

BOARD OF TRUSTEES Compliance and Audit Committee

Thursday, October 29, 2026 | 10:15 AM
4800 Fournace Place, Bellaire, Texas 77401 | 1st Floor Board Room

*Notice: The meeting may be viewed online at: <http://harrishealthtx.swagit.com/live>,
and some Board Members may participate via videoconference.*

Mission

Harris Health is a public, integrated health system dedicated to improving the health of our communities by delivering high-quality, person-centered care in collaboration with community and academic partners.

AGENDA

- | | |
|---|-----------------------------------|
| I. Call to Order and Record of Attendance | Ms. Carol Paret 2 mins |
| II. Approval of the Minutes of Previous Meeting | Ms. Carol Paret 1 min |
| <ul style="list-style-type: none"> • Compliance and Audit Committee Meeting – August 27, 2026 | |
| III. Compliance and Audit Matters | Ms. Carol Paret 25 mins |
| A. Presentation Regarding the Harris Health Independent Auditor’s Pre-audit Communication, Including Consideration of Acceptance of the Pre-Audit Communication Letter for the Year Ended September 30, 2026
– Mr. Chris Clark, Forvis Mazars | <i>(10 mins)</i> |
| B. Presentation Regarding the Harris Health Internal Audit Annual Update for the Period October 1, 2025, through September 30, 2026
– Ms. Sharon Brantley Smith, Chief Assistant County Auditor | <i>(10 mins)</i> |
| C. Consideration of Recommendation for Approval of the Harris Health 2027 Internal Audit Charter
– Ms. Sharon Brantley Smith, Chief Assistant County Auditor | <i>(5 mins)</i> |
| IV. Executive Session | Ms. Carol Paret 60 mins |
| A. Presentation Regarding Harris Health Internal Audit’s Cybersecurity Risk Remediation Follow-up, Pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Gov’t Code Ann. §§551.071, 551.089
– Ms. Sharon Brantley Smith, Chief Assistant County Auditor | <i>(5 mins)</i> |
| B. Presentation Regarding Harris Health Internal Audit’s Status Update Related to Forvis’ Revenue Cycle Recommendations, Pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Gov’t Code Ann. §551.071
– Ms. Sharon Brantley Smith, Chief Assistant County Auditor | <i>(5 mins)</i> |

- C. [Presentation Regarding Harris Health Internal Audit's Globo Language Solutions Contract Compliance Audit, Pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Code Ann. §551.071](#) (5 mins)
– **Ms. Sharon Brantley Smith, Chief Assistant County Auditor**
- D. [Presentation Regarding Harris Health Internal Audit's Fiscal Year 2027 Annual Risk Assessment and Audit Plan, Pursuant to Tex. Occ. Code Ann. §151.002, Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Codes Ann. §§418.183, 551.089, Including Consideration of Recommendation for Approval of the Fiscal Year 2027 Harris Health Internal Audit Plan Upon Return to Open Session](#) (10 mins)
– **Ms. Sharon Brantley Smith, Chief Assistant County Auditor**
- E. [Presentation Regarding Corporate Compliance's Fiscal Year 2027 Annual Risk Assessment and Audit Plan, Pursuant to Tex. Occ. Code Ann. §151.002, Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Codes Ann. §§418.183, 551.089, Including Consideration of Recommendation for Approval of the Fiscal Year 2027 Corporate Compliance Audit Plan Upon Return to Open Session](#) (10 mins)
– **Mr. Anthony Williams**
- F. [Presentation Regarding Internal Quality Audit's Fiscal Year 2027 Annual Risk Assessment and Audit Plan, Pursuant to Tex. Occ. Code Ann. §151.002, Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Codes Ann. §§418.183, 551.089, Including Consideration of Recommendation for Approval of the Fiscal Year 2027 Internal Quality Audit Plan Upon Return to Open Session](#) (10 mins)
– **Ms. Vivian Ho-Nguyen and Ms. Debbie Chacko**
- G. [Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Health Care Program Requirements, Including Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, and Possible Action Regarding this Matter Upon Return to Open Session](#) (15 mins)
– **Ms.Carolynn Jones**

V. Reconvene

Ms. Carol Paret 1 min

VI. Adjournment

Ms. Carol Paret 1 min

HARRIS HEALTH
BOARD OF TRUSTEES
COMPLIANCE & AUDIT COMMITTEE MEETING MINUTES
Thursday, August 27, 2026
10:15 AM

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
I. Call to Order and Record of Attendance	The meeting was called to order at 10:15 A.M. by Ms. Carol Paret, Committee Chair. A quorum was noted as present, and attendance was recorded. The meeting may be viewed live via the Harris Health website: http://harrishealthtx.swagit.com/live .	
II. Approval of the Minutes of the Previous Meeting Compliance and Audit Committee Meeting – May 28, 2026	Ms. Paret presented the minutes of the Compliance and Audit Committee meeting held on May 28, 2026 for approval. A copy of the minutes is available in the permanent record.	Moved by Mr. Paul Puente, seconded by Ms. Carol Paret, and unanimously approved the minutes of the May 28, 2026, meeting. Motion carried.
III. Compliance and Audit Matters		
A. Presentation Regarding the Harris Health Quarterly Internal Audit Update as of August 27, 2026	Ms. Sharon Brantley Smith, Chief Assistant County Auditor, Harris County Auditor’s Office (“Auditor’s Office”), delivered a presentation regarding the Harris Health Quarterly Internal Audit Update as of August 27, 2026. She reviewed the Internal Audit strategic objectives and provided an update on the status of the Fiscal Year 2026 Audit Plan. She noted that five audit engagements had been completed, twelve engagements were in progress, and one engagement had been postponed to Fiscal Year 2027. She also provided an update regarding the follow-up of procurement recommendations, management action plans, and the annual risk assessment process. Ms. Brantley Smith stated that the Auditor’s Office continued to work with Harris Health and Harris County Purchasing personnel regarding outstanding procurement recommendations and noted that the majority remained in various stages of implementation. She reported that 24 management action plans from five engagements remained outstanding and that there were no past-due high-priority action plans.	As Presented.

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	Ms. Brantley Smith also discussed the annual risk assessment process, noting that interviews and surveys had been conducted with organizational leaders and Board members. She stated that the Internal Audit and Compliance and Accreditation teams had developed and prioritized their respective risk assessments and were developing proposed audit plans based on identified risks. She noted that the proposed plans would be presented to Executive Leadership and subsequently brought before the Compliance and Audit Committee for review and approval. Ms. Brantley Smith outlined the remaining activities for Fiscal Year 2026, including completion of outstanding audit engagements, finalization of the risk assessment process, and preparation of the year-end report. She noted that the October 2026 meeting would include updates regarding the final Audit Plan status, strategic objectives, external peer review results, the Internal Audit Charter, and the proposed Audit Plan. A copy of the presentation is available in the permanent record.	
IV. Executive Session	At 10:24 A.M., Ms. Paret announced that the Compliance & Audit Committee would enter into Executive Session for Items IV. 'A through C' as permitted by law under Tex. Gov't Code Ann. §551.071, and Tex. Health & Safety Code Ann. §161.032.	
A. Presentation Regarding Harris County Auditor's Internal Audit Report Related to Clinical Staff Licenses and Certificates Audit, Pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Code Ann. §551.071		No action taken.
B. Presentation Regarding Harris County Auditor's Status Update Related to ForvisRevenue Cycle Recommendations, Pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Code Ann. §551.071		No action taken.

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
C. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Health Care Program Requirements, Including Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032		No action taken.
V. Reconvene	At 11:44 A.M., Ms. Carol Paret reconvened the meeting in open session, confirmed a quorum, and noted that no action was taken in Executive Session.	
VI. Adjournment	There being no further business and without objection from the Members of the Committee, the meeting adjourned at 11:44 A.M.	

I certify that the foregoing are the Minutes of the Meeting of the Compliance and Audit Committee of the Board of Trustees of the Harris Health System held on August 27, 2026.

Respectfully submitted,

Ms. Carol Paret, BS, Committee Chair

Recorded by Cherry A. Joseph, MBA

Board of Trustees
Compliance & Audit Committee | Thursday, August 27, 2026
ATTENDANCE RECORD

PRESENT BOARD COMMITTEE MEMBERS	ABSENT BOARD COMMITTEE MEMBERS	OTHER PRESENT BOARD MEMBERS
Carol Paret, BS <i>(Chair)</i>	Ingrid Robinson, MBA	
Paul Puente	Marlen Trujillo, PhD, MBA, CHW	

PRESENT EXECUTIVE LEADERSHIP, STAFF & GUESTS	
Alexander Barrie	Jonathan Cochran
Anthony Williams	Lindsay Lanagan
Arlene Alanis	Louis Smith
Carolynn Jones	Maria Cowles
Catherine Walther	Dr. Matasha Russell
Daniel Smith	Maureen Bremo
Debbie Chacko	Michael Kaitschuck
Derek Curtis	Michael Nnadi
Ebon Swofford <i>(Harris County Attorney's Office)</i>	Olga Rodriguez
Dr. Esmaeil Porsa <i>(President & Chief Executive Officer)</i>	Omar Reid
Dr. Glorimar Medina	Pollie Martinez
Dr. Jackie Brock	Sharon Brantley Smith
Dr. Jennifer Small	Shawn DeCosta
Jennifer Zarate	Dr. Thomas Cummins
Jerry Summers	Victoria Nikitin
John Matcek	Vivian Ho-Nguyen

Virtual Attendee Notice: If you joined as a group and would like your attendance to be added to the official record, please submit an email to: BoardofTrustees@harrishealth.org before the close of business on the day of the meeting.

Thursday, October 29, 2026

Presentation Regarding the Harris Health Independent Auditor's Pre-audit Communication
for the Year Ended September 30, 2026

Representatives from the external audit firm Forvis Mazars will provide an overview of the risk assessment and audit plan for the fiscal year ended September 30, 2026.

A copy of the presentation is attached.



Victoria Nikitin

Executive Vice President – Chief Financial Officer



Harris Health

Annual Financial Statement Audit Plan

Year Ended September 30, 2026



Attest Services

1. Harris Health – Financial Statement Audit
Year Ended September 30, 2026
Lead Engagement Partner: Chris Clark, CPA
2. Harris Health – Uniform Grant Compliance
Year Ended September 30, 2026
Partner: Sara Grenier, CPA
3. Community Health Choice, Inc. – Statutory Audit
Year Ended December 31, 2026
Partner: Matt Howell, CPA
4. Community Health Choice Texas, Inc. – Statutory Audit
Year Ended December 31, 2026
Partner: Matt Howell, CPA
5. Employee Benefit Plan Audit – 401k Plan
Year Ended December 31, 2026
Partner: Ryan Singleton, CPA
6. Employee Benefit Plan Audit – Pension Plan
Year Ended December 31, 2026
Partner: Ryan Singleton, CPA



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Risk Areas & Key Disclosures

Based on the risk assessment process, we have preliminarily identified the following:

Patient accounts receivable

Estimate of net realizable value based on collection trends

Third-party payer settlements

Receivables associated with unpaid funding from Medicaid supplemental funding programs, exposure related to potential program overpayments and Medicare cost report settlements

Self-insured risks

Reserves for unpaid claims associated with professional & general liability, workers compensation, employee health and PHP claims

Net pension & OPEB liabilities

Liability associated with earned but unpaid pension and post-employment health claim obligations and related estimates of deferred inflows and outflows

Other considerations

Economic risks, Management override of controls, revenue recognition

Revenue recognition

Process by which revenue from patient services is recognized

Medicaid supplemental funding

Program descriptions, risks and revenue recognition

Tax revenue

Source of revenue, portions associated with operations vs debt service and the support provided by tax revenue in relation to total revenue

Retirement Plans

Description of employee benefit programs and key assumptions in the measurement of the net pension and OPEB liabilities

Planned Audit Scope

We welcome any input you may have regarding the information discussed below. We also welcome any insight you have related to any other risk areas or other significant risk areas you believe warrant particular attention.

Extent of Testing

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Establishing Our Understanding

An audit also includes obtaining an understanding of Harris Health and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of Harris Health's internal control over financial reporting. Accordingly, we will express no such opinion.

Communicating Deficiencies or Significant Matters

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate internal control related matters that are required to be communicated under professional standards.

We will also communicate significant matters arising during the audit of the financial statements that are relevant to you in overseeing the financial reporting process as required by professional standards.



Timeline

Planning September 2026

- ✓ Develop audit timeline with management team
- ✓ Compile list of needed schedules and provide to the finance team
- ✓ Perform preliminary risk assessment procedures

Risk Assessment September 2026

- ✓ Complete review of internal control documentation & test key controls
- ✓ Perform interviews of key personnel
- ✓ Information technology controls review
- ✓ Perform interim procedures on certain financial statement elements

Timeline

**Testing
Nov-Dec
2026**

- ✓ Perform substantive procedures on material financial statement elements and key risk areas
- ✓ Evaluate significant unusual transactions
- ✓ Conclude that all identified risks of material misstatement have been addressed
- ✓ Provide draft deliverables to management for review

**Finalize
reviews &
deliver draft
materials
Jan 2027**

- ✓ Work with third-parties to obtain final information needed to complete audit testing
- ✓ Draft audit report and related communications
- ✓ Engagement quality review of audit testing and deliverables
- ✓ Review draft deliverables with management

**Presentation
to the Board
Feb 2027**

- ✓ Present post-audit communication to the Board
- ✓ Discuss results of audit process and present finished audit report and related communications

Contact

Forvis Mazars

Chris Clark, CPA

Managing Partner

P: 713.647.1665

Chris.clark@us.forvismazars.com

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by Forvis Mazars or the author(s) as to any individual situation as situations are fact-specific. The reader should perform their own analysis and form their own conclusions regarding any specific situation. Further, the author(s)' conclusions may be revised without notice with or without changes in industry information and legal authorities.

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Planning Presentation to the Board of Trustees

Harris County Hospital District d/b/a Harris Health

September 30, 2026

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Thank You for Selecting Forvis Mazars

We are grateful for the opportunity to serve Harris County Hospital District d/b/a Harris Health and gain insight into your operations. This communication provides useful information relevant to your role as those charged with governance of the entity, including summarized information required by professional standards, such as the planned scope and timing of the audit.

Our goal is to establish a foundation for effective two-way communication throughout the audit. We are available at your convenience to discuss this information and answer questions as we begin our audit.

Contacts During the Engagement

We understand the appropriate person in the governance structure with whom to communicate is:

- Dr. Andrea Caracostis, Board Chair

Your audit leader for any questions or communications is:

- Chris Clark | chris.clark@us.forvismazars.com | 469.341.0790



Overview & Responsibilities



Matter	Description of Audit Area
Scope of Our Audit	We have been engaged to audit the financial statements of Harris Health for the year ended September 30, 2026. Please refer to our contract dated October 5, 2026 for additional information and the terms of our engagement.
Audit Standards & Materiality	We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial statement audits contained in <i>Government Auditing Standards</i> (GAGAS) issued by the Comptroller General of the United States, Title 2 U.S. <i>Code of Federal Regulations</i> (CFR) Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance), and the State of Texas Uniform Grant Management Standards (UGMS). Those standards require that we plan and perform the audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and the audit of compliance with the types of compliance requirements described in the U.S. Office of Management and Budget <i>Compliance Supplement</i> that are applicable to each major federal and state award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal or state award program occurred.
Our Responsibilities	We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with the applicable financial reporting framework.
Your Responsibilities	Our audit of the financial statements does not relieve you or management of your responsibilities.



Matter	Description of Audit Area
Distribution Restriction	This communication is intended solely for the information and use of the Board of Trustees and, if appropriate, management of Harris Health and is not intended to be, and should not be, used by anyone other than these specified parties.

Planned Timing of the Engagement

We succeed in our engagements by collaborating with management through frequent communication. We require the assistance of management and staff to prepare supporting documents, schedules, and analysis and depend on those items to be ready no later than the dates that we mutually agree will meet your deadlines.

Phase	Timing	Key Activities
Planning	September 2026	Meet with management to develop detailed timeline Identification of documents and schedules to be obtained
Risk Assessment, Including Developing & Understanding of Internal Control	September 2026	Document internal control design and evaluate implementation, including the financial information technology systems Interview accounting, finance, and/or other personnel Discuss within the engagement team risks specific to the engagement, including fraud Assess risk of material misstatement for significant financial statement amounts and disclosures

Phase	Timing	Key Activities
Risk Response, Including Inquiries & Substantive Testing	November–December 2026	Test material account balances and risk areas Evaluate significant unusual transactions Form conclusions on risks of material misstatement Seek correction of any auditor identified misstatements Perform exit conferences with management
Wrap Up & Reporting	January 2027	Completion of engagement executive and quality control reviews Delivery of draft reports and communications Conferences with management to review drafts and discuss results
Presentation to the Board	February 2027	Make required communications to those charged with governance Discuss audit results and present final deliverables Share insights and suggestions for the future
Compliance Testing	February–March 2027	Evaluate compliance with requirements that could have a direct and material effect on each major federal and state award program

Planned Audit Scope

We welcome any input you may have regarding the information discussed below. We also welcome any insight you have related to any other risk areas or other significant risk areas you believe warrant particular attention.

Extent of Testing

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Establishing Our Understanding

An audit also includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we will express no such opinion.

Communicating Deficiencies or Significant Matters

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate internal control-related matters that are required to be communicated under professional standards.

We will also communicate significant matters arising during the audit of the financial statements that are relevant to you in overseeing the financial reporting process as required by professional standards.

Significant Risks of Material Misstatement

We have preliminarily identified the following areas of significant risks of material misstatement due to error or fraud and of material noncompliance and propose to address these areas as described:

Risk Areas

Audit Approach

Economic risk – the current healthcare environment continues to be a potential threat and presents difficult circumstances and challenges for the healthcare industry. The funding received through the supplemental Medicaid programs also continues to present a challenge to Texas hospitals in estimating revenue.

Challenge estimates prepared by management, including the estimated values of patient accounts receivable and settlements from supplemental funding programs. Challenge disclosures regarding Medicaid revenue concentrations and impact of potential changes on future operating results. Challenge disclosures related to supplemental payment programs.

Management override of controls – the risk that management may override existing and functioning accounting controls is an inherent risk to Harris Health.

Review accounting estimates for bias, review selected journal entries, and evaluate business rationale for unusual transactions.

Revenue recognition – revenue cutoff and recognition of supplemental Medicaid payments significantly impact the financial statements of Harris Health.

Test revenue cutoff and review the status of open cost reports, review correspondence with Medicare and Medicaid administrative contractors, review management's estimate of the fiscal year 2026 cost report settlement. Review estimates associated with Medicaid supplemental funding related balances in conjunction with available external data and subsequent receipts.

Risk Areas

Management estimates – estimates and judgments made by management materially impact financial statement amounts. The following financial statement areas include material estimates made by management:

- Net realizable value of patient accounts receivable
- Estimated third-party payor settlements, including supplemental funding settlements
- Estimated incurred, but not reported, health claims for employees
- Estimated incurred, but not reported, health claims for Community Health Choice HMOs
- Net pension liability
- OPEB liability

Information technology – Harris Health has a sophisticated and complex ERP, which affects multiple areas related to financial reporting.

Audit Approach

Review management's estimates and challenge methods and assumptions used. Review historical trends and current-year information affecting collections, settlements, claims activity, pension obligations, and OPEB obligations.

Perform a "look-back" test to challenge management's past estimates, looking for both bias and historical accuracy. Review actuarial valuations, challenge the data used by review of open claims listings, and assess actuaries' qualifications.

Use Forvis Mazars IT specialists to review controls related to system security, change management, interface controls, and data integrity. Evaluate user access and segregation of duties conflicts.

Risk Areas

Compliance with federal and state funding requirements – Harris Health will be subject to the Uniform Guidance and UGMS audit requirements due to receiving and expending federal and state funds.

Audit Approach

Evaluate compliance with major program’s requirements, which will include obtaining an understanding of the internal controls related to the compliance and sampling of populations for compliance in relation to regulations set forth by the Uniform Guidance and UGMS.

We welcome any input you may have regarding the risk areas identified above, any other significant risk areas in your opinion, or other matters you believe warrant particular attention.

Other Procedures to Be Performed

We may also request written representations from Harris Health’s attorneys as part of the engagement, and they may bill Harris Health for responding to this inquiry.

At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

We may identify additional significant risks as we complete our procedures.

Adoption of New Accounting Standards

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*. The new accounting guidance updates certain aspects of the governmental financial reporting model, including management’s discussion and analysis, presentation of unusual or infrequent items, proprietary fund financial statements, major component unit information, and budgetary comparison information. Harris Health adopted this standard and applied it prospectively as required.

Consideration of Error or Fraud

One of the most common questions we receive from governing bodies is, “How do you address fraud in a financial statement audit?” Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in GAAS.

Our audit approach includes such procedures as:

- Engagement team brainstorming
 - Discussion among key engagement team members regarding Harris Health’s selection and application of accounting principles, including related disclosure requirements, and how and where Harris Health’s financial statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of Harris Health could be misappropriated
 - An emphasis is placed on the need to maintain a questioning mind throughout the audit and to exercise professional skepticism in gathering and evaluating evidence
- Inquiries of management and others
 - Inquiring of the Board of Trustees, the chief executive officer, the chief financial officer, and others within Harris Health about the risks of material misstatement
- Reviewing accounting estimates for bias
- Evaluating business rationale for significant unusual transactions
- Incorporating an element of unpredictability into the audit each year
- Performing analytical procedures

Sharing Our Commitments

Our commitment to our people, clients, integrity, and culture are critical to achieving quality in our practice. You can learn more in our [2026 Quality Report](#).

A graphic for the 2026 Quality Report. It features a large, stylized number '1' on the right side, composed of a grid of blue and yellow squares. The text '2026 Quality Report' is on the left. Below it is a paragraph: 'See our commitment to integrity, with a focus on key aspects of quality management.' A blue button with the text 'Read More' is below the paragraph. The Forv/s Mazars logo is in the bottom right corner.

2026 Quality Report

See our commitment to integrity, with a focus on key aspects of quality management.

[Read More](#)

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Thursday, October 29, 2026

Presentation Regarding the Harris Health Internal Audit Annual Update for the Period
October 1, 2025, through September 30, 2026

A copy of the full External Quality Assessment report has been included for review.



Sharon Brantley Smith, MBA, CIA, CFE, CISA, CGAP
Chief Assistant County Auditor, Harris Health
Harris County Auditor's Office



Harris Health Internal Audit

Annual Update for the period October 1, 2025 - September 30, 2026

Michael Post, Harris County Auditor

Sharon Brantley Smith, Chief Assistant County Auditor – Harris Health

HARRISHEALTH

Internal Audit's Mission & Vision

Mission

Harris Health Internal Audit will add value by helping Harris Health:

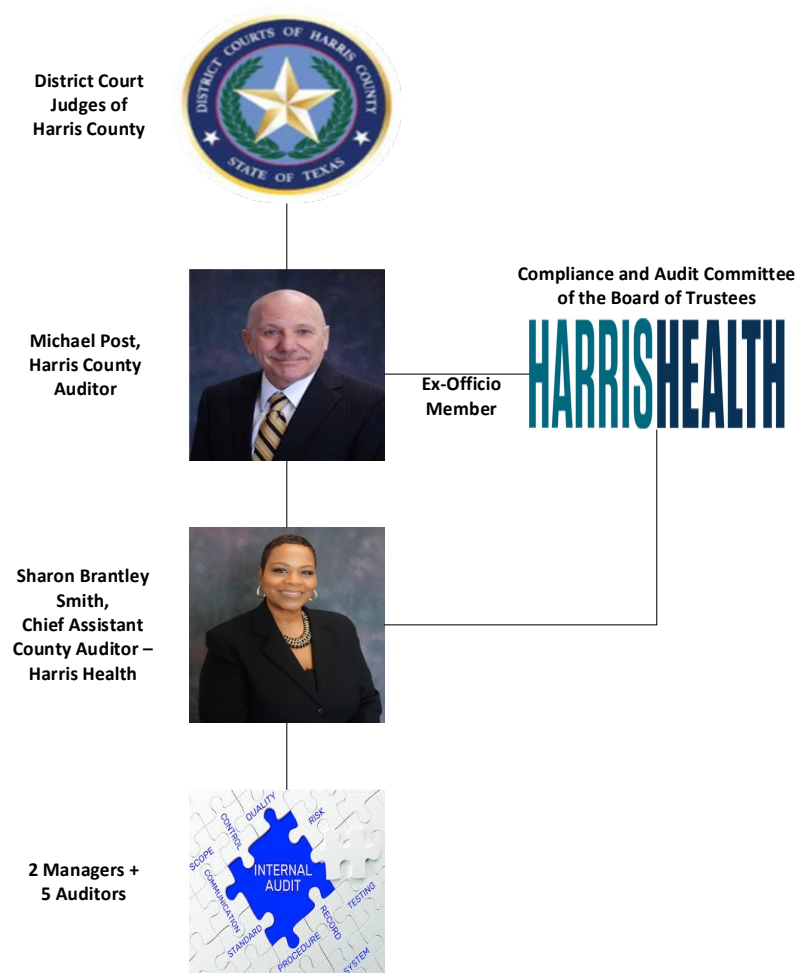
- Improve operations and enhance its ability to achieve objectives
- Ensure effective governance, risk management, and control processes
- Improve decision-making and oversight
- Protect its reputation and credibility with stakeholders



Vision

Harris Health Internal Audit will be a trusted advisor with the proven competence, objectivity, innovation, and foresight to help drive a culture of accountability and continuous improvement.

Organizational Structure



Team



Sharon Brantley Smith – Chief Assistant County Auditor, MBA, CIA, CPHRM, CISA, CFE, CGAP

Sharon has been with the Harris County Auditor's Office for seven years. She has more than 30 years of audit experience, including 19 years in healthcare internal audit. She previously served in internal audit roles at the Texas State Auditor's Office, Teacher Retirement System of Texas, Texas Workforce Commission, Texas Children's Hospital, and MD Anderson Cancer Center.



Veronica Kasdorf – Audit Manager, CPA, CIA, CFE, CHIAP, CRMA

Veronica has been with the Harris County Auditor's Office for six years. She has more than 30 years of audit and compliance experience, including 24 years in healthcare internal audit. Previously, she served in internal audit roles at Blue Cross Blue Shield, MD Anderson Cancer Center, University of Texas Medical Branch, and CommonSpirit Health (contractor for Crowe, LLP), after working at JP Morgan Chase and Ernst and Young.



Arlen Garcia – Audit Manager, MAcc, CPA, CIA

Arlen has been with the Harris County Auditor's Office for 12 years, including nine years in data analytics and four years in healthcare internal audit. She served in a compliance role at a financial institution before joining the County Auditor's Office.



Carol Chatman – Senior Auditor

Carol has 42 years of audit experience, including 12 years with the Harris County Auditor's Office and 18 years in healthcare internal audit. Carol began her career with Peat Marwick and Mitchell (now known as KPMG) and also worked in the oil and gas and insurance industries.

Team *(continued)*



Vince Varkey – Senior Auditor, MBA, CISA, PMP

Vince has been with the Harris County Auditor's Office for seven years. He has 16 years of audit experience, including 10 years in healthcare internal audit. He served in audit roles at Crowe, LLP, Protiviti, PwC, and Capital One before joining the Auditor's Office.



Christina Ljuca – Senior Auditor, CIA

Christina has been with the Harris County Auditor's Office for nearly two years. She has more than seven years of audit experience, including more than five years in healthcare internal audit. She previously served in internal audit roles at the Texas State Auditor's Office and Baylor College of Medicine.



Juliet Ashaolu – Senior Staff Auditor, MPA, CISA

Juliet has 16 years of audit experience, including five years in healthcare internal audit with the Harris County Auditor's Office. She was previously an auditor with the Texas A&M University System.

Professional Certifications Defined

CPA – Certified Public Accountant

CFE – Certified Fraud Examiner

CRMA – Certification in Risk Management Assurance

CIA – Certified Internal Auditor

CHIAP – Certified Healthcare Internal Audit Professional

CGAP – Certified Government Auditing Professional

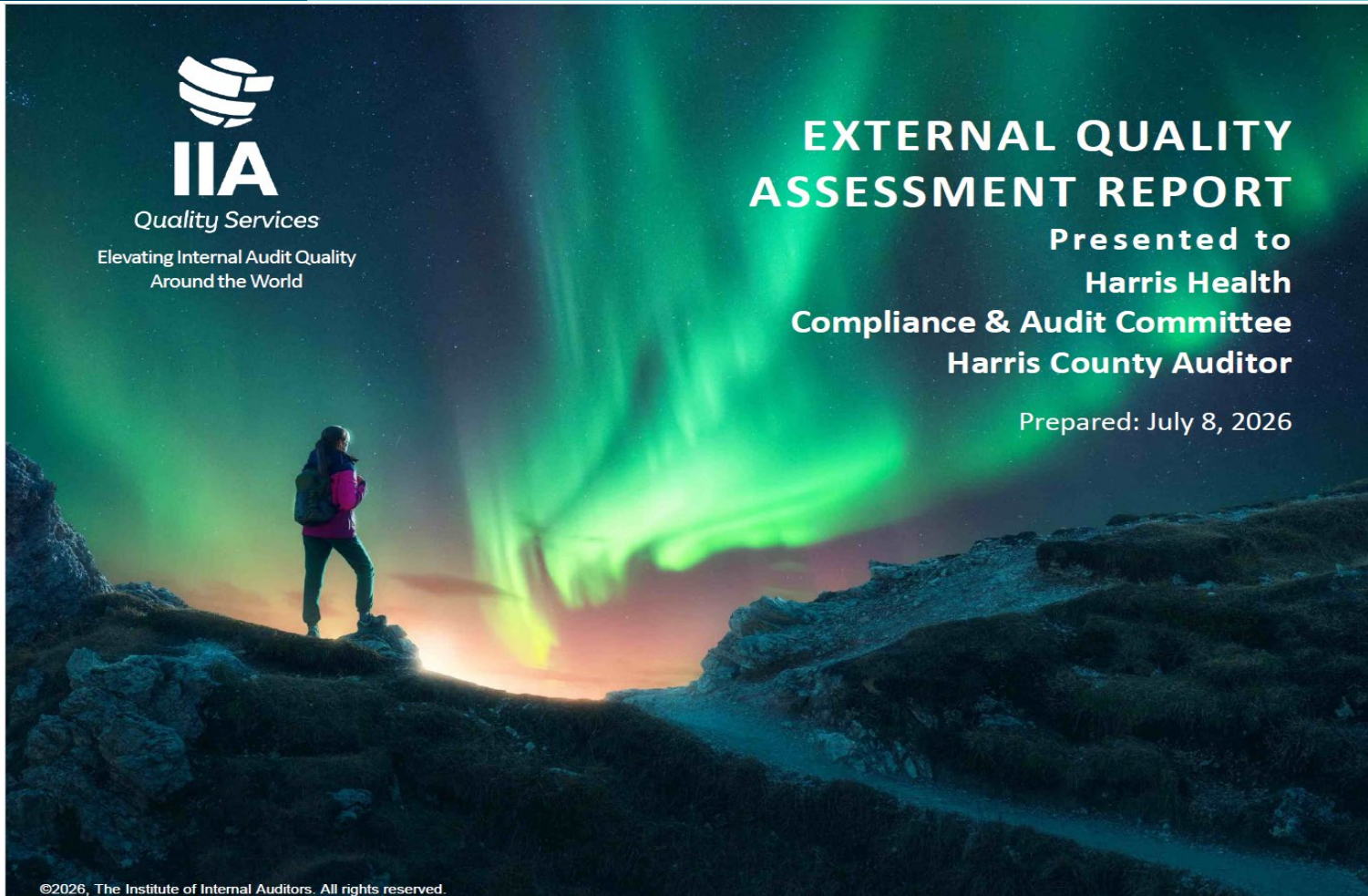
CISA – Certified Information Systems Auditor

CPHRM – Certified Professional in Healthcare Risk Management

PMP – Project Management Professional

2026 Internal Audit External Quality Assessment Results

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Objective, Scope, Methodology and Qualifications

OBJECTIVE

The objective of this assessment was to evaluate the Internal Audit Function's (IAF) achievement of the Purpose of Internal Auditing and the 15 Principles and conformance to the 52 Standards of the Global Internal Audit Standards per Standard 8.4 – External Quality Assessments.

SCOPE

As required by Standard 8.4, the scope of this assessment included a comprehensive review of the adequacy of the IAF's:

- Conformance with the Global Internal Audit Standards
- Mandate, charter, strategy, methodologies, processes, risk assessment, and internal audit plan
- Compliance with applicable laws and/or regulations
- Performance criteria and measures as well as assessment results
- Competencies and due professional care, including the sufficient use of tools and techniques, and focus on continual development
- Qualifications and competencies, including those of the chief audit executive role, as defined by the organization's job description(s)
- Integration into the organization's governance processes, including the relationships among those involved in positioning the internal audit function to operate independently
- Contribution to the organization's governance, risk management, and control processes
- Contribution to the improvement of the organization's operations and ability to attain its objectives
- Ability to meet expectations articulated by the board, senior management, and stakeholders

METHODOLOGY

To accomplish the above scope and objectives, the Assessment Team:

- Reviewed information prepared specifically for this external quality assessment by the IAF
- Conducted interviews with key stakeholders of the IAF including Compliance & Audit Committee Chair, County Auditor, senior executives and the Assistance Chief County Auditor (Chief Audit Executive [CAE])
- Reviewed a sample of engagement (assurance and/or advisory) projects' work papers, reports and other supporting documentation
- Reviewed the Internal Audit Function's Manual (policies and procedures) and other supporting records
- Reviewed survey data received from Internal Audit stakeholders and IAF staff resulting from IIA Quality Services' survey process
- Prepared diagnostic tools consistent with the EQA methodology stated in the IIA's *Quality Assessment Manual 2024 Edition*

Team Qualifications

- Independent from the organization, CAE and IAF staff (no conflicts of interest)
- At least one member of the assessment team holds a Certified Internal Auditor® designation
- Experience with and knowledge of the Standards and leading internal audit practices
- The Lead Assessor has previous experience performing external quality assessments
- Completion of external quality assessment training recognized by The Institute of Internal Auditors
- Experience as a chief audit executive or comparable senior level of internal audit management
- Experience in the organization's industry or sector (direct or via other external quality assessments)

Overall Conclusion

Harris Health

Harris Health's Internal Audit Function **Generally Achieves** the *Global Internal Audit Standards (Standards)*.

This level of achievement demonstrates a clear intent and commitment to achieving the Purpose of Internal Auditing and 15 Principles and conforming to the 52 Standards of the Global Internal Audit Standards.

Domain I Purpose of Internal Auditing		Domain II Ethics and Professionalism		Domain III Governing the Internal Audit Function		Domain IV Managing the Internal Audit Function		Domain V Performing Internal Audit Services	
Purpose	Rating	Principle	Rating	Principle	Rating	Principle	Rating	Principle	Rating
Purpose of Internal Auditing	GA	Demonstrate Integrity	FA	Authorized by the Board	FA	Plan Strategically	GA	Plan Engagements Effectively	GA
		Maintain Objectivity	GA	Positioned Independently	FA	Manage Resources	GA	Conduct Engagement Work	GA
		Demonstrate Competency	GA	Overseen by the Board	FA	Communicate Effectively	GA	Communicate Engagement Results and Monitor Action Plans	FA
		Exercise Due Professional Care	GA			Enhance Quality	FA		
		Maintain Confidentiality	FA						

Rating Legend (see Appendix A for Definitions)	
FA	Fully Achieves
GA	Generally Achieves
PA	Partially Achieves
NA	Nonachievement



Keith Kahl, CIA, CRMA, CPA, CGMA, CFE
Lead Quality Advisor (contractor)
IIA Quality Services

Chris Cirrito, CIA, CFE, CGAP
Quality Advisor (contractor)

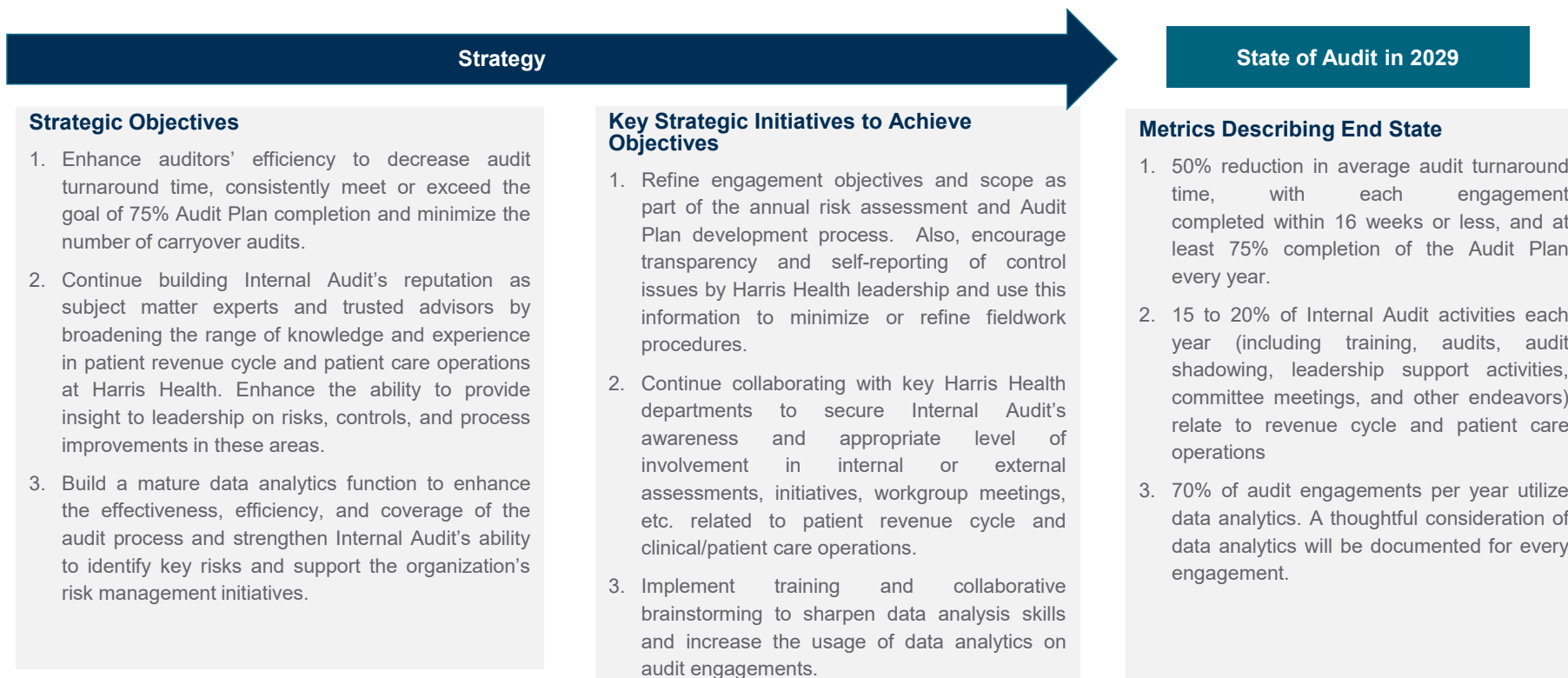
Warren Hersh, CIA, CPA, CISA, CFE
Director, IIA Quality Services
IIA Quality Services

The full External Quality Assessment Report is in the meeting packet.

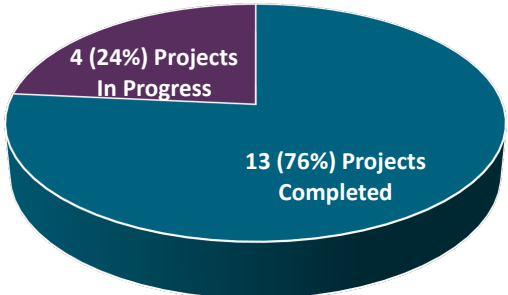
Strategic Goals & FY2026 Performance

HARRISHEALTH

Internal Audit's Strategic Plan at a Glance



FY2026 Performance

Goal	Performance Outcome
1a. 50% reduction in audit turnaround time	Did not achieve 2026 audit turnaround time averaged 26 weeks compared to the 2025 average of 30 weeks.
1b. 75% Audit Plan completion	Achieved 
2. 15 to 20% of Internal Audit activities each year relate to revenue cycle and patient care operations	Achieved The goal was achieved through audits, healthcare audit conferences and webinars, collaboration with Kodiak, Revenue Integrity COE meetings, and revenue cycle recommendation follow-up activities.

FY2026 Performance *(continued)*

Goal	Performance Outcome
3a. 70% of engagements utilize data analytics	Achieved <i>Five (71%) of seven applicable audits utilized data analytics.</i>
3b. A thoughtful consideration of data analytics is documented for every engagement	Achieved <i>A data assessment was prepared for every engagement as a required part of audit planning.</i>

FY2026 Performance *(continued)*

Summary Results - FY 2026 Post-Engagement Surveys

Survey Response Rate: 12.2% (5 of 41 surveys)

Harris Health Internal Audit was rated in the following areas on a 5.0 scale:

Your overall impression of the auditor that you or your staff communicated with most frequently	4.33
Your overall impression of the professionalism and courteousness shown by the audit team during the engagement	4.33
The audit team's ability to conduct their work with minimal disruption to your staff's operations	3.67
The audit team's understanding of the overall goals and objectives of your department	3.67
The effectiveness and timeliness of the audit updates and attention to your areas of concern	4.33
The clarity, ease of understanding and overall effectiveness of the audit report	4.0
The timeliness of the issuance of the final report	4.33

Detailed Status of FY2026 Audit Plan

HARRISHEALTH

Completed & In-Progress Engagements



13 (76%) Completed

1. Referral Process (*co-sourced w/Accreditation & Regulatory Affairs*)
2. Cash Handling - Food & Nutrition Services
3. Vaccine Management
4. Capital Asset Management
5. Clinical Staff Licenses and Certifications Audit
6. Follow-up on Recommendations from Protiviti's Procurement Assessment (***Full report in Appendix A***)
7. Cybersecurity & AI Training Compliance (***Full report in Appendix B***)
8. Follow-up on Recommendations from Forvis's Revenue Cycle Assessment (***Full report in Executive Session***)
9. Contract Compliance (***Full report in Executive Session***)
10. Cybersecurity Risk Remediation Follow-up (***Full report in Executive Session***)
11. FY2027 Harris Health Risk Assessment
12. Monitoring of Big Rocks Implementation
13. Harris Health Organizational Meetings



4 (24%) In Progress

1. LabCorp Payments Audit
2. Financial Assistance Eligibility Process Evaluation
3. Grant Billing Audit
4. Management Action Plan Follow-up

Follow-up on Recommendations from Protiviti's Procurement Assessment

Objective

Monitor progress with key recommendations from Protiviti's 2024 Procurement Assessment and validate implementation when complete.

Status

The Senior Vice President for Supply Chain Management, Procurement, and Contract Administration continues to provide monthly updates on recommendation status and has provided documentation for the completed recommendations. A summary status of Protiviti's 16 recommendations is as follows:

- Four recommendations are implemented.
- Two recommendations are pending implementation of a new ERP system.
- No action has yet been taken on four recommendations.
- The remaining six recommendations are in progress.

See full report in Appendix A.

2026 Cybersecurity & AI Training Compliance Assessment

Objective

Assess compliance with the state's annual cybersecurity and artificial intelligence training and reporting requirements.

Overall Conclusion

Harris Health generally complied with Texas Government Code §2054.519, Cybersecurity and Artificial Intelligence Training Required: Certain Employees and Officials for the year 2026. Specifically, Harris Health:

- Developed a comprehensive cybersecurity and artificial intelligence training program that was certified by the Texas Department of Information Resources (DIR) and is required for all active employees.
- Certified the training completion rate to the DIR. According to training records and Internal Audit's independent validation, 98% of Harris Health employees completed the training as of August 3, 2026.

Management Actions

None required.

See full report in Appendix B.

Update on In-Progress Management Action Plans

HARRISHEALTH

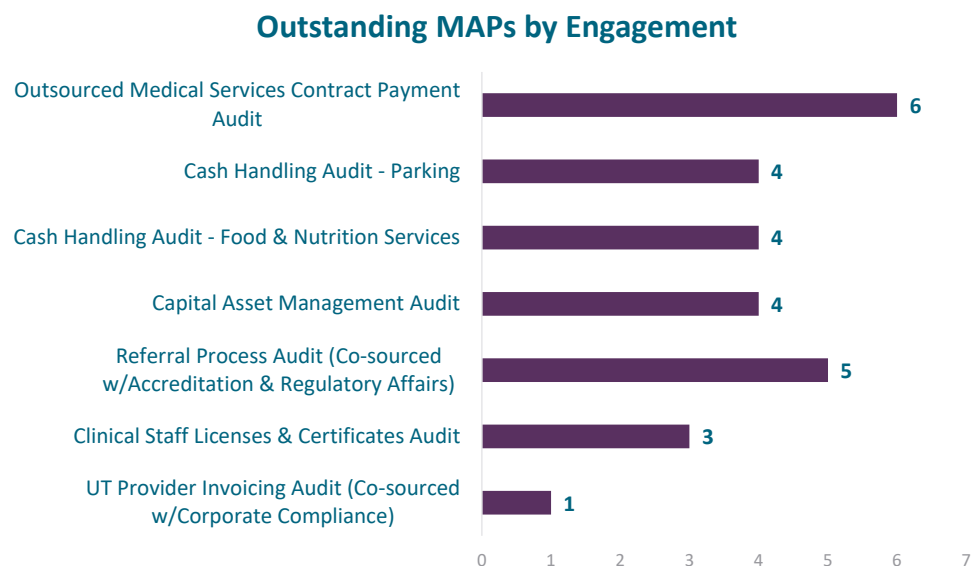
In-Progress Management Action Plans

At the end of each engagement, Internal Audit requests action plans and implementation dates from management to remediate the risks identified during the audit. Internal Audit follows up to confirm implementation of management's action plans (MAPs) and provides a monthly update on all outstanding MAPs to the responsible Executive Vice Presidents. Additionally, Internal Audit provides updates to the Compliance and Audit Committee on any past-due MAPs with a high priority for implementation.

A total of **27** MAPs are in progress from seven engagements (*Figure 1*). **There are no past-due*, high-priority MAPs.**

Due dates for the 27 MAPs range from March 31, 2026, to November 1, 2027. Validations are occurring for 11 MAPs that were due in March, July, August, and September 2026. **See MAP details in Appendix C.**

Figure 1



**Past-due means Internal Audit completed the validation work and concluded that corrective actions were not fully implemented, and management needs a due date extension for additional time to implement.*



Appendix A



Follow-up on Protiviti's Procurement Recommendations

In November 2024, Protiviti assessed the current state of Harris Health's procurement processes, identified strengths and weaknesses, and benchmarked the processes against industry standards. Based on the assessment, Protiviti provided 16 detailed recommendations related to:

- Organizational structure and staffing
- Key performance indicators (KPIs) and reporting
- Process automation, efficiency, and cycle time
- Communication, training, and awareness

Harris Health's Senior Vice President for Supply Chain Management, Procurement, and Contract Administration is leading the effort of prioritizing Protiviti's recommendations, collaborating with the responsible parties on implementation, and monitoring the status. Internal Audit has initiated an engagement to monitor progress and validate implementation. It is expected to be a multi-period engagement, due to the level of coordination needed among the responsible parties, the complexity of Harris Health's processes and the related recommendations, and pending organizational technology initiatives (e.g., ServiceNow and a potential new enterprise resource planning system) that could impact contracting and purchasing.

The following pages indicate the reported status of the 16 recommendations as of October 1, 2026.

Follow-up on Protiviti's Procurement Recommendations *(continued)*

Protiviti's Recommendation	Priority per Protiviti	Priority Order per Harris Health	Responsible Area	Status
Align roles and responsibilities to promote organizational accountability. Implement a process management framework through defining clear roles, responsibilities, and process owners, conduct training, and track ownership.	High	1	Supply Chain Management	Implemented. A roles and responsibilities matrix was developed for Purchasing, Supply Chain Management, and Contract Administration and was approved by Legal and the County Purchasing Agent. Initial training with Purchasing and Contract Administration took place July 8, 2026, and weekly training sessions continued through August 3, 2026, which was the go-live date for the new accountability structure.
Analyze spending by category to identify savings opportunities. Establish savings targets by category and develop a prioritized sourcing wave plan.	High	2	Supply Chain Management	In progress. Vendor agreements related to total joint, spine, and trauma are still occurring. Additional discussions are planned for October – November 2026. A Performance/Utilization Director was hired in August 2026 to monitor all contracts. Implemented. Reports were developed for Supply Chain to track and report UTHealth's and Baylor's utilization of implants and devices in approved categories. The schools met the FY2026 goal of 90% for their respective categories.
Define KPIs and service level agreements (SLAs). Expand target list of operating model KPIs to track to provide a more holistic view of Procurement performance and insights. Develop SLAs around the time to complete requests (e.g., contract, purchase, item add, supplier add).	Medium	3	Harris County Purchasing Contract Administration	In progress. The first iteration of KPIs is posted on Harris Health's Purchasing intranet page. KPI definitions, data sources, and goals have been documented. Supply Chain KPIs are in the early stages of development since the hiring of a new Value Analysis Director and Contract Performance Director. Additionally, Contract Administration is working with IT to update departmental reminders in PeopleSoft for contract renewals and expirations. This will help with KPI achievement and timely contract requests.

Follow-up on Protiviti's Procurement Recommendations *(continued)*

Protiviti's Recommendation	Priority per Protiviti	Priority Order per Harris Health	Responsible Area	Status
Expand utilization of existing technology for short-term improvement. Optimize PeopleSoft for workload assignment request management and monitoring where limited investment is required. Streamline item and supplier request process with centralized online forms.	High	4	Supply Chain Management	Pending. This recommendation will not be addressed until new ERP system is implemented in 2029. For now, there is increased visibility of contract requests and active contracts via stakeholder meetings. Contract Administration and Purchasing are updating related checklists, and IT is updating contract reminders in PeopleSoft.
Document guidelines and standard operating procedures (SOPs). Build SOPs and training materials inclusive of step-by-step process activities and guidelines on areas of confusion. Conduct training with key stakeholders.	Medium	5	Harris County Purchasing	In progress. Purchasing has completed the draft Purchasing Procedure Manual, which is being shared internally within Purchasing for comments and revisions. Harris Health will be given the opportunity to review.
Improve post-execution contract handoff process. Develop a process for post-execution contract handoff to departments that is inclusive of stakeholder meetings and trainings.	Medium	6	Contract Administration	Implemented. This is part of the accountability structure and training related to Harris Health Priority #1.
Utilize alternative purchasing methods. Continue efforts to stand up purchasing card program.	Low	7	Harris County Purchasing	Pending. This recommendation will not be addressed until new ERP system is implemented in 2029. For now, there is increased visibility of contract requests and active contracts via stakeholder meetings. Contract Administration and Purchasing are updating related checklists, and IT is updating contract reminders in PeopleSoft.
Drive transformational technology improvements. Drive procurement orchestration through workflow utilization. Implement and efficiently utilize Contract Lifecycle Management and Supplier Portal.	Medium	8	Supply Chain Management	In progress. IT finalized the statement of work for an agreement with IT solutions provider, Carahsoft. The contract request was entered in mid-September 2026.
Leverage Harris Health contract templates. Utilize Harris Health contract templates previously developed by Legal to draft contracts when possible. Develop additional contract templates for categories where currently missing templates.	High	9	Legal	Implemented. Contract templates are posted on the Purchasing intranet site for buyers to utilize. Informal guidelines for use of the templates were developed, and Legal trained sourcing leaders in Purchasing on the templates.

Follow-up on Protiviti's Procurement Recommendations *(continued)*

Protiviti's Recommendation	Priority per Protiviti	Priority Order per Harris Health	Responsible Area	Status
Develop new policies where there are no existing policies and update existing policies to ensure coverage on existing gaps. Provide communication and training on updates to relevant stakeholders.	Low	10	Contract Administration Harris County Purchasing	In progress. The Signature Policy was submitted for review, and Legal's feedback on the policy is still pending. Additionally, the draft Purchasing Procedure Manual is under internal review.
Formalize utilization of contract planning tools and meetings. Formalize contract planning tools and templates, and annual planning meetings and recurring meetings throughout the year to track and prioritize new contract requests and amendments, monitor upcoming expirations, and document supplier performance and action steps.	High	11	Contract Administration	Implemented. Meetings occur on Tuesdays with Contract Administration, Purchasing, Legal, Contract Portfolio Liaisons, and Buyers to discuss new and open contract requests. In lieu of the previous contract review and signing meetings on Thursdays, the review process is now completed through distribution of all new contract requests to the group. Any questions or concerns are considered, and the requests may proceed through the process or be put on hold.
Enhance master data management. Reconcile contract master, item master, and charge master data. Use technology to integrate data or utilize AI to perform automated reviews for discrepancies. Define and implement more frequent, proactive supplier master file cleanup activities.	Medium	12		<i>To Be Determined</i>
Develop a strategic sourcing methodology inclusive of tools and templates to be followed consistently on sourcing projects.	Medium	13		<i>To Be Determined</i>
Realign procurement organization and right-size FTEs. Transition Purchasing in-house to Harris Health and align reporting through the Chief Operating Officer. Ensure departments are appropriately sized and structured.	Medium	14		In progress. Currently, there is no plan to transition Purchasing in-house. Harris Health leadership submitted a letter to the Harris County Purchasing Agent in late September 2026 to align on staff and service expectations relevant to an interlocal agreement (ILA). Legal is evaluating a draft ILA, and Purchasing is reorganizing current staffing in October 2026, with the option to expand staffing based on the final ILA.

Follow-up on Protiviti's Procurement Recommendations *(continued)*

Protiviti's Recommendation	Priority per Protiviti	Priority Order per Harris Health	Responsible Area	Status
Develop KPI reporting dashboards. Develop automated reporting dashboards that provide real-time insights and improve visibility to KPIs.	Low	15	Contract Administration Supply Chain Management Harris County Purchasing	Pending. Contract Administration, Supply Chain, and Purchasing are collaborating with IT to explore the use of PeopleSoft to develop a dashboard for tracking solicitation timelines.
Create a self-service tool to inform end-users of the statuses of their contract requests, item requests, purchase requests, and vendor requests.	Medium	16		To Be Determined



Appendix B



Internal Audit Report 2026 Cybersecurity and Artificial Intelligence Training Compliance Assessment

Harris Health Strategic Pillar 3: *Resiliency - Harris Health will anticipate, adapt to and learn from internal and external risks without compromising our commitment to our mission, vision and values.*

Audit Team: Vince Varkey

HARRISHEALTH

Leslie Wilks, M.Jur., CPA, CFE
First Assistant County Auditor



MICHAEL POST, CPA, CIA
HARRIS COUNTY AUDITOR

Glenn Holloway, CPA, CIA, CFE
Chief Assistant County Auditor – Audit Division

Sharon Brantley Smith, MBA, CIA, CFE
Chief Assistant County Auditor – Harris Health

October 2, 2026

Dear Mr. Ron Fuschillo – Senior Vice President, Chief Information Officer:

Harris Health Internal Audit (Internal Audit) has completed the Cybersecurity & Artificial Intelligence Training Compliance Assessment for 2026. The results of our audit are included in the attached report.

We appreciate the time and attention provided by your team. Please expect an email request to complete our Post-Engagement Survey. We look forward to your feedback. If you have any questions, please contact Sharon Brantley Smith, Chief Assistant County Auditor at (713) 274-5689.

Sincerely,

A handwritten signature in blue ink that reads "Michael Post". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Michael Post
County Auditor

Report Copies: Dr. Esmaeil Porsa, Louis Smith,Carolynn Jones, Omar Reid, Keith Manis, Salman Khan, Jamie Lard, Dr. Tolu Owadokun, Erick Reid, Anna Vaughn

Executive Summary

OVERALL CONCLUSION

Harris Health generally complied with Texas Government Code §2054.519, Cybersecurity and Artificial Intelligence (AI) Training Required: Certain Employees and Officials for the year 2026. Specifically, Harris Health:

- Developed a comprehensive cybersecurity and artificial intelligence training program that was certified by the Texas Department of Information Resources (DIR) and is required for all active employees.
- Certified the training completion rate to the DIR. According to training records and Internal Audit's independent validation, 98% of Harris Health employees completed the training as of August 3, 2026.

OBJECTIVE

The objective was to assess compliance with the state's annual cybersecurity and AI training and reporting requirements.

SCOPE

The scope included processes and related documentation for the 2026 reporting year.



Accountability

We conducted this engagement in conformance with the Global Internal Audit Standards issued by The Institute of Internal Auditors.

The engagement was not designed to detect every instance of fraud, error, or omission. Management remains responsible for managing risks and establishing, implementing, and maintaining effective controls to support the achievement of organizational objectives.



Appendix C



Details of In-Progress MAPs

	Engagement	Issue Title	MAP Priority	MAP Due Date
1	Outsourced Medical Services Contract Payment Audit	Incorrect Rate Paid to Nurturing Home Healthcare	High	7/25/2027
2		Underpayments to Vibra Hospital Holdings	High	7/25/2027
3		Payer Components for St. Joseph Not Fully Defined	High	7/25/2027
4		Incorrect Claim Processing	Moderate	7/25/2026
5		Payment for Services Provided at a Non-Contracted Facility	Moderate	7/25/2027
6		Inaccurate Administrative Fee Payments	Low	7/25/2026
7	Cash Handling Audit - Parking	Parking Machine Logon Cards Are Not Used Properly	High	3/31/2026
8		Parking Machine Logon Activity Is Not Reviewed for Validity	High	8/31/2026
9		Parking Cash Receipts Are Not Reconciled	High	3/31/2026
10		Brink's Schedule is Inconsistent	Moderate	8/31/2026
11	Cash Handling Audit – Food & Nutrition Services	Cashiering Practices Increase Risk to Cash Receipts	Moderate	12/31/2026
12		Inappropriate Cash Safe Room Access	Moderate	12/31/2026
13		Blind Audits Not Performed Timely	Moderate	1/31/2027

Details of In-Progress MAPs *(continued)*

	Engagement	Issue Title	MAP Priority	MAP Due Date
14	Cash Handling Audit – Food & Nutrition Services	Deposit Reconciliation Form Not Completed	Low	12/31/2026
15	Capital Asset Management Audit	Discrepancies in Asset Information	Moderate	8/31/2026
16		Informal Inventory Procedures	Low	11/1/2027
17		Inconsistent Maintenance Tracking	Moderate	3/31/2027
18		Inconsistencies in the Capital Asset Disposal Process	Moderate	10/1/2027
19		Lack of Documented Guidelines for the Referral Process	High	9/30/2026
20	Referral Process Audit <i>(Co-sourced with Accreditation & Regulatory Affairs)</i>	Appointments Scheduled before Referral Center Review	High	8/31/2026
21		Out of Network Referrals Processed	High	8/31/2026
22		Incomplete Referral Analytics Report	High	8/31/2026
23		Opportunity to Improve Visibility into Nurse Clinical Review Effort and Timing	Moderate	11/30/2026
24	Clinical Staff Licenses & Certificates Audit	Delays in the Receipt and Verification of Renewed Licenses and Certificates	High	11/1/2026

Details of In-Progress MAPs *(continued)*

	Engagement	Issue Title	MAP Priority	MAP Due Date
25	Clinical Staff Licenses & Certificates Audit	Certificate Requirements Are Not Always Clear	High	HR – 11/2/2026 Medical Staff Svcs – 12/7/2026
26		Disciplinary Actions Not Enforced for Expired Licenses/Certificates	Moderate	11/1/2026
27	UT Provider Invoicing Audit (Co-sourced w/Corporate Compliance)	Invoices Could Be Enhanced for Better Transparency	Moderate	7/1/2026

Thank You



Michael Post, CPA, CIA

Harris County Auditor

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Sharon Brantley Smith, MBA, CIA, CPHRM, CFE, CISA, CGAP

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Quality Services

Elevating Internal Audit Quality
Around the World

EXTERNAL QUALITY ASSESSMENT REPORT

Presented to
Harris Health
Compliance & Audit Committee
Harris County Auditor

Prepared: July 8, 2026

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Executive Summary



Overall Conclusion

Harris Health

Harris Health's Internal Audit Function **Generally Achieves** the *Global Internal Audit Standards (Standards)*.

This level of achievement demonstrates a clear intent and commitment to achieving the Purpose of Internal Auditing and 15 Principles and conforming to the 52 Standards of the Global Internal Audit Standards.

Domain I Purpose of Internal Auditing	
Purpose	Rating
Purpose of Internal Auditing	GA

Domain II Ethics and Professionalism	
Principle	Rating
Demonstrate Integrity	FA
Maintain Objectivity	GA
Demonstrate Competency	GA
Exercise Due Professional Care	GA
Maintain Confidentiality	FA

Domain III Governing the Internal Audit Function	
Principle	Rating
Authorized by the Board	FA
Positioned Independently	FA
Overseen by the Board	FA

Domain IV Managing the Internal Audit Function	
Principle	Rating
Plan Strategically	GA
Manage Resources	GA
Communicate Effectively	GA
Enhance Quality	FA

Domain V Performing Internal Audit Services	
Principle	Rating
Plan Engagements Effectively	GA
Conduct Engagement Work	GA
Communicate Engagement Results and Monitor Action Plans	FA

Rating Legend (see Appendix A for Definitions)	
FA	Fully Achieves
GA	Generally Achieves
PA	Partially Achieves
NA	Nonachievement



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Lead Quality Advisor (contractor)
IIA Quality Services

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Quality Advisor (contractor)

Warren Hersh, CIA, CPA, CISA, CFE
Director, IIA Quality Services
IIA Quality Services

Summary Observations Specific to Internal Audit

Harris Health's Internal Audit Function (IAF) has the infrastructure in place via defined policies and procedures, as well as strong productive relationships across the organization to support consistency, quality and sustainability of internal audit processes to achieve the purpose of internal auditing and add value to Harris Health. Internal Audit is highly respected by Harris Health's Compliance & Audit Committee, County Auditor and leadership. Based on survey and interview results they perform their 3rd Line role in an independent, capable, respectful, considerate, ethical and supportive manner. The Chief Assistant County Auditor is the Chief Audit Executive (CAE) for Harris Health's internal audit function. The CAE reports functionally (direct) to Harris Health's Compliance & Audit Committee and administratively to the County Auditor. The nature of the functional reporting relationship to the Compliance & Audit Committee and administratively to the County Auditor is specifically described in the Internal Audit Charter and is consistent with oversight responsibilities required in the Standards

The Assessment Team identified the below Successful Practices and Enhancement Opportunities. Harris County's IAF provided management responses/action plans for each enhancement opportunity. Details on each can be found starting on page eleven of this report. Upon issuance of this report, Internal Audit may use the "Conformance" phrases permitted by the Standards in its audit reports, Charter and other practice materials.

Successful Practices:

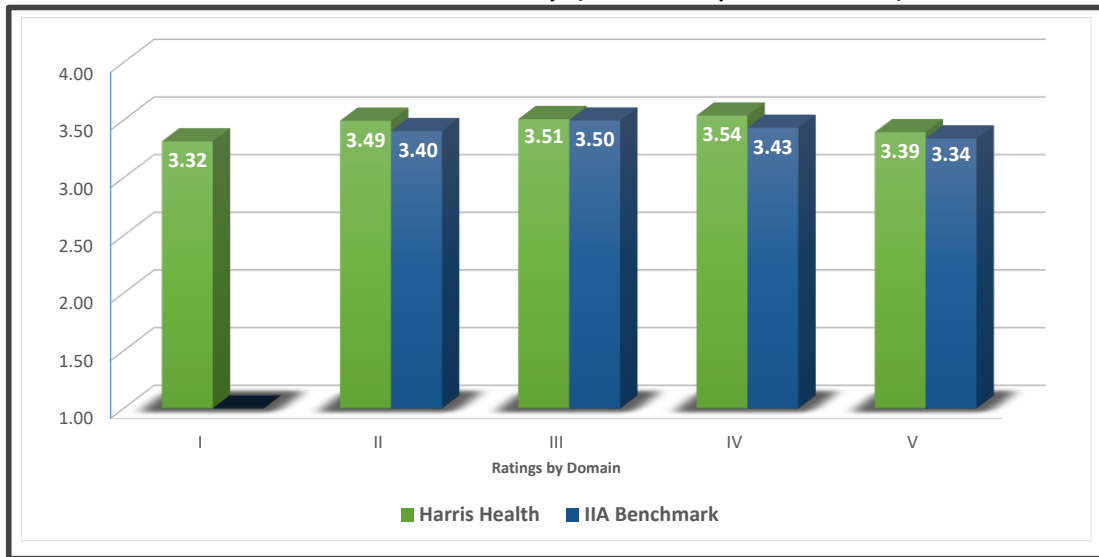
- Auditors annually confirm practicing ethical behavior, objectivity, competency, due professional care and maintaining confidentiality
- Strong oversight and support by Compliance & Audit Committee, County Auditor and management ensures internal audit effectiveness
- Quarterly reports to Compliance & Audit Committee strengthens internal audit's independence and transparency
- Strong organizational positioning and support of Assistant Chief County Auditor protects independence
- Strategic plan vision, objectives, initiatives, goals and alignment with organizational objectives positions IAF to continuously improve
- Mature risk-based engagement planning process aligned with organizational objectives and stakeholder expectations ensures a risk focus
- Comprehensive approach to developing and maintaining auditor competencies to ensure long-term effective risk coverage
- Robust technology environment drives efficiency, effectiveness and quality as well as Standards conformance
- Structured communication process with stakeholders promoted transparency, trust and ongoing dialogue on risk and control matters
- Integrated quality assurance and improvement program drives focus on quality results and Standards conformance

Enhancement Opportunities:

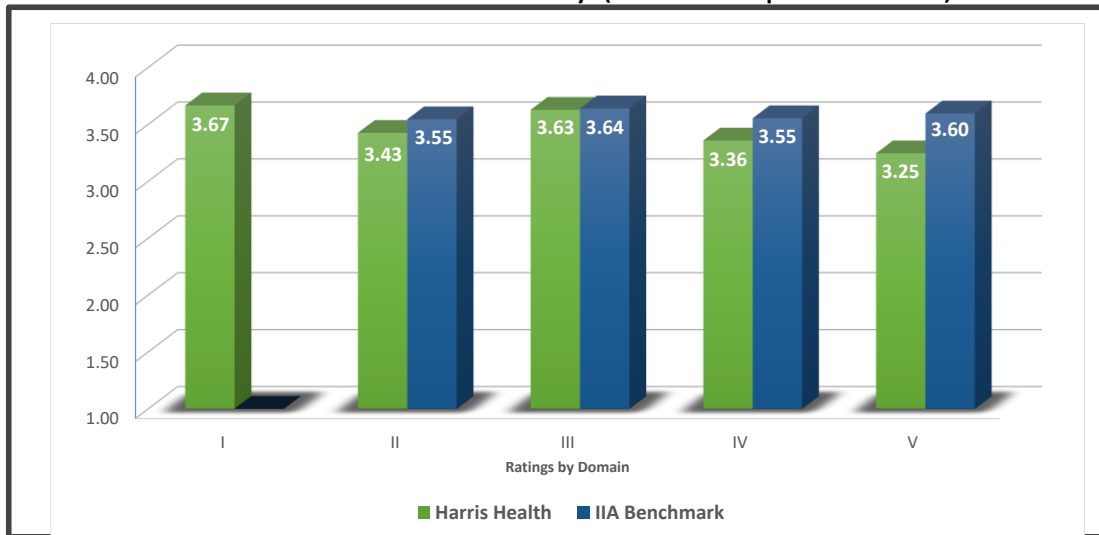
- Incorporate professional skepticism, avoiding bias and maintaining confidentiality into post-engagement competency assessments
- Build scenario-based situations into annual training to enhance learning and retention of key internal audit competencies
- Leverage the IIA's updated competency framework to assess team members competencies for training, development and hiring
- Enhance the internal audit manual and TeamMate to ensure consistent conformance to the IIA's new Topical Requirements Risks
- Develop and implement a formal coordination and reliance process to leverage work by other internal and external assurance providers
- Identify, aggregate and communicate control issue themes and trends that may require broad action plans across the organization

Stakeholder Survey and Interview Summary

Stakeholders Survey (38% Response Rate)



Internal Audit Staff Survey (100% Response Rate)



Interview and Survey Comments

Summary comments represent general themes expressed by more than one stakeholder during interviews and/or surveys. All stakeholder interviews were conducted by the quality assessment team privately without presence of the CAE. All surveys were conducted in a confidential manner by IIA Quality Services. Summary statistical results of surveys are presented at the left and details by questions are available upon request to the CAE.

Strengths

- Trusted, independent, integrity, highly respected
- Collaborative, professional, objective, helpful
- High knowledge of business processes and risks
- Open and transparent communications
- Listen to understand points of view and facts
- Positive working relationship
- Flexible on scheduling and deadlines

Opportunities

- Increase knowledge of IT risk, controls, processes and technology
- Increase use of data analytics and other technology to expand coverage
- Expand guidance to management on action plan timing and the actual plan to reduce risk

"Stakeholder" and "Staff" represents the weighted average of all stakeholder respondents (excluding CAE)

Domain I = Purpose of Internal Audit Domain II = Ethics & Professionalism Domain III = Governing IA Domain IV = Managing IA Domain V = Performing IA Services

"IIA Benchmark" represents the weighted average of all respondents from all organizations that completed this survey since May 2013 (excluding CAE). Domain I is new, thus no benchmark

4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No Response

Report Details



Objective, Scope, Methodology and Qualifications

OBJECTIVE

The objective of this assessment was to evaluate the Internal Audit Function's (IAF) achievement of the Purpose of Internal Auditing and the 15 Principles and conformance to the 52 Standards of the Global Internal Audit Standards per Standard 8.4 – External Quality Assessments.

SCOPE

As required by Standard 8.4, the scope of this assessment included a comprehensive review of the adequacy of the IAF's:

- Conformance with the Global Internal Audit Standards
- Mandate, charter, strategy, methodologies, processes, risk assessment, and internal audit plan
- Compliance with applicable laws and/or regulations
- Performance criteria and measures as well as assessment results
- Competencies and due professional care, including the sufficient use of tools and techniques, and focus on continual development
- Qualifications and competencies, including those of the chief audit executive role, as defined by the organization's job description(s)
- Integration into the organization's governance processes, including the relationships among those involved in positioning the internal audit function to operate independently
- Contribution to the organization's governance, risk management, and control processes
- Contribution to the improvement of the organization's operations and ability to attain its objectives
- Ability to meet expectations articulated by the board, senior management, and stakeholders

METHODOLOGY

To accomplish the above scope and objectives, the Assessment Team:

- Reviewed information prepared specifically for this external quality assessment by the IAF
- Conducted interviews with key stakeholders of the IAF including Compliance & Audit Committee Chair, County Auditor, senior executives and the Assistance Chief County Auditor (Chief Audit Executive [CAE])
- Reviewed a sample of engagement (assurance and/or advisory) projects' work papers, reports and other supporting documentation
- Reviewed the Internal Audit Function's Manual (policies and procedures) and other supporting records
- Reviewed survey data received from Internal Audit stakeholders and IAF staff resulting from IIA Quality Services' survey process
- Prepared diagnostic tools consistent with the EQA methodology stated in the IIA's *Quality Assessment Manual 2024 Edition*

Team Qualifications

- Independent from the organization, CAE and IAF staff (no conflicts of interest)
- At least one member of the assessment team holds a Certified Internal Auditor® designation
- Experience with and knowledge of the Standards and leading internal audit practices
- The Lead Assessor has previous experience performing external quality assessments
- Completion of external quality assessment training recognized by The Institute of Internal Auditors
- Experience as a chief audit executive or comparable senior level of internal audit management
- Experience in the organization's industry or sector (direct or via other external quality assessments)

Overall Opinion as to Conformance with the *Standards*

The internal audit function at Harris Health Generally Achieves the *Global Internal Audit Standards (Standards)*. This level of achievement demonstrates a clear intent and commitment to achieving the Purpose of Internal Auditing and 15 Principles and conforming to the 52 Standards of the Global Internal Audit Standards.

A summary of achievement of the 15 Principles and conformance to the 52 individual Standards is provided on the Conformance Level by Domain pages of this report starting on the next page. A summary of observations pertaining to Successful Practices, Conformance Gaps and Enhancement Opportunities are noted on page four and details start on page eleven. Upon issuance of this report, Internal Audit may use the “Conformance” phrases permitted by the Standards in its audit reports, Charter and other practice materials.

The IIA *Quality Assessment Manual (2024 Edition)* suggests a scale of four ratings, “Full Achievement/Conformance, General Achievement/Conformance”, “Partial Achievement/Conformance”, and “Nonachievement/Nonconformance”. Achievement is used for the overall rating and to rate the Purpose of Internal Auditing contained in Domain I and each of the 15 Principles. Conformance is used to rate each of the 52 Standards. Detailed rating definitions and criteria for each of these ratings are noted in Appendix A.

Under the *Standards* (Standard 8.4), an External Quality Assessment (EQA) of an IAF must be conducted at least once every five years by a qualified, independent assessor or independent assessment team from outside the organization. IIA Quality Services was selected to conduct this assessment. This engagement’s Assessment Team is independent of Harris Health and is qualified as defined in Standard 8.4. This External Quality Assessment was conducted virtually the weeks of May 18 and 25, 2026. Conclusions are as of May 29, 2026.

Future changes in external factors and actions taken by Harris Health personnel, including actions taken to address our recommendations, may have an impact upon the operation of the IAF in a manner that the assessment team did not and cannot anticipate. Considerable professional judgment is involved in evaluating achievement/conformance to the *Standards* and developing recommendations. Accordingly, it should be recognized that others could evaluate the results differently and draw different conclusions.

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Conformance Level – Domains II and III

Domain-II Ethics and Professionalism	Rating
1 - DEMONSTRATE INTEGRITY	FA
1.1 - Honesty and Professional Courage	FC
1.2 - Organization's Ethical Expectations	FC
1.3 - Legal and Ethical Behavior	FC
2 - MAINTAIN OBJECTIVITY	GA
2.1 - Individual Objectivity	FC
2.2 - Safeguarding Objectivity	GC
2.3 - Disclosing Impairments to Objectivity	GC
3 - DEMONSTRATE COMPETENCY	GA
3.1 – Competency	GC
3.2 - Continuing Professional Development	GC
4 - EXERCISE DUE PROFESSIONAL CARE	GA
4.1 - Conformance with Global Internal Audit Standards	GC
4.2 - Due Professional Care	GC
4.3 - Professional Skepticism	GC
5 - MAINTAIN CONFIDENTIALITY	FA
5.1 - Use of Information	FC
5.2 - Protection of Information	FC

Domain-III Governing the Internal Audit Function	Rating
6 - AUTHORIZED BY THE BOARD	FA
6.1 - Internal Audit Mandate	FC
6.2 - Internal Audit Charter	FC
6.3 - Board and Senior Management Support	FC
7 - POSITIONED INDEPENDENTLY	FA
7.1 - Organizational Independence	FC
7.2 - Chief Audit Executive Qualifications	FC
8 - OVERSEEN BY THE BOARD	FA
8.1 - Board Interaction	FC
8.2 – Resources	FC
8.3 – Quality	FC
8.4 - External Quality Assessment	FC

Rating Legend (see Appendix A for Definitions)	
FA/FC	Fully Achieves/Conforms
GA/GC	Generally Achieves/Conforms
PA/PC	Partially Achieves/Conforms
NA/NC	Nonachievement/Nonconformance

Conformance Level – Domain IV and V

Domain-IV Managing Internal Audit Function	Rating
9 - PLAN STRATEGICALLY	GA
9.1 - Understanding Governance, Risk Management, and Control Processes	FC
9.2 - Internal Audit Strategy	FC
9.3 - Methodologies	GC
9.4 - Internal Audit Plan	GC
9.5 - Coordination and Reliance	GC
10 - MANAGE RESOURCES	GA
10.1 - Financial Resource Management	GC
10.2 - Human Resources Management	GC
10.3 - Technological Resources	FC
11 - COMMUNICATE EFFECTIVELY	GA
11.1 - Building Relationships and Communicating with Stakeholders	FC
11.2 - Effective Communication	FC
11.3 - Communicating Results	GC
11.4 - Errors and Omissions	GC
11.5 - Communicating the Acceptance of Risks	GC
12 - ENHANCE QUALITY	FA
12.1 - Internal Quality Assessment	FC
12.2 - Performance Measurement	FC
12.3 - Oversee and Improve Engagement Performance	FC

Domain-V Performing Internal Audit Services	Rating
13 - PLAN ENGAGEMENTS EFFECTIVELY	GA
13.1 - Engagement Communication	FC
13.2 - Engagement Risk Assessment	GC
13.3 - Engagement Objectives and Scope	GC
13.4 - Evaluation Criteria	FC
13.5 - Engagement Resources	FC
13.6 - Work Program	GC
14 - CONDUCT ENGAGEMENT WORK	GA
14.1 - Gathering Information for Analyses and Evaluation	FC
14.2 - Analyses and Potential Engagement Findings	FC
14.3 - Evaluation of Findings	FC
14.4 - Recommendations and Action Plans	FC
14.5 - Engagement Conclusions	FC
14.6 - Engagement Documentation	GC
15 - COMMUNICATE ENGAGEMENT RESULTS and MONITOR ACTION PLANS	FA
15.1 - Final Engagement Communication	FC
15.2 - Confirming the Implementation of Recommendations or Action Plans	FC

Successful Practices

#	STANDARD	OBSERVATION
SP1	Domain I - Ethics and Professionalism	Internal auditors annually confirm practicing ethical behavior, objectivity, competency, due professional care and maintaining confidentiality by signing an Ethics and Professionalism Acknowledgement form. In addition, they annually sign a Harris County Auditors Office Employment of Relatives and Other Related Parties Attestation Form either noting no conflicts of interest or they disclose conflicts of interest. If a conflict arises during the year, auditors are required to timely disclose the conflict by submitting an updated form. The auditor's office conflict of interest form is reviewed when scheduling auditors on engagements to ensure they are independent of the area being audited.
SP2	6.3 - Board and Senior Management Support	Strong oversight and support by Harris Health's Compliance & Audit Committee (members are independent of Harris Health), the County Auditor and senior management ensures the effectiveness of internal audit through regular meetings and open dialogue with the Chief Assistant County Auditor (CAE). These meetings support transparency, timely escalation of significant matters, and changes in governance, risk management and control processes.
SP3	7.1 - Organizational Independence	Harris Health's CAE presents quarterly updates to the Compliance & Audit Committee which strengthens internal audit's independence and transparency and supports oversight and accountability. The updates cover audit engagement results, management action plan status and other risk matters. The committee also approves the annual internal audit plan.
SP4	7.1 - Organizational Independence	Harris Health's CAE reports functionally to the Compliance & Audit Committee and administratively to the Harris County Auditor. This reporting relationship creates strong organizational positioning of the CAE to protect the internal audit function's independence given both the Committee and County Auditor are independent.
SP5	9.2 -Internal Audit Strategy	Harris Health's Internal Audit Function's strategic plan includes a clear vision, strategic objectives, measurable goals, and supporting initiatives aligned with organizational priorities. The use of a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, future-state objectives, and performance measures demonstrates a proactive approach to continuously improving the effectiveness, efficiency, and value of the internal audit function. The strategic objectives of the plan cover; (1) enhance auditor efficiency to decrease audit turnaround time; (2) continue building internal audit's reputation as subject matter experts and trusted advisors; and (3) building a mature data analytics function to enhance efficiency and effectiveness of risk coverage.

Successful Practices

#	STANDARD	OBSERVATION
SP6	9.4 - Internal Audit Plan	A mature risk-based planning process is in place that integrates annual risk assessments, stakeholder input, audit universe management, resource analysis, and governance review. This framework supports alignment of audit activities with organizational objectives, emerging risks, and stakeholder expectations while maintaining flexibility to adjust for risk events that require timely attention.
SP7	10.2 - Human Resources Management	Auditor competencies are enhanced via a comprehensive approach that includes defined role expectations, certification support, continuing professional education, post engagement competency assessments (PECA), and strategic workforce development initiatives. This approach promotes long-term capability development and helps align staff competencies with organizational risks and audit objectives.
SP8	10.3 - Technological Resources	Robust technology use drives efficiency, effectiveness and quality as well as Standards conformance. The functions technology tools include TeamMate for audit management and a suite of data analytics tools such as Power BI, Python, SQL, ACL, and IDEA. The strategic emphasis on expanding analytics, automation, and technology-enabled auditing demonstrates a commitment to improving audit efficiency, coverage, and insight generation.
SP9	11.1 - Building Relationships and Communicating with Stakeholders	A structured communication process with stakeholders promotes transparency, trust and ongoing dialogue on risk and control matters. The process includes regular interactions with Harris Health's Compliance and Audit Committee, the County Auditor, senior management, operational leadership, and other assurance providers through audit planning activities, engagement communications, entrance and exit conferences, and Compliance & Audit Committee reporting.
SP10	12.1 - Internal Quality Assessment	A comprehensive Quality Assurance and Improvement Program (QAIP) is in place that incorporates ongoing monitoring, periodic internal assessments, external assessments, engagement quality reviews, PECA evaluations, and continuous improvement activities. The QAIP is integrated into the division's governance and reporting processes, with assessment results routinely communicated to senior management and Harris Health's Compliance and Audit Committee to support continuous improvement and conformance with the Global Internal Audit Standards.

Enhancement Opportunities

#	STANDARD	OBSERVATION	MANAGEMENT RESPONSE
EO1	2.1 - Individual Objectivity 4.3 - Professional Skepticism 5.1 – Use of Information 5.2 – Protection of Information	Internal audit utilizes post-engagement competency assessments (PECA) at the end of each audit engagement to assess audit team member's competencies to identify areas for improvement and training. The assessments have not been updated for the new Standards relating to the use of professional skepticism, avoiding bias and maintaining confidentiality. Recommendation: Incorporate professional skepticism, avoiding bias and maintaining confidentiality into post-engagement competency assessments	Management concurs. Internal Audit will update the post-engagement competency assessment to include standards-based criteria related to professional skepticism, avoiding bias, maintaining confidentiality, and protecting information. The revised assessment will be used to support staff development, training, and ongoing quality improvement. Responsible Party: Audit Management Target Completion Date: December 2026
EO2	3.1 - Competency	Internal auditors are required to obtain a minimum of 40 hours of continuing professional education (CPE) each year. Training consists of internal and external training sessions. Recommendation: Build scenario-based situations into annual internal audit training to enhance learning and retention of key internal audit competencies like auditor integrity, objectivity, professional skepticism, avoiding bias, maintaining confidentiality and performing internal audit services.	Management concurs. Internal Audit will incorporate scenario-based training into annual internal audit training to reinforce key competencies, including integrity, objectivity, professional skepticism, avoiding bias, confidentiality, and performance of internal audit services. Responsible Party: Audit Management Target Completion Date: October 2026

Enhancement Opportunities

#	STANDARD	OBSERVATION	MANAGEMENT RESPONSE
EO3	3.1 - Competency	Internal audit is not leveraging an internal audit competency framework to assess team member's competencies for identifying training and development needs, promotion assessments, and when hiring new team members. The Institute of Internal Auditor (IIA) has released an updated Internal Audit Competency Framework that is updated for the new <i>Standards</i> and is structured by team member levels starting with new auditors all the way up to the Chief Audit Executives. Recommendation: Leverage the IIA's updated internal auditing competency framework to assess team members competencies for training, development, promotion assessments, and hiring decisions.	Management concurs. Internal Audit will review the IIA's updated Internal Audit Competency Framework and coordinate with Human Resources, as appropriate, to incorporate applicable competencies into training, development, promotion, assessment, hiring, job descriptions, and the annual performance evaluation process. Job descriptions and the annual performance review process are owned by the Human Resources Division of the Harris County Auditor's Office and apply to both the Internal Audit Division and the Financial Accounting Division. As a result, coordination with HR will be required before material changes can be made to those forms, templates, or processes. If HR is unable to formally incorporate the competency framework into the applicable documents, Internal Audit will reference the framework as a supplemental resource to guide staff professional development and competency assessment. Responsible Party: Audit Management, in coordination with Human Resources Target Completion Date: September 30, 2027

Enhancement Opportunities

#	STANDARD	OBSERVATION	MANAGEMENT RESPONSE
EO4	4.1 - Conformance with the Global Internal Audit Standards 4.2 - Due Professional Care 9.3 – Methodologies Topical Requirements Topical Requirements Information • Topical Requirements Application Guide • Topical Requirements Risk Documents • Topical Requirements User Guides • Insights to Quality – Assessing Topical Requirements Conformance	The International Professional Practices for Internal Auditing consists of the Global Internal Audit Standards, Topical Requirements and Global Guidance. Both the Standards and Topical Requirements are mandatory for assurance (audit) engagements. Topical Requirements are new and the first risk (Cybersecurity) became effective on February 5, 2026. Topical Requirements purpose is to enhance the consistency and quality of internal audit services related to specific risks when they are applicable and significant to an organization. Topical Requirements do not create additional requirements, just that the Topical Requirements risks are assessed for applicability and significance during audit planning. Internal audit (IA) covers cybersecurity in its annual planning process, audit universe and audit (assurance) engagements. IA is also assessing risks during its annual planning and engagement planning process for applicability and significance. However, Topical Requirement are not specifically referenced in internal audit's manual, methodology tool or TeamMate. Recommendation: Enhance internal audit's methodologies for identifying, assessing, prioritizing, and documenting applicable and significant Topical Requirement risks within the audit universe, annual risk assessment, audit plan, and engagement planning processes. Ensure that Topical Requirements are covered when documenting rationale for including, excluding, or deferring coverage of significant risks and communicate significant exclusions to appropriate governance stakeholders.	Management concurs. Internal Audit will update its audit manual, methodology tools and applicable templates to specifically address IIA Topical Requirements. Significant decisions to include, exclude, or defer coverage of applicable Topical Requirements will be documented and communicated as appropriate. Responsible Party: Audit Management Target Completion Date: September 30, 2026

Enhancement Opportunities

#	STANDARD	OBSERVATION	MANAGEMENT RESPONSE
EO5	9.5 - Coordination and Reliance	Internal audit considers coordination and reliance of other internal and external assurance providers; however, a documented process is not in place. Recommendation: Develop a formal coordination and reliance framework that includes assurance mapping, consideration of the Three Lines Model, documentation of reliance decisions, and procedures for evaluating the work of other assurance providers. Leverage the IIA's updated Coordination and Reliance Global Practice Guide and associated tools.	Management concurs. Internal Audit will develop a documented coordination and reliance process that reflects the decentralized nature of Harris County. The process will include consideration of the Three Lines Model, identification of relevant internal and external assurance providers, and procedures for determining when reliance on their work is appropriate. Assurance mapping may be used where practical but will not be required for all county functions. Responsible Party: Audit Management Target Completion Date: September 30, 2027
EO6	11.3 - Communicating Results	Internal audit is not formally communicating audit issue and management action plan themes to key stakeholders and applicable management on at least an annual basis. Recommendation: Establish a formal process to identify, aggregate and communicate control issue and management action plan themes and trends from multiple audit engagements that may require broad action plans across the organization. This approach can reduce the reoccurrence of audit issues and the occurrence of risk events in areas not recently audited. TeamMate can be leveraged to gather the trend information and develop reports.	Management concurs. Internal Audit will leverage the TeamMate audit management system to establish a process to periodically identify and summarize recurring audit issues and management action plan themes across engagements. Relevant trends will be communicated to key stakeholders and applicable management to support broader awareness and corrective action. Responsible Party: Audit Management Target Completion Date: September 30, 2027

Appendix A

Achievement/Conformance Rating Criteria



Achievement/Conformance Rating Criteria

Quality Rating	For Conclusions on Achieving Overall Conformance	For Conclusions on Achieving Each Principle	For Conclusions on Conforming with Each Standards
Full Achievement (or Conformance)	The internal audit function is fully achieving all 15 Principles and the Purpose of Internal Auditing.	The internal audit function is fully achieving all the standards related to the Principle and the Principle's intent.	The internal audit function is fully conforming with all requirements of the Standard and the Standard's intent.
General Achievement (or General Conformance)	The internal audit function is not fully achieving at least one Principle or aspect of Domain I but is achieving the Purpose of Internal Auditing.	The internal audit function is not fully achieving at least one Standard but is achieving the Principle's intent.	The internal audit function is not fully conforming with at least one requirement but is achieving the Standard's intent.
Partial Achievement (or Partial Conformance)	The internal audit function is not fully achieving at least one Principle or aspect of Domain I, and the impact is significant enough to rate the function's overall achievement as partially achieving. <i>The CAE may not include in final reports that engagements were performed in conformance with the Standards if the Overall Achievement Conclusion is Partial Achievement.</i>	The internal audit function is not fully conforming with at least one Standard, and the impact is significant enough to rate the function as partially achieving the Principle's intent.	The internal audit function is not fully conforming with at least one requirement, and the impact is significant enough to rate conformance with the Standard as partially conforming with the Standard's intent.
Nonachievement (or Nonconformance)	The internal audit function is not fully achieving at least one Principle and the impact is significant enough to rate the function's overall achievement as not achieving.	The internal audit function is not fully conforming with at least one Standard, and the impact is significant enough to rate the function as not achieving the Principle's intent.	The internal audit function is not fully conforming with at least one requirement, and the impact is significant enough to rate conformance with the Standard as not achieving the Standard's intent.



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Thursday, October 29, 2026

Consideration of Recommendation for Approval of the Harris Health
2027 Internal Audit Charter to the Harris Health Board of Trustees



Sharon Brantley Smith, MBA, CIA, CFE, CISA, CGAP
Chief Assistant County Auditor, Harris Health
Harris County Auditor's Office

1200 - HARRIS HEALTH INTERNAL AUDIT CHARTER

INTRODUCTION

Harris Health Internal Audit was created through a Commissioners Court order and corresponding order by the Harris County Hospital District Board of Managers in 1985, which dictated that the Harris County Auditor's Office Audit Division be involved with the internal audit function of the Hospital District, now known as Harris Health. An Interlocal Agreement between Harris County and Harris Health was executed in 2021 to further define the relationship and establish the parties' roles and responsibilities. This Charter was created to establish the authority, scope, and accountability of Harris Health Internal Audit and help ensure conformance with The Institute of Internal Auditors' (IIA) Global Internal Audit Standards.

1200.01 PURPOSE

The purpose of Harris Health Internal Audit (Internal Audit) is to provide independent, risk-based, and objective assurance, advice, insight, and foresight. The mission of Internal Audit is to add value by helping Harris Health to:

- Improve operations and enhance its ability to achieve objectives
- Ensure effective governance, risk management, and control processes
- Improve decision-making and oversight
- Protect its reputation and credibility with stakeholders

1200.02 ADHERENCE TO THE GLOBAL INTERNAL AUDIT STANDARDS

The Harris County Auditor's Office Audit Division is governed by adherence to the mandatory elements of The IIA's International Professional Practices Framework, which are the Global Internal Audit Standards (Standards) and Topical Requirements. Internal Audit will operate in conformance with the Standards, which establish mandatory requirements across five domains—Purpose, Ethics and Professionalism, Governance, Management, and Performance—and fifteen associated principles. Through a quality assurance and improvement program, Internal Audit will periodically assess its methodologies and practices to ensure alignment with these domains and principles, including updating procedures as required by the Standards.

The Chief Assistant County Auditor - Harris Health, as appointed by the Harris County Auditor, is the Chief Audit Executive for Harris Health. The Chief Audit Executive will report periodically to the County Auditor, Harris Health Executive Leadership, and the Compliance and Audit Committee of the Harris Health Board of Trustees (Compliance and Audit Committee) regarding Internal Audit's conformance with the Standards. ~~which will be assessed through a quality assurance and improvement program.~~

1200.03 AUTHORITY

The Compliance and Audit Committee grants Internal Audit the mandate to provide the board and senior management with objective assurance, advice, insight, and foresight.

Internal Audit's authority is created by its direct reporting relationship to the Compliance and Audit Committee, and such authority allows for unrestricted access to the Committee.

The Compliance and Audit Committee authorizes Internal Audit to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Harris Health and other specialized services from within or outside Harris Health to complete internal audit engagements.

1200.04 INDEPENDENCE AND OBJECTIVITY

The Chief Audit Executive will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The Chief Audit Executive will report functionally to the Compliance and Audit Committee and administratively to the County Auditor. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Compliance and Audit Committee, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The Chief Audit Executive will confirm to the Compliance and Audit Committee, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the Chief Audit Executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Chief Audit Executive will disclose to the Compliance and Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

The Chief Audit Executive will ensure that Internal Audit remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Audit Executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for Harris Health or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Harris Health employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, at least annually to appropriate parties, such as the Chief Audit Executive, Compliance and Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

1200.05 OVERSIGHT

To establish, maintain, and ensure that Internal Audit has sufficient authority to fulfill its duties, the Compliance and Audit Committee will:

- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the Compliance and Audit Committee, including private meetings without management present.
- Review and approve the Internal Audit Charter annually.
- Approve the risk-based Internal Audit Plan.
- Approve the internal audit department's budget and resource plan (through the Board of Trustees' approval of the overall Harris Health budget).
- Receive communications from the Chief Audit Executive about the internal audit function, including its performance relative to the Internal Audit Plan.
- Ensure a quality assurance and improvement program has been established.
- Review the results of the quality assurance and improvement program.
- Make appropriate inquiries of the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

1200.06 ETHICS AND PROFESSIONALISM

The Chief Audit Executive will ensure that internal auditors:

- Conform with the ~~Global Internal Audit~~ Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

1200.07 RESPONSIBILITY

The Chief Audit Executive has the responsibility to:

- At least annually, develop a risk-based Internal Audit Plan that considers the input of the Compliance and Audit Committee and senior management. Discuss the plan with the Compliance and Audit Committee and senior management and submit the plan for review and approval.
- Communicate the impact of resource limitations on the Internal Audit Plan to the Compliance and Audit Committee and senior management.
- Review and adjust the Internal Audit Plan, as necessary, in response to changes in Harris Health's business, risks, operations, programs, systems, and controls.
- Communicate with the Compliance and Audit Committee and senior management if there are significant interim changes to the Internal Audit Plan.
- Consult with Harris Health's Chief Legal Officer and Chief Compliance Officer at the outset of each Internal Audit engagement to consider whether the engagement should be performed under applicable legal privileges and/or compliance confidentiality pursuant to state law.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the ~~Global Internal Audit~~ Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Compliance and Audit Committee and senior management periodically and for each engagement as appropriate.
- Ensure Internal Audit collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the ~~Global Internal Audit~~ Standards and fulfill the Internal Audit mandate.
- Identify and consider trends and emerging issues that could impact Harris Health and communicate to the Compliance and Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.

- Leverage technology, data analytics, and automated techniques to enhance assurance and advisory services. The Chief Audit Executive will collaborate with information technology and cybersecurity functions to ensure appropriate access to systems, to expand analytic capabilities, and to implement technology-enabled audit approaches, consistent with expectations in the Standards.

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- Establish and ensure adherence to methodologies designed to guide Internal Audit.
- Ensure adherence to Harris Health's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Compliance and Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Chief Audit Executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Compliance and Audit Committee.
- Maintain regular communication and coordination with other key stakeholders, including external auditors, regulatory bodies, and additional assurance providers as appropriate, to promote a cohesive and efficient assurance environment. The Chief Audit Executive will periodically evaluate stakeholder expectations and incorporate them into the Internal Audit Plan and strategy where appropriate.

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Additionally, the Chief Audit Executive will report periodically to the Compliance and Audit Committee and senior management regarding:

- Internal Audit's mandate.
- The Internal Audit Plan and related performance. relative to its plan.
- Significant revisions to the Internal Audit Plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Compliance and Audit Committee.
- Results of assurance and advisory services.
- Resource requirements.

- Management's responses to risk that Internal Audit determines may be unacceptable or acceptance of a risk that is beyond Harris Health's risk appetite.

The Chief Audit Executive will maintain protocols for timely escalation of significant risks, including fraud risk indicators, critical control failures, or matters that pose immediate threats to Harris Health's operations or reputation. Urgent issues will be communicated promptly to senior management and the Compliance and Audit Committee, consistent with expectations for transparent and effective communication under the Standards.

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1200.08 SCOPE OF INTERNAL AUDIT ACTIVITIES

The scope of internal audit services covers the entire breadth of the organization, including all of Harris Health's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Compliance and Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Harris Health.

The nature and scope of advisory services may be agreed with the party requesting the service, provided that Internal Audit does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of Harris Health's strategic objectives are appropriately identified and managed.
- The actions of Harris Health's officers, directors, management, employees, and contractors comply with Harris Health's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Harris Health.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Internal Audit will align its risk-based planning and engagement scoping with Harris Health's risk appetite, enterprise risk management framework, and strategic objectives. The

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Chief Audit Executive will communicate how audit coverage supports organizational strategy and provides assurance over risks that may affect Harris Health's ability to achieve its mission.

The Chief Audit Executive may also coordinate activities with other internal and external assurance providers when possible and may rely upon the assurance providers' work as needed.

1200.09 QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

Internal Audit will maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of Internal Audit's conformance with the ~~Global Internal Audit~~ Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address Internal Audit's deficiencies and opportunities for improvement.

Annually, the Chief Audit Executive will communicate with the Compliance and Audit Committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Harris County Auditor's Office. Qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

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Thursday, October 29, 2026

Executive Session

Presentation Regarding Harris Health Internal Audit's Cybersecurity Risk Remediation Follow-up, Pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Code Ann. §§551.071, 551.089.



Sharon Brantley Smith, MBA, CIA, CFE, CISA, CGAP
Chief Assistant County Auditor, Harris Health
Harris County Auditor's Office

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Thursday, October 29, 2026

Executive Session

Presentation Regarding Harris Health Internal Audit's Status Update Related to Forvis' Revenue Cycle Recommendations, Pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Code Ann. §551.071.



Sharon Brantley Smith, MBA, CIA, CFE, CISA, CGAP
Chief Assistant County Auditor, Harris Health
Harris County Auditor's Office

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Thursday, October 29, 2026

Executive Session

Presentation Regarding Harris Health Internal Audit's Globo Language Solutions Contract Compliance Audit, Pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Code Ann. §551.071.



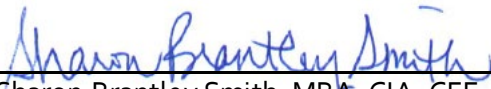
Sharon Brantley Smith, MBA, CIA, CFE, CISA, CGAP
Chief Assistant County Auditor, Harris Health
Harris County Auditor's Office

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Thursday, October 29, 2026

Executive Session

Presentation Regarding Harris Health Internal Audit's Fiscal Year 2027 Annual Risk Assessment and Audit Plan, Pursuant to Tex. Occ. Code Ann. §151.002, Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Codes Ann. §§418.183, 551.089, Including Consideration of Recommendation for Approval of the Fiscal Year 2027 Harris Health Internal Audit Plan Upon Return to Open Session.



Sharon Brantley Smith, MBA, CIA, CFE, CISA, CGAP
Chief Assistant County Auditor, Harris Health
Harris County Auditor's Office

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Thursday, October 29, 2026

Executive Session

Presentation Regarding Corporate Compliance's Fiscal Year 2027 Annual Risk Assessment and Audit Plan, Pursuant to Tex. Occ. Code Ann. §151.002, Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Codes Ann. §§418.183, 551.089, Including Consideration of Recommendation for Approval of the Fiscal Year 2027 Corporate Compliance Audit Plan Upon Return to Open Session.



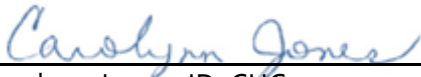
Carolynn Jones, JD, CHC
Executive Vice President, Chief Compliance and Risk Officer

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Thursday, October 29, 2026

Executive Session

Presentation Regarding Internal Quality Audit's Fiscal Year 2027 Annual Risk Assessment and Audit Plan, Pursuant to Tex. Occ. Code Ann. §151.002, Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Codes Ann. §§418.183, 551.089, Including Consideration of Recommendation for Approval of the Fiscal Year 2027 Internal Quality Audit Plan Upon Return to Open Session.



Carolynn Jones, JD, CHC
Executive Vice President, Chief Compliance and Risk Officer

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Thursday, October 29, 2026

Executive Session

Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Health Care Program Requirements, Including Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, and Possible Action Regarding this Matter Upon Return to Open Session.



Carolynn Jones, JD, CHC

Executive Vice President, Chief Compliance and Risk Officer

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BOARD OF TRUSTEES Joint Conference Committee

Thursday, October 29, 2026 | 12:00 PM
(or immediately following the Compliance and Audit Committee)

The meeting will be conducted via Zoom and may be viewed online at:
<http://harrishealthtx.swagit.com/live>.

Mission

Harris Health is a public, integrated health system dedicated to improving the health of our communities by delivering high-quality, person-centered care in collaboration with community and academic partners.

AGENDA

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| I. Call to Order and Record of Attendance | Dr. Andrea Caracostis 2 mins |
| II. <u>Approval of the Minutes of Previous Meeting</u> | Dr. Andrea Caracostis 2 mins |
| <ul style="list-style-type: none"> • Joint Conference Committee Meeting – August 27, 2026 | |
| III. Physician Leadership Reports | Dr. Andrea Caracostis 25 mins |
| A. Medical Executive Board (MEB) Chair/Vice Chair | Dr. Kunal Sharma and Dr. Asim Shah (5 mins) |
| B. Chiefs of Staff | |
| <ul style="list-style-type: none"> • Ben Taub Hospital • LBJ Hospital | Dr. Sandeep Markan (5 mins)
Dr. Tien Ko (5 mins) |
| C. Assistant Chiefs of Staff | |
| <ul style="list-style-type: none"> • BCM • UT | Dr. Fareed Khan (5 mins)
Dr. Mohammad Zare (5 mins) |
| IV. Adjournment | Dr. Andrea Caracostis 1 min |

HARRIS HEALTH
BOARD OF TRUSTEES
JOINT CONFERENCE COMMITTEE MEETING MINUTES

Thursday, August 27, 2026

12:00 PM (or immediately following the Compliance and Audit Committee meeting)

AGENDA ITEM		DISCUSSION	ACTION/RECOMMENDATIONS
I.	Call to Order and Record of Attendance	Dr. Andrea Caracostis, Committee Chair, called the meeting to order at 12:00 P.M. It was noted there was a quorum present, and the attendance was recorded. The meeting may be viewed online through the Harris Health website: http://harrishealthtx.swagit.com/live .	
II.	Approval of the Minutes of Previous Meeting Joint Conference Committee Meeting – June 25, 2026	Dr. Caracostis presented the minutes of the Joint Conference Committee meeting held on June 25, 2026 for approval. A copy of the minutes is available in the permanent record.	Moved by Dr. Kunal Sharma, seconded by Dr. Sandeep Markan, and unanimously approved the minutes of the June 25, 2026, meeting. Motion carried.
III.	Physician Leadership Reports		
	A. Medical Executive Board (MEB) Chair/Vice Chair	Dr. Kunal Sharma, Chair of the Medical Executive Board (MEB), provided an update regarding medical staff activities. Dr. Sharma reported on the onboarding of a new class of interns and other learners, including medical students and advanced practice provider trainees, and emphasized the importance of preparing learners to practice within Harris Health’s culture, policies, procedures, and high reliability framework. He also recognized the continued development and effectiveness of the Filter Committee in identifying clinical concerns, engaging appropriate stakeholders, and advancing sustainable solutions. Dr. Sharma noted ongoing collaboration among medical staff, patient safety, performance improvement, and quality teams to strengthen the evaluation of cases, communication, feedback, and information flow throughout the organization. Dr. Asim Shah, Vice Chair of the MEB, provided an update regarding an upcoming Psychiatry and Pediatrics appreciation event scheduled for September 15, 2026, and encouraged Committee members to participate.	As Reported.

	B. Chief of Staffs • LBJ Hospital • Ben Taub Hospital	Dr. Tien Ko, Chief of Staff at LBJ Hospital, reported that the hospital recently underwent its Level III Trauma Center survey and noted that the surveyor expressed positive observations regarding the hospital's trauma program and ongoing improvements in trauma care. Dr. Ko recognized the work of the trauma leadership and coordination teams. Dr. Ko also reported on the completion of renovations to the interventional radiology area, noting that the project expanded clinical capabilities, supported patient safety and quality, and improved patient throughput. He recognized the contributions of Mr. Stephen Williams, Interim Vice President of Operations, during his temporary assignment at LBJ Hospital and thanked him for his collaborative leadership and support in addressing operational matters. Dr. Ko further discussed improvements associated with the onboarding and support of new trainees, including the implementation of escalation pathways designed to encourage trainees to raise concerns and seek assistance when needed. He also reported on efforts to improve hospital throughput and length of stay through multidisciplinary reviews involving physicians, nursing, case management, and support services. Dr. Ko noted that these efforts have contributed to recent improvements in length of stay and operational efficiency. Dr. Ko invited Committee and Board members to attend the Harris Health Research and Quality Improvement Day scheduled for October 21, 2026, at LBJ Hospital, highlighting the event as an opportunity to showcase research and quality improvement initiatives. Dr. Sandeep Markan, Chief of Staff at Ben Taub Hospital (BTH), reported on several areas of progress at Ben Taub Hospital. He highlighted the successful stroke survey and emphasized the hospital's Level IV Maternal Levels of Care designation, noting the importance of the designation in providing comprehensive care to patients requiring complex maternal services. Dr. Markan recognized the physicians, nurses, and multidisciplinary teams whose work supports the hospital's maternal health program. Dr. Markan also provided an update regarding the transition of Dr. Jakub Tolar to his role as President and Executive Dean of Baylor College of Medicine and noted plans for Dr. Tolar to meet with Harris Health leadership and the Board. He recognized Dr. Asim Shah for receiving an international medical recognition in London and commended him for representing Harris Health, Baylor College of Medicine, the Texas Medical Center, and the Houston community. Dr. Markan further expressed appreciation for the continued support of Harris Health leadership regarding future development and expansion efforts at Ben Taub Hospital. He also recognized Dr. Thomas Cummins, Executive Vice President and Chief Medical Executive, for his collaboration and support of the medical staff, including his availability to assist with operational matters, patient transfers, and planning.	As Reported.
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	C. Assistant Chiefs of Staff • UT • BCM	Dr. Mohammad Zare, Assistant Chief of Staff for the University of Texas, provided an update regarding efforts to improve quality, access, utilization, and patient outcomes across Harris Health’s ambulatory services. Dr. Zare highlighted the organization’s work to implement updated Centers for Medicare & Medicaid Services quality requirements and recognized the Quality, Population Health, Utilization, nursing, and physician leadership teams for their efforts to educate clinicians and staff regarding the revised measures. Dr. Zare discussed efforts to improve clinical workflows and resource utilization, including initiatives addressing appropriate testing and implementation of standardized behavioral health screening. He emphasized the importance of adapting processes to the needs of Harris Health’s safety-net patient population while meeting applicable quality requirements. Dr. Zare also reported improvement in patient experience measures related to providers listening to patients and credited the organization’s leadership and frontline teams for their continued focus on communication, engagement, and shared decision-making.	As Reported.
IV.	New Items for Discussion		
		A. Update Regarding the Revised 2026 Medical Staff Bylaws Dr. Shah presented an update regarding revisions to the 2026 Medical Staff Bylaws. Dr. Shah reviewed revisions addressing the definition of a health matter, inappropriate conduct, medical staff membership requirements, duty to self-disclose, and Medical Staff Utilization Review Committee meeting frequency. Dr. Shah explained that the definition of a health matter was revised to focus on any physical, mental, or emotional condition that could adversely affect a practitioner’s ability to practice, thereby using broader and less stigmatizing terminology. The definition of inappropriate conduct was also revised to address behavior that could adversely affect a healthcare team’s ability to work effectively or negatively impact communication. Dr. Shah reported that revisions were made regarding DEA license requirements for certain medical staff members, including pathologists, diagnostic radiologists, and certified registered nurse anesthetists, who do not routinely prescribe controlled substances. Appropriate safeguards within the electronic medical record were noted. Dr. Shah further reviewed revisions to the duty to self-disclose requirements, including specified timeframes for reporting matters such as license restrictions, criminal charges or indictments, health matters affecting the ability to practice, employment-related actions, and other circumstances. The meeting frequency of the Utilization Review Committee was also revised from monthly to quarterly.	As Presented.

V. Adjournment	There being no further business and without objection from the Members of the Committee, the meeting adjourned at 12:31 P.M.	
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I certify that the foregoing are the Minutes of the Meeting of the Joint Conference Committee of the Board of Trustees of the Harris Health System held on August 27, 2026.

Respectfully submitted,

Andrea Caracostis, MD, MPH, Committee Chair,

Recorded by Cherry A. Joseph, MBA

Board of Trustees
Joint Conference Committee I Thursday, August 27, 2026
ATTENDANCE RECORD

PRESENT COMMITTEE MEMBERS	ABSENT COMMITTEE MEMBERS	OTHER PRESENT BOARD MEMBERS
Dr. Andrea Caracostis, Committee Chair	Dr. Fareed Khan, Assistant Chief of Staff <i>(BCM)</i>	
Sima Ladjevardian, Board Committee Member	Dr. Matasha Russell, Chief Medical Officer <i>(ACS)</i>	
Dr. Sandeep Markan, Chief of Staff <i>(BT Hospital)</i>		
Dr. Tien Ko, Chief of Staff <i>(LBJ Hospital)</i>		
Dr. Mohammad Zare, Assistant Chief of Staff <i>(UT)</i>		
Dr. Kunal Sharma, Medical Executive Board Chair		
Dr. Asim Shah, Medical Executive Board Vice Chair		
Dr. Esmail Porsa, President & Chief Executive Officer		
Louis Smith, Sr. EVP & Chief Operating Officer		
Dr. Thomas Cummins, EVP & Chief Medical Executive Officer		

PRESENT EXECUTIVE LEADERSHIP, STAFF & GUESTS	
Alexander Barrie	Jerry Summers
Carolynn Jones	John Matcek
Daniel Smith	Lindsay Lanagan
Dr. Glorimar medina	Maria Cowles
Dr. Jackie Brock	Olga Rodriguez
Dr. Jennifer Small	Sara Thomas <i>(Harris County Attorney's Office)</i>
Jennifer Zarate	Shawn DeCosta

Virtual Attendee Notice: If you joined as a group and would like your attendance to be added to the official record, please submit an email to: BoardofTrustees@harrishealth.org before the close of business on the day of the meeting.