

A diverse family of four is shown laughing joyfully together on a couch. The mother, on the left, has her arm around the father. The father, wearing glasses, is smiling broadly. Two young children are laughing heartily in the center. The scene is warm and intimate, set against a background of light-colored curtains.

Audit Committee Meeting

June 9, 2022

Agenda

- A. Call to Order and Introductions
- B. Vote
 - Review and Approval of Minutes
- C. FY 2022 Financial and Programmatic Audits
- D. 2021 State-Based Marketplace Annual Reporting Tool (SMART)
- E. Adjournment

Vote

Review and Approval of Minutes



We'll get you there.

Access Health CT Required Audit Communication Discussion

For the Fiscal Year Ended June 30, 2022

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Agenda

- Engagement Scope
- Responsibilities and Independence
- Other Planning Matters
- Other Communications
- Engagement Timing
- Engagement Team



Engagement Scope

- Financial Statements
 - Opinion on financial statements under auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards issued by the comptroller general of the United States
- Federal Single Audit – new for 2022
 - Express an “in relation” to financial statements opinion on the schedule of expenditures of federal awards
 - Express an opinion on compliance related to major federal award program
 - 93.525 – American Health Benefit Exchange State Planning and Establishment Grant
- Programmatic Audit
 - Audit of the Connecticut Health Insurance Exchange’s compliance with 45 CFR Part 155 as prescribed by the Department of Health and Human Services, Centers for Medicare and Medicaid Services



Responsibilities and Independence

- Responsibilities – Management
 - Preparation and fair presentation of the Financial Statements in accordance with US GAAP,
 - Design, implementation and maintenance of internal control so that financial statements that are free from material misstatement whether due to error or fraud.
- Responsibilities - Auditor
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error
 - Design and perform audit procedures responsive to those risks
 - Examine, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



Responsibilities – Auditor (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Access Health CT's ability to continue as a going concern for a reasonable period of time.
- Form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.
- Plan and perform our audit to provide reasonable assurance about whether the Financial Statements are free of material misstatement.



Responsibilities – Auditor (continued)

- Federal Single Audit
 - Plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred.
 - Perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls
 - Consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.
 - Provide a report on internal control over compliance related to major programs and express an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

Other Planning Matters

- Independence
 - There are no relationships between any of our representatives and the Connecticut Health Insurance Exchange that in our professional judgment impairs our independence.
- Two-way communication is important
 - We encourage you to provide us with information you consider relevant to the audit
 - Your understanding of the risks of fraud and the controls in place to prevent and detect fraud, whether you are aware of any noncompliance with laws, regulations, contract and grant agreements



Other Planning Matters

- Adoption of new GASB No. 87 – *Leases*
 - Financial Statements and notes to the financials statements changes
- SAS No. 134 - Auditors' report will change:
 - Opinion paragraph first
 - Followed by basis of opinion paragraph
 - Expanded description of the auditor's responsibilities, including professional judgement, professional skepticism, and communications with those charged with governance
 - Bullet points to explain auditor's responsibilities



Other Communications

- At the completion of our audit, we will communicate the following:
 - Qualitative aspects of accounting practices
 - Significant accounting policies
 - Adoption of new or changes in accounting principles
 - Management judgments and sensitive accounting estimates
 - Significant audit adjustments (recorded and unrecorded)
 - Disagreements with management
 - Difficulties encountered in performing the audit
 - Irregularities and illegal acts
 - Consultation by management with other auditors
 - Matters affecting independence of auditors
 - Material weaknesses, significant deficiencies and control deficiencies



Engagement Timing

- Commencement of Fieldwork 8/29/22
- Issuance of Draft Financial Statements 9/30/22
- Client Approval of Draft Statements 10/17/22
- Issuance of Financial Statements 10/31/22
- Issuance of Management Letter (if applicable) 10/31/22



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2021 State-Based Marketplace Annual Reporting Tool (SMART)

Adjournment