

**ORDER OF THE TRAVIS COUNTY COMMISSIONERS COURT
AMENDING THE TRAVIS COUNTY HEALTHCARE DISTRICT
FINANCIAL POLICIES**

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Pursuant to Chapter 281 of the Health & Safety Code, Section 049, Purchasing and Accounting Methods and Procedures, the Commissioners Court hereby orders that the Hospital District Financial Policies be rescinded in full and the Healthcare District Financial Policies in the form attached to this order be adopted effective for reporting for the fiscal year ending September 30, 2017 and thereafter.

Date of Order: _____

TRAVIS COUNTY COMMISSIONERS COURT

Sarah Eckhardt
County Judge

Ron Davis
Commissioner, Precinct 1

Brigid Shea
Commissioner, Precinct 2

Gerald Daugherty
Commissioner, Precinct 3

Margaret Gómez
Commissioner, Precinct 4

TRAVIS COUNTY HEALTHCARE DISTRICT FINANCIAL POLICIES

The Healthcare District will:

1. Maintain the Travis County Healthcare District's ("District") financial records in accordance with a comprehensive basis of accounting consistent with state law and applicable statutes.
2. Prepare the District's annual budget using Local Gov't Code, Chapter 111, Section 63 as the method for formatting a budget in the same manner used by the Travis County Planning and Budget Office, except that the District's CFO shall serve as the budget officer and will obtain any information necessary to prepare financial statements from District auditors, as necessary, and references to projects shall refer to programs, as those terms are defined in District's budget.
3. In delivering funds for any Interlocal Agreement, Memorandum of Understanding or any other contracting method with a non-profit or governmental entity, the District will comply with all statutes and constitutional requirements, including Tex. Const. Art. III, Sections 52(a), to ensure that all funds are used for a public purpose and not as a donation.
4. Maintain an adequate and effective system of internal controls over the District's financial operations (including transactions and reporting). At a minimum, adequate internal controls should be maintained and monitored for the following areas: cash handling and management, collections, receivables, liabilities, capital assets, and financial reporting.
5. Create and maintain District policies for the following areas:
 - Investments
 - Capital Assets
 - Fixed Asset Procedures
 - Cash handling
 - Electronic funds transfers
6. Prepare the District's annual financial statements in accordance with a comprehensive basis of accounting consistent with state law.

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7. Provide the County Auditor with the District's, including component units and Capital City Innovation, monthly financial statements and related variance analysis by the last day of the following month after presentation to the District's Board of Managers, and CommUnityCare's financial statements on a quarterly basis after presentation to the District's Board of Managers. For any financial statements for Sendero, the Commissioners Court will accept filings as sufficient when they are filed with the Texas Department of Insurance and then copied to County Auditor.
8. Contract with a qualified firm of certified public accountants to audit the District's financial statements each fiscal year in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
 - As required under the Texas Government Code, Chapter 2256, Public Funds Investment Act, the District will, in conjunction with the annual financial audit, contract with the audit firm to perform a compliance audit of management controls on investments and adherence to the District's established investment policies and statutory obligations.
 - The District will, in conjunction with the annual financial audit, contract with the audit firm to audit the compliance of the District with types of compliance procedures required in the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement that are applicable to each of the District's Federal and State programs.
 - The audit must be completed by February 28th of each year for the previous fiscal year ended September 30th, with the exception of the Sendero audit which will be completed by June 30th of each year for the previous fiscal year ended December 31st.
 - The District will direct its affiliated component units and non-profits (i.e., CommUnityCare, Sendero, Community Care Collaborative, and Capital City Innovation) to prepare annual

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audits for District and County review that meet all of the standards described for the District in this section.

9. Pay for an outside accountant or specialist hired by the County, if the County determines that the financial data requested above is not reliable, not in accordance with state statutes or is not timely.
10. Incorporated by reference into this letter are a memorandum from Patricia Young Brown of October 10, 2016 and a letter from Katrina Daniel of September 19, 2016, reflecting the commitments Central Health is making to further provide information in the Spirit of these Policies.