: None

II. Risk Assessment Review

Ms. Hill stated that staff had reviewed the risk assessment and found that the risks were the same. Last year the Agency updated current internal controls on page 1, "Certificate of Needs are properly granted" by adding a check off list that health planners follow when reviewing the applications to ensure that all required information is obtained in the project's deemed complete review process.

Accounts Receivable Control Objective, page 2, "fees are safe guarded against loss or theft", updated because of the Edison system that is used by the State, changing the logging-in of the checks, incorporating the iNovah System where the checks are logged and receipted. The system will eventually automatically deposit checks so physical trips to the bank will no longer be required.

The DAS was previously responsible for all purchasing transactions. Last year this was changed to make Shared Services Solutions responsible for major purchases. To further segregate duties the ASA 3 will now be responsible for minor purchases. All other procedures are the same.

Mr. Johnson moved to adopt the changes. Dr. Handorf seconded. The motion carried by Unanimous Voice Vote [4-0-0] **APPROVED.**

AYE: Jordan, Handorf, Johnson, Lammert

NAY: None

IV. Code of Conduct Review

Code of Conduct was developed when the Agency was required to develop an Audit Committee in which the Conflict of Interest Policy (which was developed by staff attorneys in 2002) is incorporated into the Code of Conduct. Dr. Handorf suggested the Code of Conduct be disseminated and emailed to members and staff to read and all will respond as understanding and agreeing to abide by such via email.

Dr. Handorf moved to adopt the changes. Mr. Johnson seconded. The motion carried by Unanimous Voice Vote [4-0-0] **APPROVED.**

AYE: Jordan, Handorf, Johnson, Lammert

NAY: None

V. Review of FY2010 HSDA Deposits (Compliance with F&A Policy 25)

Shared Services Solutions audited deposits and found that the Agency was not compliant with Policy 25 two (2) times within the last year regarding fees collected. Policy 25 states that certain amounts are to be deposited within a certain time frame. Extraordinary circumstances prevented the checks from being deposited the day received due to employee leave and unexpected sickness. However, the deposit was made the next day without loss or theft.

Mr. Johnson moved to adopt the changes. Dr. Handorf seconded. The motion carried by Unanimous Voice Vote [4-0-0] **APPROVED.**

AYE: Jordan, Handorf, Johnson, Lammert

NAY: None

VI. Other Business

There were no other business items to be discussed.

VII. Current Reports

Minutes

Ms. Jordan moved to approve the minutes of the December 16, 2009 meeting. Mr. Lammert seconded. The motion carried by Unanimous Voice Vote [4-0-0] **APPROVED.**

AYE: Jordan, Handorf, Johnson, Lammert

NAY: None

Adjournment

Melanie M. Hill, Executive Director

MMH/MAB