



## Audit Sub-Committee Special Meeting DRAFT MEETING MINUTES

Location: Legislative Office Building  
Date: December 2, 2015  
Time: 3:00 p.m.

**Members Present:** Grant Ritter; Cecelia Woods; Kasia Janik, on behalf of Secretary Benjamin Barnes, Office of Policy & Management

**Other Participants:** Steven Sigal (AHCT); Susan Rich-Bye (AHCT); Jean Callan (Whittlesey & Hadley, PC); Edward Sullivan (Whittlesey & Hadley, PC)

**Members Absent:** Lt. Governor Nancy Wyman

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### A. Call to Order and Introductions

Grant Ritter called the meeting to order at 3:04 p.m.

### B. Review and Approval of Minutes

Grant Ritter requested a motion to approve the minutes from the February 23, 2015 Regular Meeting. Motion was made by Cecelia Woods and seconded by Kasia Janik. ***Motion passed unanimously.***

### C. Review of Whittlesey & Hadley Audit Scope

Ed Sullivan and Jean Callan from Whittlesey provided an audit engagement overview and plan for fiscal year ending June 30, 2015. There will be a financial audit that includes a federal single audit, programmatic audit and transitional reinsurance audit.

Overall, the objective is to conduct the audit in accordance with Generally Accepted Accounting Principles ("GAAP") and apply best business practices. Any management recommendations and suggestions for applying best business practices will be identified and communicated. The most significant issues will be brought to the Audit Committee should that occur.

Mr. Ritter asked about the financial statement audit timeline. Mr. Sullivan replied that it is in process with hopes to have a draft for management review very shortly with a presentation at the next Audit Committee. The Transitional Reinsurance Audit will be completed later partly because

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Approved as amended by the Audit Subcommittee  
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the auditors are still working on the scope of these audits with CMS. Mr. Sigal said that Connecticut was the only state to set up its own transitional reinsurance program and as a result AHCT and Whittlesey & Hadley have had difficulty obtaining guidance from CMS regarding the audit even though CMS has requested the audit. Mr. Ritter asked about deadlines. Mr. Sigal stated that programmatic audit has an April 1 deadline.

**D. Congressional Request**

Susan Rich-Bye provided a summary of the October 14, 2015 Congressional Request. On September 29, 2015, James Wadleigh testified before the House Committee on Energy and Commerce along with the CEOs of several other state Exchanges on the issue of oversight over the state exchanges. The information sought by the request related to the federal grants received by AHCT for the design, development and implementation of the State Exchange and the Integrated Eligibility System, and the oversight provided by the U.S. Department of Health and Human Services (HHS), the Center for Medicare and Medicaid Services and the Consumer Information and Insurance Oversight Division of HHS. AHCT has produced documents and information on a rolling basis commencing on November 4, 2015 and completed its submission on December 1, 2015. AHCT will be providing a copy of the documents and information produced to the minority members of the House Committee on Energy and Commerce. Nothing further is anticipated.

**E. Security Audit**

CMS and the IRS have required AHCT conduct a new independent security audit due to the recent State of Connecticut Data Center move from East Hartford to Groton. A full physical and logical security audit was requested. AHCT has hired Integration Partners LLC to conduct this audit. Preliminary work has begun this week. The audit scope will be based on CMS and National Institute of Standards and Technology (NIST – federal technology agency) guidance; 318 Operational, Technical and Managerial controls have been identified for review for this audit. There will be collaboration with the Department of Administrative Services/Bureau of Enterprise Systems and Technology which hosts AHCT's website. AHCT anticipates that the audit will take four months to complete and a report will follow. Mr. Ritter asked if this audit is required every year. Ms. Rich-Bye replied that CMS does require security audits updates, but because of this move, an additional full security audit was requested. Mr. Sigal added that the yearly security audit is typically much smaller in scope.

**F. 2016 Audit Committee Schedule**

Proposed dates for the 2016 Audit Committee meetings were discussed. It was proposed to move the March 7 meeting to earlier in February due to timelines of work currently being done.

Mr. Sigal added AHCT had recently held a Request for Proposal (RFP) process for AHCT's auditors and Whittlesey & Hadley had been selected to continue as AHCT's auditors. Ms. Rich-Bye added that an RFP for legal services was also issued recently pursuant to our statutory requirement. That process has been completed and Jeffers Cowherd and Shipman & Goodwin have been selected to provide legal services for AHCT.

**G. Adjournment**

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Grant Ritter requested a motion to adjourn the meeting. Cecelia Woods made the motion and Kasia Janik seconded. ***Motion passed unanimously.*** Meeting adjourned at 3:34 p.m.