



Washington Health Benefit Exchange

Audit & Compliance Committee

Meeting Minutes

Thursday, July 19, 2018

1:05pm – 1:40pm

Health Benefit Exchange Office, Margaret Stanley A Conference Room

Audit & Compliance Committee Members Present:

Don Conant, Chair

Hiroshi Nakano, Member (via phone)

Mark Stensager, Member (via phone)

Audit & Compliance Committee Members Absent:

Phil Dyer, Member

Washington Health Benefit Exchange (WAHBE or Exchange) Staff Present:

Pam MacEwan, Chief Executive Officer

Carole E. Holland Ed.D., Chief Financial Officer

Leah Hole-Marshall, General Counsel and Chief Strategist

Mark Riley, Chief Information Security Officer (via phone)

Terry Westhoff, Associate Director Finance

Allen Nguyen, PMO Lead

Carly Christiansen, Sr. Administrative Assistant

Guest Presenters:

Nathan Dunlop, CPA, Principal, BerryDunn (via phone)

Sarah Belliveau, CPA, Principal, BerryDunn (via phone)

Yoko McCarthy, Manager, BerryDunn (via phone)

Welcome and Introductions

Don Conant called the Committee meeting to order at 1:05pm and conducted introductions.

Approval of April 19, 2018 Audit & Compliance Committee Meeting Minutes

The Audit and Compliance Committee approved the April 19, 2018 meeting minutes as presented.

FY18 Financial Audit Update, 2018 Programmatic Audit Update – Sarah Belliveau, BerryDunn

Sarah Belliveau began by noting that formal communication to the governing body, regarding scope and timing, is required to begin the financial audit.

Sarah Belliveau presented on the responsibilities, significant audit areas, timing and staffing in association with the Financial Audit, which are all consistent with prior years. Per audit standards, no opinion will be expressed on internal controls.

Key audit areas are changed from year to year and Sarah Belliveau requested Committee members submit any areas, should they feel specific scrutiny is required. The area of liability related to post retirement benefits is new to this year's audit, due to the adoption of a new accounting pronouncement: GASB 75.

The Financial audit is expected to be completed by early October and BerryDunn plans to present results to the Audit and Compliance Committee and to the Board shortly thereafter.

Sarah Belliveau reviewed the significant audit areas of the Programmatic audit, and noted they are similar to previous years. Draft reports for the Programmatic audit are expected to be completed by September, with finals by March 2019. She brought the Committee's attention to the planning questions outlined in the presentation and noted BerryDunn is available to talk with the Board at any point during the audits.

Carole Holland noted Allen Nguyen, Terry Westhoff as leads for the Programmatic and Financial audits, respectively, and thanked them for the ongoing efforts.

IRS Safeguard Review Update – Mark Riley, Chief Information Security Officer

Mark Riley provided an update on the recent IRS Safeguard Review. The team has reduced the number of findings from 1,000 to 409. The Exchange continues to work with its partners to address many of the remaining areas.

The process to request authority to connect to the IRS hub has been completed and the Exchange is waiting for response.

General Update – Leah Hole-Marshall, General Counsel and Chief Strategist

Leah Hole Marshall noted there is one-ongoing litigation that is currently in-process.

Carole Holland, on behalf of Compliance Officer Joanna Donbeck, added that CMS is beginning their audit of APTC payments and effectuated enrollments on sample of Washington issuers, concentrating on 2014. While it is the carriers that are being audited, the audit could affect the Exchange. Joanna Donbeck is tracking the audit as it progresses.

Next Meeting and Adjourn

Don Conant adjourned the meeting at 1:22pm