



September 22, 2023

TO: Legal Counsel

News Media

Salinas Californian

El Sol

Monterey County Herald

Monterey County Weekly

KION-TV

KSBW-TV/ABC Central Coast

KSMS/Entravision-TV

The next regular meeting of the **CORPORATE COMPLIANCE AND AUDIT - COMMITTEE OF THE WHOLE** of the **SALINAS VALLEY HEALTH<sup>1</sup>** will be held **MONDAY, SEPTEMBER 26, 2023, AT 5:00 P.M., DOWNING RESOURCE CENTER, CEO CONFERENCE ROOM, ROOM 117, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA** or via **TELECONFERENCE** (visit [SalinasValleyHealth.com/virtualboardmeeting](https://www.SalinasValleyHealth.com/virtualboardmeeting) for Access Information).

A handwritten signature in black ink, appearing to read "Pete Delgado", written in a cursive style.

Pete Delgado  
President/Chief Executive Officer

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<sup>1</sup> Salinas Valley Memorial Healthcare System operating as Salinas Valley Health



Committee Members: Juan Cabrera, Chair; Catherine Carson, Vice Chair; Pete Delgado, President/CEO; Augustine Lopez, CFO; Mike Nolan, Community Member; and Sanjeev Tandon, Community Member

**CORPORATE COMPLIANCE AND AUDIT COMMITTEE MEETING  
SEPTEMBER 2023 - COMMITTEE OF THE WHOLE  
SALINAS VALLEY HEALTH<sup>1</sup>**

**TUESDAY, SEPTEMBER 26, 2023, 5:00 P.M.  
DOWNING RESOURCE CENTER, CEO CONFERENCE ROOM 117  
SALINAS VALLEY HEALTH MEDICAL CENTER  
450 E. ROMIE LANE, SALINAS, CALIFORNIA  
AND VIA TELECONFERENCE  
(Visit [SalinasValleyHealth.com/virtualboardmeeting](https://www.SalinasValleyHealth.com/virtualboardmeeting) for Access Information)**

**AGENDA**

1. Call to Order / Roll Call
2. Approval of Minutes from the Corporate Compliance and Audit Committee Meeting of June 20, 2023 (DELGADO)
  - Motion/Second
  - Action by Committee
3. Compliance Officer Report (LOPEZ/OELKERS)
4. Public Input

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda.
5. Closed Session
6. Reconvene Open Session/Report on Closed Session
7. Adjournment

The Corporate Compliance and Audit Committee meets quarterly. The next meeting is scheduled for **Tuesday, December 19, 2023 at 5:00 p.m.**

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Committee packet is available at the Committee Meeting, at [www.SalinasValleyHealth.com](https://www.SalinasValleyHealth.com), and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Clerk during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

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<sup>1</sup> Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

**CORPORATE COMPLIANCE AND AUDIT COMMITTEE MEETING  
COMMITTEE OF THE WHOLE**

**AGENDA FOR CLOSED SESSION**

*Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.*

**CLOSED SESSION AGENDA ITEMS**

**REPORT INVOLVING TRADE SECRET**

(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility):  
340(b) Program

**Estimated date of public disclosure:** (Specify month and year): \_\_\_\_\_

**HEARINGS/REPORTS**

(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

**Subject matter:** (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, hospital internal audit report, or report of quality assurance committee): Risk Assessment Report  
FEMA

**ADJOURN TO OPEN SESSION**

*CALL TO ORDER*  
*ROLL CALL*

*(Chair to call the meeting to order)*

**FINAL SALINAS VALLEY HEALTH<sup>1</sup>  
CORPORATE COMPLIANCE AND AUDIT COMMITTEE  
COMMITTEE OF THE WHOLE  
MEETING MINUTES JUNE 20, 2023**

Committee Members Present

In-person: Chair Juan Cabrera, Vice-Chair Catherine Carson, Pete Delgado, Augustine Lopez, and Mike Nolan

Via Teleconference: Sanjeev Tandon

Committee Members Absent: None

Other Board Members Present, Constituting Committee of the Whole: Directors Rolando Cabrera MD. and Victor Rey

**1. CALL TO ORDER/ROLL CALL**

A quorum was present and Chair Cabrera called the meeting to order at 5:05 p.m. in the Downing Resource Center Rooms CEO Conference Room 117.

**2. APPROVAL OF THE MINUTES OF THE CORPORATE COMPLIANCE AND AUDIT MEETING OF MARCH 21, 2023**

Approve the minutes of the Corporate Compliance and Audit Committee for the March 21, 2023 meeting, as presented. The information was included in the Committee packet.

**PUBLIC COMMENT:**

None

**MOTION:**

Upon motion by Committee member Delgado, and second by Committee member Nolan, the March 21, 2023 minutes of the Corporate Compliance and Audit Committee were approved, as presented.

**ROLL CALL VOTE:**

Ayes: Chair Cabrera, Vice-Chair Carson, Delgado, Lopez, Nolan, and Tandon;

Noes: None;

Abstentions: None;

Absent: None

Motion Carried.

<sup>1</sup>Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

**3. REVIEW THE SCOPE OF AUDITS AND AUDIT PLANS FOR:  
A. SALINAS VALLEY HEALTH'S CONSOLIDATED FINANCIAL STATEMENTS  
B. DEFINED BENEFIT PLAN FOR SALINAS VALLEY HEALTH**

Received a presentation Chris Pritchard and Kimberly Sokoloff of Moss Adams regarding audit plans for next year. Ms. Sokoloff will focus on potential risks . She also reviewed the timeline in which they will carry out the audit.

**4. COMPLIANCE OFFICER REPORT**

Received a report from Lori Oelkers, Director of Internal Audit & Compliance. Lori went over the elements of an effective compliance program and spoke about the anonymous reports she has received through the hotline. So far only 4 allegations have come through all of which have been investigated.

**5. PUBIC INPUT**

No public comment

**6. CLOSED SESSION**

Chair Juan Cabrera announced that the item to be discussed in Closed Session is *(1) Hearings/Reports – Corporate Compliance and Audit Committee Closed Session Report*. The meeting recessed into Closed Session under the Closed Session protocol at 5:54 p.m.

**7. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION**

The Committee reconvened Open Session at 6:44 p.m. Chair Cabrera reported that in Closed Session, the Committee discussed: *Hearings/Reports* No action was taken in Closed Session.

**ADJOURNMENT**

There being no other business, the meeting was adjourned at 6:45 p.m. The Corporate Compliance and Audit Committee Meeting is quarterly.

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Juan Cabrera, Chair  
Corporate Compliance & Audit Committee

# Corporate Compliance and Audit Committee

## Open Session: Internal Audit Activity

Meeting on Tuesday, September 26, 2023 5:00-6:30pm



# Elements of an Effective Compliance Program: Policies and Procedures

Our policies guide employees in appropriate conduct, compliance with laws and regulations, and reduce the likelihood of wrongdoing; recognizing that all employees are expected to conduct themselves with integrity.

The Department supports 13 policies ensuring that these are up-to-date and reviewed as required. This quarter, the *Compliance and Ethics Program* and the *Sale, Purchase, and Lease of District Real Property* policies were reviewed and approved with input from others, as appropriate.

# Elements of an Effective Compliance Program:

## Compliance Officer

The organization has a Compliance Officer with authority to manage the Compliance Program on a day-to-day basis. The Internal Ethics and Compliance Committee provides advice and programmatic support to manage compliance risk and hold the organization to the highest standards of ethics and integrity.

The work plan includes compliance with District and other laws, financial and operational risks.

This quarter we supported the organization in 340B compliance, admissions criteria, conducted internal audit work, followed up on open internal audit findings and other issues, completed 802 forms (reporting of ceremonial events), reviewed documents for compliance with behested giving requirements, facilitated biennial ethics training, and provided in-person training on compliance and fraud to new employees.

# Elements of an Effective Compliance Program: Education and Training

The organization has effective, ongoing training and establishes open lines of communication.

All new employees receive in-person training in our *Standards of Ethical Business Practices*. Employees are also required to complete annual compliance training.

This quarter, more than 100 new employees received in-person training on the compliance program, False Claims and Stark Acts, Conflicts of Interest policy, Acceptance of Gifts, obligation to prevent fraud, and mechanisms for reporting (including the hotline and the Director's mobile number).

In addition, 98.73% of employees completed their annual compliance and ethics training as required.

# Elements of an Effective Compliance Program:

## Reporting

The organization provides an anonymous method for reporting concerns.

People will only report if they trust in anonymity, know they will be protected from retaliation, *and* believe that their report will lead to change.

Ten Most Common Methods of Detecting Fraud  
From the Association of Certified Fraud Examiners 2023



# Elements of an Effective Compliance Program: Monitoring and Feedback

The organization performs periodic reviews of its regulatory and other risks, and resolves to correct any issues.

We completed our risk assessment which entailed a comprehensive review of the organization's risk universe. Risks were evaluated based on financial materiality, compliance and operational impact, and leaders' perception of organizational risks including those within their purview.

The process included interviews with leaders to understand the existing control environment and to identify opportunities for collaboration. This may include consulting, review and audit opportunities.

# Elements of an Effective Compliance Program:

## Enforcement

Standards of conduct are enforced and employees, agents, and others are held accountable to these standards.

Matters brought to the attention of the Director of Audit and Compliance are timely and thoroughly reviewed.

All hotline/tips are reviewed by the Compliance Officer.

Since our last meeting, one new hotline/tip was investigated:

- Allegation of a customer service opportunity (anonymous, partially substantiated)

# Elements of an Effective Compliance Program: Response and Prevention

Detected issues are addressed and deficiencies are corrected.

This quarter, we partnered to research and respond to various inquiries including providing policy guidance for several matters. All issues are tracked and monitored until appropriate corrective action is taken and the matter is resolved.

Questions/Comments?



# *PUBLIC INPUT*

*CLOSED SESSION*

*(Report on Items to be  
Discussed in Closed Session)*

*RECONVENE OPEN SESSION/  
REPORT ON CLOSED SESSION*

# **ADJOURNMENT**