



Financial Audit Services Contract (VOTE)

KARI MILLER
Chief Financial Officer

Board of Director's Meeting July 11, 2019

Background

Today we seek approval to extend a contract for financial auditing services with KPMG through June 30, 2022 for an amount not to exceed \$300,000.

- The Health Connector is subject to an annual financial audit to certify that our Financial Statements meet Generally Accepted Accounting Principles (GAAP) requirements and are free of material misrepresentations
 - Auditor also evaluates internal controls and makes recommendations on ways to improve financial processes and procedures
- KPMG has been the Health Connector's audit partner since inception and we have worked collaboratively together since 2006
- Three, one year extensions are available to us as a result of a procurement completed in 2018
- KPMG and the Health Connector have negotiated a three-year agreement that results in lower annual costs and provides stability as we begin a transition period and implementation of a new vendor for enrollment and premium billing services
 - FY18 services, inclusive of the standard financial audit and single audit, cost \$107,100

Cost

KPMG will perform three annual audits of the Health Connector's Financial Statements, assess accounting principles and express an opinion regarding the fair presentation in compliance with GAAP.

Audit	Cost
FY2019 Financial Audit	\$100,000
FY2020 Financial Audit	\$100,000
FY2021 Financial Audit	\$100,000
	\$300,000

- Under this contract, KPMG will perform annual financial audits for Fiscal Years 2019, 2020 and 2021
- Field work will begin in August, with draft and final audit reports due by October 15 and November 15, respectively

Vote

Health Connector staff recommends that the Board of Directors authorize the Executive Director to extend the contract with KPMG to perform financial auditing services for Fiscal Years 2019, 2020 and 2021 in an amount not to exceed \$300,000 as outlined in this presentation.