

## Three Rivers Hospital

Board of Commissioners Special Meeting

January 16, 2019

Minutes

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The Three Rivers Hospital Board of Commissioners called a special meeting to order at 3:05 p.m. Wednesday, January 16, 2019 in the McKinley Building Conference Room at 507 Hospital Way, Brewster WA 98812. The presiding officer was Vicki Orford, Vice Chair.

A quorum was present, including:

Vicki Orford, Vice Chair  
Tracy Shrable, Secretary  
Leslie McNamara, Member

Others present:

J. Scott Graham, Chief Executive Officer  
Melanie Neddo, Chief Operating Officer  
Jennifer Munson, Chief Financial Officer  
Gretchen Aguilar, Chief Nursing Officer  
Jennifer Best, Administrative Assistant  
Jennifer Bach, Controller  
Christopher Majors, Business Development Coordinator  
Traci Walker, Washington State Auditor's Office

### **Vision, Mission & Values**

All took turns reading the vision, mission, and values statements.

### **2017 Financial Audit Exit Conference**

T. Walker introduced herself as an auditor with the Washington State Auditor's Office. For the first time in a long time, they do not have a finding for a financial recommendation. She is happy to be able to report that.

The financial accountability audit covers January through December 2017. The report needs some finishing touches and will be published publicly in about two weeks.

The state requested a signed management representative letter that describes the responsibility of the organization to provide accurate information for the audit.

Audit costs were expected to be around \$1,250 plus travel, but will come in below that. The next audit is scheduled for 2019, for the year 2018. T. Walker and J. Munson had discussed moving to a two-year audit, but that request needs a higher-level review before Three Rivers can move to that schedule. Other hospitals are on a two-year schedule when they don't have major financial issues.

T. Walker reviewed the accountability report preview. In all areas the state reviewed, the hospital complied with all laws and regulations. They reviewed payroll, asset tracking of narcotics inventory, and cash receipting processes. Page 5 includes information about the hospital district.

Page 7 includes exit item recommendations:

1. Payroll leave accruals – One exception was found for a contract employee wherein an accrual was higher than it was supposed to be for the year. It was rectified in January.
2. Disbursements – Auditors looked at credit cards and employee reimbursements. They found a couple issues with backup documentation for credit card transactions. This can happen when paperwork gets shuffled around and misplaced. TRH is missing a detailed receipt to go with room service charges of \$24. On another occasion, a traveling employee was reimbursed for an \$18 snack. The hospital's policy reimburses up to \$25 for an actual meal cost, but the policy could be reworded to allow for snacks.

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- 3. Cell phone stipend for the CEO – The employment contract states he will be reimbursed, not that it's a stipend. T. Walker recommended changing the wording of the contract to refer to it as a stipend.

The signed responsibility letter has been added to the exit documents.

Hospital district officials will receive surveys seeking feedback on the audit process. T. Walker asked those who receive the survey to please fill it out and feel free to share it with any board members or staff who may have input.

T. Walker reminded everyone that the Auditor's Office website has extensive resources to help hospitals with accountability or finance-related topics. The state hopes to beef up its cyber security audit program, as this is a growing concern. Those audits are a free service. She recommended the hospital to get on the waiting list for an audit. The state also has a team to help establish Lean processes, another free service.

T. Walker stated that it's been nice to see the progress at Three Rivers over the years, and the hospital has a really great group.

**Adjournment**

L. McNamara motioned and T. Shrable seconded to adjourn the meeting at 3:29 p.m. Motion passed unanimously.

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Mike Pruett, Chair

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Vicki Orford , Vice Chair

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Tracy Shrable, Secretary

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Cherri Thomas, Member

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Leslie McNamara, Member