UW Health Audit Committee

October 14, 2021, 8:00 - 9:30 AM

WebEx: https://uwhealth.webex.com/uwhealth/j.php?MTID=m279f0dcc84669b291e6e04282de55adb
Meeting number: 2623 263 3654 // Password: 74253593

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UW Health Audit Committee - October 14, 2021 - Public Meeting Notice

Agenda

8:00 AM
I. Call to Order
Mr. Ronald Anderson

8:00 AM
II. Meeting Minutes - Open Session
Mr. Ronald Anderson  Approval

8:01 AM
III. Enterprise Risk Management Workgroup
Mr. Scott Houtakker  Update

Presentation - Enterprise Risk Management Workgroup

8:07 AM
IV. Closed Session

Motion to enter into closed session pursuant to Wisconsin Statutes sections 19.85(1)(e) and 146.38 for the review and evaluation of health care services and the discussion of the following confidential strategic matters, which for competitive reasons require a closed session: review and approval of closed session minutes, review of internal audit matters, review and discuss year-end FY21 audit report and process; and, pursuant to Wisconsin Statutes section 19.85(1)(g) to confer with legal counsel regarding these and other matters.

9:04 AM
V. Return to Open Session

9:04 AM
VI. ACTION: Year-End FY21 Audit Report
Mr. Ronald Anderson  Approval
(Motion to accept Year-End FY21 Audit Report as discussed in Closed Session)

9:05 AM
VII. UW Health Supplier Diversity Program
Ms. Shiva Bidar-Sielaff, Ms. Kristi DeNoma  Report/Discussion

Presentation - UW Health Supplier Diversity Program

9:30 AM
VIII. Adjourn
Mr. Ronald Anderson
## Top 11 Inherent Risk Areas

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<th>Risk Area</th>
<th>Risk Description</th>
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| 1  | Patient Care Management / Patient Safety | - Deviation from generally accepted and/or evidenced based practice or process  
- Less than optimal movement of patients through the healthcare facility  
- Deviations from policy may result in Hospital Acquired Infections  
- Errors in medication administration can occur through failures in any of the five rights (right patient, medication, time, dose, and route)  
- Lack of a disease management program/protocols can result in higher health care costs and poor health outcomes |
| 2  | Access to Care                   | - Lack of staffed beds  
- Lack of specialty care including surgical areas and surgeons  
- Lack of primary care providers may significantly impact brand and financial performance  
- Long wait times, system errors or downtime, duplicate appointments, and missed calls |
| 3  | Information Security             | - Cyber threats  
- Insufficient protection of information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction  
- Insufficient protection of medical devices from unauthorized access, use, disclosure, disruption, modification, or destruction of data |
| 4  | Human Capital                    | - Succession challenges and ability to attract and retain top talent may limit ability to achieve operational and quality targets  
- The lack work/life balance for staff may increase turnover and impact quality  
- Staff turnover due to loosing staff to other companies not in the region that allow permanent remote work locations |
| 5  | Legal and Regulatory             | - Loss of accreditation may significantly disrupt operations, damage brand, impact financials  
- Regulatory changes and scrutiny may heighten, noticeably affecting operations and/or resulting in investigations |
<p>| 6  | Economics / External             | Economic conditions may significantly impact financial results and restrict ability to seize growth opportunities |</p>
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| 7  | Organizational Culture            | - Culture may not be sufficiently encourage timely identification and escalation of risk issues  
                              - Behaviors and personal conduct of the management team and other key representatives may not conform to societal and ethical expectations  
                              - Resistance to change operations may restrict organization form making necessary adjustments to the business model and core operations |
| 8  | Emergency Management / Business Continuity | - Not sufficiently prepared to manage an unexpected crisis to keep patients and staff safe from harm during a disaster as well as damage brand/reputation  
                              - Not sufficiently prepared to maintain and/or recover essential services and functions impacted by an event causing an interruption of normal operations |
| 9  | Supply Chain                      | - Evolving changes in global trade policies may limit ability to procure medical supplies  
                              - Uncertainty surrounding the viability of key suppliers, scarcity of supply, or stable supply prices may make it difficult to procure medical supplies and/or result in excessive costs |
| 10 | Competition and Patient Demand    | Sustaining patient loyalty and retention may be difficult due to patient preference, demographic shifts, and / or other competitive market disruptions |
| 11 | Facilities                         | - Financial costs due to aging facility  
                              - The potential for facility related failures to result in business disruption and losses |
Obtained metrics and internal controls for the majority of the Top 11 risks

Future steps:

✓ Monitor metric results
✓ Compare controls against best and common practices
Questions?
Current State – Supplier Diversity Program Under Development

- **Workgroup addressing foundational topics:**
  - Data capture and reporting
  - Meeting with leaders of other programs (Am Fam, Rush)
  - Understanding and leveraging resources:
    - North Central Minority Supplier Development Council
    - Vizient Supplier Diversity Program
    - UW eBusiness Consortium
  - Including diverse suppliers in RFP’s and placed diversity supplier language in the East Campus contract

- **DEI Program Strategic Plan**
  - Supplier Diversity is being recommended as one of the tactics
• Validated Diversity Supplier Spend:
  - Time period: 2/1/2020 – 1/31/2021
  - Tier 1 - $478,961
    Tier 1 spend = $$ paid directly to diverse suppliers
  - Tier 2 - $3,491,365
    Tier 2 spend = $$ paid to Tier 1 suppliers that spend with a diverse supplier (example: a distributor)
Vision and Timeline

2025

World Class Supplier Diversity
- Program leader viewed as key resource to Sr. leadership
- Supplier diversity process is equal in stature to workforce diversity
- Supplier diversity is owned by sourcing and buying teams
- Accountability throughout the organization
- Program management tools used throughout the organization
- Ability to measure the program's contributions to the community

Advanced Supplier Diversity Process
- Membership in local and national advocacy orgs
- Program sufficiently resourced
- Strong team of supplier diversity professionals
- Procurement staff and key leaders fully trained
- Steering committee in place
- Advanced Tier 2 reporting
- Sr. leadership involvement
- Full alignment and competency in strategic sourcing
- Technology supporting the program is deployed

Traditional
- Full-time Program Manager
- Membership various leading advocacy orgs
- Alignment with strategic sourcing and expansion into additional spend categories
- Tier 2 spend tracking is in place
- Some Sr. leadership involvement

Basic
- Dedicated FTE
- Establish program goals
- Enhanced data tracking (Tier 2)
- Community outreach trade fairs
- Materials developed
- Training
- Leverage Vizient Supplier Diversity Connection
- Cross functional representatives

2021
Beginning:
- Gain leadership support
- Identify certified diverse suppliers
- Establish data tracking
- Procurement training
- Begin including diverse supplier in each RFP

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Q & A