

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
Audit-Finance Committee Meeting Minutes
November 16, 2022

The Audit-Finance Committee of the State of Connecticut Health and Educational Facilities Authority held a meeting via videoconference and in-person on Wednesday, November 16, 2022.

The hybrid meeting was called to order by Ms. Susan Martin, Committee Chair, at 11:30 a.m. and, upon roll call, those present and absent were as follows:

PRESENT: Susan Martin, Committee Chair
Lawrence Davis
Darrell V. Hill (*Designee for CT State Treasurer Shawn T. Wooden*)
Peter W. Lisi, Board Chair

ABSENT: Michael Angelini
Mark Varholak

ALSO, PRESENT: Jeanette W. Weldon, Executive Director
Denise Aguilera, General Counsel
Rebecca Hrdlicka, Administrative Services Assistant
Andrew Kwashnak, Senior Systems & Data Analyst¹
JoAnne Mackewicz, Controller
Michael F. Morris, Managing Director, Client Services
Cynthia D. Peoples-H, Managing Director, Operations & Finance
Julia Pollano, Operations Reporting Analyst²
Kara Stuart, Manager of Administrative Services
of the Connecticut Health and Educational Facilities Authority

INVITED GUESTS: Alan Goodwin, Manager, BerryDunn³
Dean Rustic, Senior Account Executive, CTComp
Robert Smalley, Principal, BerryDunn⁴

¹ Andrew Kwashnak participated in the meeting via teleconference that permitted all parties to hear each other.

² Julia Pollano participated in the meeting via teleconference that permitted all parties to hear each other.

³ Alan Goodwin participated in the meeting via teleconference that permitted all parties to hear each other.

⁴ Robert Smalley participated in the meeting via teleconference that permitted all parties to hear each other.

APPROVAL OF MINUTES

Ms. Martin requested a motion to approve the minutes of the September 21, 2022 special meeting of the Audit-Finance Committee. Mr. Lisi moved for approval of the minutes, which was seconded by Mr. Hill.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Lawrence Davis Darrell V. Hill Peter W. Lisi Susan Martin	None	None

INTERNAL AUDIT UPDATE

Internal Audit Updates (non-IT)

Ms. Peoples reported on two updates from the internal audit, one from an IT perspective and one from a non-IT perspective. Ms. Peoples stated that all items presented are items that must be completed and presented back to BerryDunn for the internal audit to be considered complete.

Ms. Peoples first presented the non-IT internal audit update regarding vendor administration and accounting. Regarding vendor administration, Ms. Peoples reported on the recommendation from BerryDunn to improve the administrative process for vendor verification and management and the solutions that CHEFA is implementing to act on this recommendation (e.g. strengthening the process for ongoing review of SOC reports). Ms. Peoples stated that implementing strengthened administrative processes is currently in-progress.

Regarding accounting, there are multiple recommendations from BerryDunn that staff have addressed or resolved, including the maintenance of the master vendor list, invoicing and review of bills, inclusion of capital assets into the policies and procedures, and the timing of bank reconciliations. Both Ms. Peoples and Ms. Mackewicz spoke to the processes or implemented solutions towards these recommendations.

Mr. Hill inquired about the timing of the bank reconciliations, which Ms. Peoples clarified that the documentation is now expected to be done within a 30-day period from the close of the month.

IT Audit Strategic Initiatives Update

Ms. Peoples reported on the second update with the internal audit, regarding the recommendation from BerryDunn to increase efforts in monitoring and cybersecurity. Ms. Peoples reported on the engagement with Crowe to work on some of the recommendations made by BerryDunn, and the analysis of both recommendations was presented by Ms. Peoples at the Committee meeting held in May 2022. In establishing initiatives and implementing strategies to tackle these recommendations, Ms. Peoples enlisted the engagement of CTComp to achieve, on an ongoing basis, some of these initiatives.

Ms. Peoples stated that two of the findings by Crowe were high and needed to be acted on sooner rather than later. The first finding involved threat and vulnerability management. Staff has worked on vulnerability scans, patch management, and penetration testing in conjunction with CTComp to mitigate this finding. The second finding involved logging and monitoring, which staff has worked on a solution with CTComp to mitigate this finding as well.

Ms. Peoples presented a status report of recommended initiatives that portrays whether the initiative is in the “planning”, “in-progress”, “partially complete”, “implementation in-progress”, and “implemented and ongoing” stage.

Mr. Hill inquired about the difference between “partially complete” and “in-progress”. Ms. Peoples clarified that “partially complete” contains a level of finalization to certain steps or areas of the initiatives but other steps are still being implemented, whereas “in-progress” is currently being worked on and no step has been implemented yet.

Mr. Lisi inquired about the concept of penetration testing. Ms. Peoples and Mr. Dean Rustic both clarified that penetration testing involves external personnel purposefully attempting to penetrate the network who thereafter formulate their findings into a report for network improvement and enhancement.

INFORMATION TECHNOLOGY STRATEGIC PLANNING UPDATE

CHEFA / CTComp Partnership Engagement Presentation

Ms. Peoples introduced Mr. Dean Rustic, Senior Account Executive of CTComp. Mr. Rustic gave a presentation on “CTComp Managed Services for Cybersecurity” and included an overview of the following topics:

- Overview of cybersecurity threats and statistics
- How to prevent cybersecurity attacks and compliance standards
- CHEFA and CTComp managed security services

The floor was opened to questions and a discussion ensued.

IT Strategic Planning Process Update Presentation

Ms. Peoples presented a Gantt chart concerning the timelines of each IT strategic plan initiative and depicted how the timelines have shifted since the initial proposal due to timing. Ms. Peoples reported that some of the initiatives are underway due to the engagement with CTComp. Ms. Peoples then highlighted some of the key dependencies and risks and the actions with which they are being resolved, such as increasing the internet bandwidth capabilities through infrastructure updates. Ms. Peoples also highlighted the efforts in reducing the threat landscape concerning the CHEFA website under the metrics/KPIs.

The floor was opened to questions and a brief discussion ensued concerning the interpretation of the Gantt chart as well as the progress of the shifted timelines.

Ms. Martin thanked Mr. Rustic for his presentation.

ADJOURNMENT

With there being no further time, remaining agenda items were tabled for the next Audit-Finance Committee meeting in February 2023. Ms. Martin requested a motion to adjourn the hybrid meeting. Mr. Lisi moved to adjourn, and Mr. Davis seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

AYES

Lawrence Davis
Darrell V. Hill
Peter W. Lisi
Susan Martin

NAYS

None

ABSTENTIONS

None

The meeting adjourned at 12:18 p.m.

DRAFT

Respectfully submitted,

Jeanette W. Weldon

Executive Director