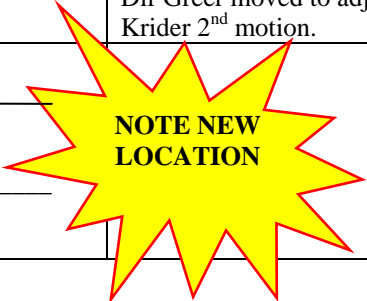


**Palomar Pomerado Health  
INTERNAL AUDIT & COMPLIANCE  
BOARD SUB-COMMITTEE MEETING**

PPH Corporate Building  
456 E. Grand Ave.  
1<sup>st</sup> Floor Conference Room  
February 17, 2009

AGENDA ITEM/ PRESENTER/ORIGINATING DATE	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/ RESPONSIBLE PARTY/FINALIZED
<b>CALL TO ORDER</b>	8:00am by Dir Greer. Quorum comprised of Directors, Greer, Kaufman and Krider.  <b>Also attending:</b> Janine Sarti (via phone), Tom Boyle, Michael Covert, Bob Hemker and Ken Hugins. Nicole Dennis scribed for the meeting in the absence of Michele Gilmore.  Guests: Harmony and Mark of Deloitte & Touche Regrets from:		
<b>NOTICE OF MEETING</b>	Notice of Meeting was posted consistent with legal requirements.		
<b>PUBLIC COMMENTS</b>	None		
<b>ADJOURNMENT TO CLOSED SESSION</b> <i>pursuant to... (if needed)</i>			
<b>RE-ADJOURNMENT TO OPEN SESSION</b>			
<b>APPROVAL OF MINUTES</b> •	The minutes of January 20, 2009 were reviewed and approved.	<b>MOTION:</b> by Dir Kaufman, 2 <sup>nd</sup> by Dir Krider and carried to approve the January 20, 2009 minutes as submitted. All in favor - none opposed.	
• <b>Status of Dir of Corporate Compliance search</b>	Janine reported on the status of the recruitment for Director of Corporate Compliance by the recruiting firm KornFerry. Dir Greer stated that the full Board would like to be involved in the final decision making process.		
• <b>Report on Compliance Hotline activity</b>	Janine reported that there have been 3 calls to the Compliance hot-line since last reported in January 2009, noting that not all Compliance		

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	issues are phone calls; some people prefer a face-to-face meeting.		
<ul style="list-style-type: none"> <li>• <b>Report on Compliance Ad Hoc Committee items sent to 2/9 BOD meeting for discussion</b></li> </ul>	Dir. Linda Greer reported on the discussions of the Ad Hoc committee; i.e. the IA & C committee charter recommended changes involving limitations of the authority and responsibilities of this committee; and the organizational level and title of the Compliance Officer and the Dir. of Internal Audit that were taken to the full BOD at the 2/9/09 meeting.		
<ul style="list-style-type: none"> <li>• <b>Update on Internal Audit Services</b></li> </ul>	Tom Boyle gave a report on the Internal Audit reporting & monitoring projects and provided a chart for review. He also shared a report of completed, proposed and in-process projects and other current activities as well. Teams are being established for the projects in progress.		
<ul style="list-style-type: none"> <li>• <b>Year End Audit Report and Management Letter</b></li> </ul>	Deloitte & Touche gave their report on significant year end deficiencies; as well as their recommendations for correcting those deficiencies.		Luba will report back in March on what is being done in IT security for adjusting access when individuals are transferred in the system or when terminated.
<ul style="list-style-type: none"> <li>• <b>Open discussion</b></li> </ul>			
<ul style="list-style-type: none"> <li>• <b>Date/Time &amp; Location of next meeting</b></li> </ul>	March 17, 2009, 8:00 am in the <b>corporate conference room @ 456 E. Grand.</b>		
<b>(FINAL) ADJOURNMENT</b>	8:57am	Dir Greer moved to adjourn. Dir Krider 2 <sup>nd</sup> motion.	
<b>SIGNATURES</b> <ul style="list-style-type: none"> <li>▪ <b>Committee Chairperson</b></li> <li>▪ <b>Secretary to Committee</b></li> </ul>	<hr/> [Linda C. Greer, R.N.] <hr/> [Nicole Dennis for Michele Gilmore]	 <b>NOTE NEW LOCATION</b>	