

**Finance & Operations Committee Meeting Minutes**

Connect for Health Colorado Meeting Room

East Tower, Suite 1025

3773 Cherry Creek N Dr., Denver, CO 80209

**July 24, 2017**

**9:30 AM – 11:30 AM**

| Action  | Who By                | Due   |
|---|-----------------------|---|
| Expense benchmarking with other Exchanges.  | Finance Department    | Further research in process for IT specific expenditures. |
| Explore adding a satisfaction survey for customers who use the customer service center.                     | Operations Department |   |
| Explore the possibility of different grant funding opportunities  | Finance Department    |   |
| Review finalized contracts that were approved during the June 26 Board meeting                              | Finance Department    |   |
| CGI to give a previous and current work, and project overview to the Finance & Operations Committee members | Finance & Operations  | July or August Committee Meeting                          |

**Board Members Present:** Davis Fansler and Adela Flores-Brennen

**Staff Present:** Brian Braun, Traci Butzen, Kelly Davies, Judith Jung, Kevin Patterson, Arba Robinson, Alan Schmitz and Lisa Sevier

**I. Welcome & Introductions**

Adela Flores-Brennan chaired the meeting and called the meeting to order at 9:30 a.m., welcoming everyone in attendance, both in-person and on the phone. The June committee meeting minutes were approved.

**II. Audit Status Review**

The committee received a quick review of the audits that have been conducted on Connect for Health Colorado over the past year. Arba Robinson, Internal Compliance and Audit Manager, reported on the four completed audits of fiscal year 2017:

- Financial audit and single audit
- Programmatic audit (SMART audit)
- Limited performance audit for 2014 (performed by the Colorado Office of the State Auditor)

- An audit performed by the Office of the Inspector General

Currently there are two open audits: a full performance audit for 2016, by the Colorado Office of the State Auditor and an audit by the Office of the Inspector General. The full performance audit findings will be released during a State Audit Committee Hearing on Tuesday, August 4<sup>th</sup>.

Policies and procedures have been, and continue to be, updated and implemented to address any and all findings and include the procurement process, contract management and sub-recipient payment and monitoring.

### III. **Bank Accounts**

According to the organization's investment policy, there is not a requirement for approval from the board prior to the organization opening investment bank accounts. In compliance with the policy, staff must offer a quarterly financial review, including investments, to the board.

As part of the financial policy, the organization has an authority matrix requiring the board of directors approval for creating bank accounts. However, there is nothing specific in the By-laws of the organization which address the opening of investment accounts.

Staff proposed making some adjustments to the current by-laws (Articles of Governance) and authorization matrix to clarify the bank account and investment requirements, these adjustments will be brought to the committee for referral to the board. More specific information will be provided at the next committee meeting around accounts that will offer higher returns.

Per the July board meeting, the Finance & Operations Committee has been granted the authority to determine what accounts will be opened accordingly. The committee agreed to allow the immediate opening of CD accounts and a money market account. Details will be reported back to the committee in August.

### IV. **Updated Articles of Governance**

The Articles of Governance (by-laws) were originally adopted at the inception of the organization. It has been noted the current by-laws contain obsolete language, cumbersome process requirements and a need for clarifications and updates. Alan Schmitz, General Counsel, drafted proposed changes to the by-laws with the intention to bring them more up to date.

Included among the changes is allowing the board the discretion to determine the number of board meetings in a calendar year; as well as a requirement that the secretary of the board sign all meeting minutes.

Connect for Health Colorado posted the proposed changes to the by-laws for public review on Friday, July 21<sup>st</sup>. Public comments will be accepted for 30 days and incorporated, at the discretion of the board, into the amended by-laws.

The amended by-laws will go to the full board for approval during the September board meeting.

**V. Fiscal Year 2017 Financial Auditor Recommendation**

Financial policy requires board approval of the auditing firm that conducts the annual fiscal year financial audit of the organization. The staff requested the approval of the organization’s current auditor Kundinger, Corder and Engle, P.C.

It was noted that there will most likely be a continued need for an A-133 audit for FY 2016 if/when Medicaid reimbursement dollars are received.

At the next committee meeting staff will provide an engagement letter for the auditing firm of Kundinger, Corder and Engle, P.C. to perform both the financial audit and preemptively, the A-133 audit. The committee will then be asked to make a recommendation to the board requesting full board approval of the firm.

SMART Audit Review

Staff gave a Summary of the 2016 Programmatic (SMART) Audit. Connect for Health Colorado engaged an independent qualified auditing entity to perform an external programmatic audit as required by 45 CFR 155. The organization is required to disclose the findings to the public. There are two findings from the audit:

- No eligibility determination is being conducted for enrollees that do not receive financial assistance and only use the exchange to shop and buy coverage
- Qualified Health Plan Certifications (QHP) – improve internal process to reflect how Connect for Health Colorado certifies QHPs in conjunction with the Colorado Division of Insurance

The organization is working on the recommendations and corrective actions. The SMART Audit findings are posted on the Connect for Health Colorado website and can be found [here](#).

**VI. Public Comment**

There was no public comment

**VII. Adjourn**

Meeting adjourned at 10:30 a.m.

Respectfully submitted,

Adela Flores-Brennan  
Board Chair