



Audit Committee Meeting Draft MEETING MINUTES

Location: Remote Meeting
Date: Thursday, June 10, 2021
Time: 10:00 a.m.

Members Present:

Gregory Messner (Chair); Grant Ritter; Yvonne Addo on behalf of Miriam Delphin-Rittmon, Commissioner of Department of Mental and Health Addiction Services; Cecelia Woods

Other Participants:

Access Health CT (AHCT) Staff: James Michel, Susan Rich-Bye, Daryl Jones; Pamela Roe; Marcin Olechowski
CliftonLarsonAllen (CLA): Nikoleta McTigue; David Flint

A. Call to Order and Introductions

The Regular Meeting of the Audit Committee was called to order at 10:05 a.m. Roll call for attendance was taken.

B. Review and Approval of Minutes

Chair Gregory Messner requested a motion to approve the November 20, 2020 Special Meeting Minutes. Motion was made by Grant Ritter and seconded by Yvonne Addo. Roll call vote was ordered. **Motion passed unanimously.**

C. 2021 Procurement for Auditing Services FY 2021 Financial and Programmatic Audits

Daryl Jones, Director of Finance, provided information on the procurement for auditing services. Mr. Jones noted that in 2018, AHCT selected Blum and Shapiro to conduct auditing services for the Exchange after the Request for Proposals (RFP) process. Mr. Jones noted that on April 25, 2021, CliftonLarsonAllen (CLA) LLP was notified that they were selected as a result of the RFP process and the contract was executed on May 26, 2021. Mr. Jones stated that CLA acquired Blum and Shapiro in January of 2021.

Nikoleta McTigue from CLA presented the plan for the FY2021 Financial and Programmatic Audits. Ms. McTigue noted that the Committee has received a Communication Memorandum from the auditors. Ms. McTigue reviewed the step-by-step audit conclusion communications.

Ms. McTigue indicated that AHCT's auditors are required to submit an audit plan. After the audit work is completed, the results need to be provided to the Audit Committee and the Board. Ms. McTigue noted that CLA will be giving its opinion on the financial statements under auditing standards generally accepted in the United States of America, and standards applicable to financial audits from the Government Auditing Standards issued by the Comptroller General of the United States.

Ms. McTigue stated that the Programmatic Audit is the audit of the Exchange's compliance with the Affordable Care Act, 45 CFR Part 155, as prescribed by the Department of Health and Human Services, Centers for Medicare and Medicaid Services. Ms. McTigue noted that the scope of the audit is the same as last year. The responsibilities of the management as well as the auditors were reviewed. Ms. McTigue emphasized that the auditors work independently of the Exchange and pointed out that another communication to the members of the Committee will take place at the conclusion of the Audit. Ms. McTigue noted that two-way communication is crucial. This communication will include several key areas, which include management, judgments and sensitive accounting estimates, significant accounting policies, material weaknesses, significant deficiencies and control deficiencies and many others. Ms. McTigue provided additional information pertaining to a possible federal single audit related to State Exchange Modernization Grant Program for the Fiscal Year (FY) ending June 30, 2021. Ms. McTigue noted that addendum engagement letter will be issued upon determination of the applicability and added that the Federal Single audit report will be issued in addition to the financial statement and programmatic audit reports. Ms. McTigue provided a summary of engagement timing.

James Michel, Chief Executive Officer, reminded the Committee that AHCT had asked the Board of Directors to allow the organization to use \$2.6 million for the implementation of the American Rescue Plan (ARP), which included IT, Operations as well as Marketing and Outreach. Mr. Michel noted that AHCT will be seeking reimbursement for those funds through a federal grant under the American Rescue Plan Act. Chair Messner inquired about the timing of the reimbursement. Ms. McTigue stated that the Federal Government provides the guidance on how to report the reimbursement funds, if they should be included in the year that it was spent or received. Ms. McTigue went on to provide the contents of the communications that will be presented at the completion of the audit.

D. State of Connecticut Audit Report FY 2016, FY 2017 State of Connecticut Audit FY 2018, FY 2019

Susan Rich-Bye, Director of Legal and Governmental Affairs and Daryl Jones, Director of Finance, provided the status for the State of Connecticut Audit Report FY 2016, FY 2017 State of Connecticut Audit and the FY 2018, FY 2019 audit. Ms. Rich-Bye noted that the procurement policy will be presented back to the Board of Directors. Ms. Rich-Bye noted that the state auditors

recommended that the Exchange revise the procurement policy to include more specific requirements for sole source contracts, and information will be presented to the Board of Directors. Ms. Rich-Bye specified that if the Board approves the change, the proposed policy change would be published in the Connecticut Law Journal and will have a 30-day public comment period. Ms. Rich-Bye added that following that period, the revised policy would go back to the Board of Directors for approval.

Mr. Jones noted that AHCT and State Auditors started the State of Connecticut Audit for FY 2018 and FY 2019. Mr. Jones noted that the audit is ongoing and emphasized that AHCT does not anticipate any major issues in the findings of the audit.

E. State-Based Marketplace Annual Reporting Tool 2020 (SMART)

Ms. Rich-Bye provided information on the State-Based Marketplace Annual Reporting Tool 2020 (SMART). Ms. Rich-Bye stated that SMART is the State-Based Marketplace Annual Reporting Tool. Ms. Rich-Bye indicated that it is submitted to the Centers for Medicare and Medicaid Services (CMS) and is completed by AHCT staff. After CMS review, AHCT will receive comments from CMS. The Audit Committee's role is to make sure that AHCT is compliant with federal and state requirements and provides oversight of AHCT's operations. Ms. Rich-Bye added that the SMART has four components: eligibility and enrollment, the financial and programmatic audits, program integrity and attestation. Ms. Rich-Bye conveyed that AHCT filed its SMART on June 1st and financial and programmatic audits for FY 2020 were filed earlier this year.

F. Adjournment

Chair Gregory Messner requested a motion to adjourn. Motion was made by Grant Ritter and seconded by Yvonne Addo. Roll call vote was ordered. **Motion passed unanimously.** Meeting adjourned at 10:28 a.m.