

Audit Update

Finance and Operations Committee – July 25, 2022



Audit Update

Upcoming Audits

Auditor/Agency	Engagement	Expected Start Date	Additional Information
Centers for Medicare & Medicaid Services (CMS)	Exchange Improper Payment Measurement (EPIM)	2023	The Advance Premium Tax Credit (APTC) program has been selected for review as a result of the Payment Integrity and Information Act of 2019. We anticipate the audit will start with the 2018 plan year, based on information received from CMS.

Ongoing Audits and Reviews

Auditor/Agency	Engagement	Expected End Date	Status	Additional Information
Brock & Company	2021 403(b) Plan Audit/ 5500 Tax Return Preparation	10/15/2022	Reporting Stage	The auditors have completed the audit fieldwork. The final report will be issued with the completion and filing of the Tax Form 5500 with Department of Labor. The 5500 is due mid October 2022. We expect a draft of both the report and the 5500 in September 2022. We do not expect any findings in the report.
Government Accountability Office	Review of Advance Premium Tax Credit Payment Integrity	TBD	Fieldwork Stage	The review is focused on the Marketplace's APTC administration. We have met with the GAO twice and supplied them with all their requests. The expected end date is not known at this time.
Plante Moran	2022 Financial Statement Audit and Single Audit	Fall 2022	Pre-Fieldwork Stage	The auditors completed preliminary fieldwork in June and are expected to start the final fieldwork in September.

Audit Update (continued)

Internal Audit Activity

Area	Focus	Additional Information
APTC Payment Process	Calculation of APTC and Payment to Issuer	The audit is complete and there is nothing significant to report.
Finance	Capital Expenses	Nothing to report.
Product Development	Calculation of APTC within NES	Precautionary review ahead of CMS audit in 2023.
Privacy & Security Office	Service Center Annual Security Assessment	IA will participate in the assessment with the PSO and help as needed.

Follow-up on Previous Outstanding and Completed Audits

Auditor/Agency	Audit Findings/Area of Focus	Status
OIG - A-07-14-02801	Colorado did not correctly expend establishment grant funds for establishing a health insurance marketplace	CCIIO has determined a lower amount of refund is due to CMS. No new information as of this report.
CMS Carrier Audits	2014, 2016, 2017 Carrier Premiums and APTC	C4HCO is participating in the exit conferences with the Carriers and Auditors. This is the final part of the process.
Plante Moran	2021 Programmatic Audit	The report is complete and has been submitted to CMS. The report noted one finding of material weakness. The exchange is not in compliance with Subpart D 155.355, it requires the Exchange must determine eligibility of qualified individuals on an annual basis. Currently, the Exchange is in the process of implementing a system to reevaluate eligibility annually for participants. The Exchange anticipates implementation for Plan Year 2023.