

January 10, 2012

A special meeting of the Board of Commissioners of Whidbey Island Public Hospital District for the Washington State Auditors Exit Conference was called to order by President Tarrant at 1:00 pm. Present were President Tarrant; Commissioner Cammermeyer; Commissioner Zaveruha; Commissioner Wallin, Commissioner Case, Chief Executive Officer, Tom Tomasino; Chief Financial Officer, Joe Vessey; Chief Operating Officer, Hank Hanigan; Chief Quality Officer, Teresa Fulton; Controller, Joe Bradick; State Assistant Audit Manager, Kristina Baylor; and Auditor, Mark Aardal.

Audit Manager, Kristina Baylor, reported that the 2010 audit of the Whidbey Island Public Hospital District has been completed. During the audit accountability for public resources and compliance with certain laws and regulations were evaluated in the following areas:

- Conflict of interest/ethics laws
- Cabulance cash receipting
- Travel disbursements
- Manual warrants
- Cafeteria cash receipting
- Procurement – purchase orders
- Open Public Meeting Act

Auditor Mark Aardal stated that Conflict of Interest was examined due to a concern raised by a citizen. Cabulance cash receipting was reviewed so that they could see what had happened in that area since last year and that the District has done a fantastic job resolving the issue. There were no findings in the audit and only one management letter which will not be included in the audit report. Commissioner Cammermeyer asked about the status of the Conflict of Interest issue. Ms. Baylor stated that the work has been completed but not the wrap-up. The response to the citizen is in the draft stage and it is still being determined what method the response to the citizen will be in – either a phone call or a letter. A copy of the response will also be provided to the district. President Tarrant asked why the response would not be in the form of a letter. Ms. Baylor stated that usually responses are in letter form but additional information may need to be provided to the citizen for clarification. President Tarrant stated that her preference would be that the response be in writing to help limit any misunderstandings. Ms. Baylor stated that they also prefer a written response and they will let the Attorney General's office know that the District would also prefer that. Joe Vessey asked if the citizen concern will become public record. Ms. Baylor stated that the citizen is not protected under any whistle blower rules and that yes the concern can be obtained through the public records act. In addition when the hospital receives a copy of the response to the citizen, the citizen will be named. Mr. Aardal stated that the management letter addresses internal control cash receipting in the cafeteria and gives recommendations to the hospital on how to improve these controls. Ms. Baylor stated that at the next year's audit they will follow-up on this area. She noted that this is the only recommendation that they have. Most audits they complete for other organizations have multiple issues so this has been a good audit. She also noted that the Cabulance Cash Receipting and Overtime Payroll Policy issues from last year's audit have been resolved. Ms. Baylor stated that she expects the audit report to be published in three weeks after the response to the citizen has been completed.

There being no further business President Tarrant called for a motion to adjourn at 1:19 pm. Commissioner Cammermeyer made a motion, seconded by Commissioner Case to adjourn the meeting. Motion carried.