

THINC RHIO, Inc.

Taconic Health Information Network and Community

THINC RHIO Financial Oversight Committee Meeting September 22, 2008

A meeting of the THINC RHIO Financial Oversight committee was held on September 22, 2008, commencing at approximately 9:30 a.m.

Committee members Present:

Mike Duffy
Paul Kaye, MD
Robert Savage

Non-Committee members Present:

Steve Rossi
Susan Stuard
Asha Upadhyay

Notice of the meeting was duly given prior to the date of the meeting.

I. INTRODUCTION

Mr. Bob Savage made a motion to open the Financial Oversight Committee meeting. The motion was seconded and carried.

II. THINC AUDIT REPORT AND FINANCIALS

Steve Rossi presented and discussed the following documents with the committee:

1. Draft 2007 audited financials for THINC
2. Draft management letter from THINC's auditor
3. Draft audit responsibility letter
4. THINC August 2008 Financials

Steve Rossi reviewed in detail the THINC audited financials and the project specific report for the HEAL 1 grant prepared by THINC's external auditors. He informed the Committee that THINC received an unqualified opinion on both.

Steve Rossi reviewed the management letter from the external auditor addressed to the THINC Board. Under the Segregation of Duties - Significant Deficiencies section, it is mentioned that there are not enough personnel at THINC for appropriate segregation of functions, so there is a higher risk of mismanagement. Steve Rossi said this issue will be reviewed on an ongoing basis. Another item noted in the letter is about accounting records. There were four out of 40 items with documentation issues, for example, one invoice did not have a paid stamp on it and another did not have the approval stamp on it. Steve said he considers these issues to be minor and will be more diligent in the future. He noted that for invoice payments he and Susan Stuard are the signatories.

The HEAL1 Grant audit report discusses the slower rate at which implementations are occurring than the grant requirement. The NYS DOH HEAL office and the NYS DOH Office for Health Information Technology Transformation (OHITT) office have approved a no-cost extension and we are waiting for approval of the extension from the NYS Office of the Controller (OSC). Susan Stuard said that NYSDOH has been given the projections for this quarter and next quarter. If the HEAL licenses are not dispersed in the two year extension we will have to reimburse the state the balance of the unused licenses.

Steve Rossi discussed the THINC August Financials. Steve noted that THINC is close to budget. There is a \$100,000 in unplanned revenue from the NHIN2 project with expenses related to the project at \$90,000. The Taconic IPA agreed to fund THINC \$500,000 at the beginning of the year. Actual receipt of funds from the Taconic IPA until August are approximately \$300,000 with a net of \$200,000 remaining. Salaries and fringe are in the negative but they are offset by a reduction of consulting expenses. The legal expenses are a little over budget and could go further over budget with review of the HEAL 5 grant contracts with NYS DOH and MedAllies.

The budget projection for the rest of the year indicates that there will be a surplus of approximately \$80,000. This does not include any HEAL5 grant funds. Steve Rossi said approximately \$50,000 is expected in legal costs. Susan said we have approximately \$100,000 allocated in the HEAL5 grant, but all will not be spent in 2008. Susan Stuard said that the HEAL 5 contracts are under review at OSC. The New York State Department of Finance has decided that there will be no budget advances for any HEAL 5 project. Mike Duffy asked when THINC can begin submitting vouchers for this project. Susan Stuard said that THINC can voucher on a monthly basis for the first two quarters to help with the cash flow. Susan Stuard said that as soon as the contract is signed and when we have the approval from OHITT on the first quarter milestones, then we can begin vouchering for the milestones that we completed in that quarter.

Steve Rossi asked if the auditor was needed to make a presentation to the THINC Board of its findings. Mike Duffy said it was not necessary unless the auditor wants to present to the Board.

A motion was made and seconded to approve the 2007 THINC audited financial statements with the recommendation that they be sent to the full Board for review and approval.

III. NEW BUSINESS

There was no new business. A motion was made, seconded and approved to adjourn the meeting.