

ALBERTINA KERR CENTERS
Finance, Audit & Compliance Committee Minutes
August 11, 2020
5 to 7:00 p.m.
Via Teams

Members Present

David Connell, Paul Litwinczuk, Rod Malone, Melissa May, Jill Nickerson, Craig Payne, Karen Rasmussen, Laura Shipley

Staff Present

Jeff Carr, Owen Gibson, Janice Jacobs

Convene (Karen Rasmussen)

Karen convened the meeting at 5:03 p.m.

Approve Minutes of June 9, 2020 Meeting (All)

Paul Litwinczuk moved that the minutes be approved. Laura Shipley seconded. The motion passed via unanimous vote.

Review FAC Committee Charter (All)

Members reviewed a draft version of the Charter with recommended updates. The proposed changes to the FAC Committee Charter were discussed. These changes are intended to reflect the new Board and Foundation structure. The new Foundation bylaws, included in the meeting packet for reference, outline the specific duties and responsibilities to be carried out with approval of the full Albertina Kerr Centers Board of Directors. Previously, the Investment Committee has provided an annual investment report to the FAC Committee, and the FAC Committee reviewed any proposed changes to the Investment Policy to the Board for approval.

ACTION: Consensus was not achieved on the proposed changes to FAC Committee Charter. Committee members were asked to read through the changes and provide feedback to be included in the October FAC Committee meeting agenda for discussion and approval.

ACTION: The review of insurance coverage will be added to the October 6th FAC Committee meeting agenda and also to the Committee's objective worksheet.

Corporate Compliance Updates (Owen Gibson)

- Compliance Dashboard
 - One case of founded abuse was reported for the 3rd Quarter (calendar year) where an employee took medication intended for a client. That employee was terminated.
 - No HIPAA breaches have been reported for the current calendar year.
 - Blackbaud, Kerr's financial and donor database, reported they were hacked. They paid the ransom and it is believed no protected personal information was breached. Limited donor information may have been compromised. Further review will tell if notifications are necessary.
 - Fraud, Waste and Abuse violations have declined significantly with training and continuing focus.

- The volume of licensing visits has dropped with the COVID-19 pandemic. Those that have occurred have been good.
 - Vehicle accidents are on track with 2019 numbers. The most common accidents are accidents that occur when backing up vehicles.
 - Centers for Medicare and Medicaid Services (CMS) conducted an audit of subacute. The results were positive. They were particularly happy with Kerr's emergency management plan.
 - Employment exit surveys indicate pay and culture issues. There is a trend emerging that shows voluntary departures are happening early in employment, meaning people leave when they discover this is not the job for them, which is good. Compliance is looking deeper into the culture issue. Discussion was held about the categories of reasons for departure and how the information is gathered. More details are needed.
 - A suit filed by a former PALS employee was settled out of court.
 - A still unsettled case against Kerr has been delayed due to COVID-19. The last report from Kerr's attorney was that the case was looking positive for Kerr.
- Review Quality & Compliance Policies Chapter
 - Owen reviewed the Quality & Compliance Policies Chapter. The new format mirrors the look and layout of the overall agency policy revamp, using Chapters and sections or individual policies under Quality & Compliance.
 - The Code of Conduct policy, geared toward employees, also ties to the Board Code of Conduct policy.
 - Complaints and Grievances policy outlines the process and timeline in detail of filing a complaint or grievance.
 - The Fraud, Waste and Abuse policy clarifies definitions and responsibilities. Oregon regulations are integrated in the policy.
 - The internal audit policy is new and addresses the need for clear guidelines.
 - Information sources and references used in preparing the policies are listed at the end of the Chapter.
 - Owen is working on a roll-out plan for distributing and reviewing the policies with staff. Owen will report progress on the roll-out back to the FAC Committee.
 - A question was asked about the Denial of Service section and how denials are being tracked. Derrick Perry signs off on each denial, although a data collection has yet to be established. Owen will work on data collection to learn more about reasons and other information for denials.
 - Owen clarified that as the Committee Chair, Karen Rasmussen is notified of calls to the NAVEX hotline.
 - Kerr emphasizes to employees that they do not have to make the determination of abuse or neglect, so calling in for suspected violations is the only step they have to take and investigators handle the rest.

ACTION: Paul Litwinczuk moved that the new Quality & Compliance Chapter be recommended for approval by the full Governing Board at the September meeting. Jill Nickerson seconded. The motion passed via unanimous vote.

- Review Code of Conflict & Conflict of Interest Policy
 - Owen reviewed the Board Member Code of Conduct Policy.

- Follow-up discussion was held regarding some wording in the Code of Conduct policy. Re-wording is needed around setting the right tone for board member responsibilities and balancing expectations about being able to fulfill those responsibilities. For example: “Ensure that all clients’ rights are always protected,” should be reworded to take into consideration board members’ removal from Kerr’s actual work. Board members are responsible to the degree possible for ensuring management is always protecting clients’ rights.

ACTION: Owen Gibson will revise parts of the Code of Conduct to take into consideration a balance of responsibility for board members.

Financial Updates as of July FY2020-2021 (Janice Jacobs)

- Auditors have begun preliminary discussions and will begin September 1st.
- June year end financials are closed and overall the year-end looks good.
- An additional \$47k in revenue for employment services was received from the State.
- The Accounting Department is reviewing line items and working toward a reduction in adjustments. An audit item last year identified a Foundation and Accounting disconnect.
- A list of extraordinary items outlines high impact losses and revenues, mostly COVID-19 related.
- Wages were increased last year but will not be increased this year.
- Some FY2019-2020 final numbers could change; however, the year looks to end with a surplus.
- Jeff Carr received information that the special legislative session ended with no negative impacts to Kerr. The FY2020-2021 budget takes cuts into account and operations will continue on that course.

Other Discussion

The FAC Committee meeting time needs to be changed due to a conflict that cannot be changed. The Committee will reconsider the day and time for future meetings at the October meeting.

Update: A poll was conducted after the meeting. The next two meetings will be rescheduled to October 7th and November 2nd, from 4 to 6 pm.

Executive Session

The Committee entered executive session at 7 p.m.

Adjourn (Karen Rasmussen)

Karen adjourned the meeting at 7:19 p.m.

Recorded by Holly Edgar, Corporate Secretary