

Response to Questions regarding the Scope of Work requesting Auditing Services for NJ Protect  
(released January 12, 2012)

The IHC Board received the following questions in response to the Scope of Work issued on January 12, 2012. Note that no change to the Scope of Work is required as a result of the questions presented, and the date for submission of a quote continues to be February 8, 2012.

**1. Scope of Work (Section 3.0)** – The Audit Objectives, Audit Requirements and Auditor Criteria sections appear to refer to this audit as a Performance Audit in accordance with GAGAS. Please confirm that IHC is looking for a Performance Audit.

**Response:** The request is for a financial audit. However, we are also asking for the auditor to assure the reasonableness and accuracy of certain non-financial data.

**2. Scope of Work, Audit Objectives (Section 3.1)** – “A separate objective of the audit is to assure the reasonableness and accuracy of non-financial data reported by carriers on a monthly basis to IHC staff.” Can you please elaborate on what types of non-financial data are included here (enrollment, etc.)?

**Response:** Carriers are required to provide data using a template provided by the U.S. Department of Health and Human Services (HHS). The report template is posted online at [http://www.state.nj.us/dobi/division\\_insurance/ihcseh/ihcmain.htm](http://www.state.nj.us/dobi/division_insurance/ihcseh/ihcmain.htm), and [http://www.state.nj.us/dobi/division\\_insurance/njprotect/index.htm](http://www.state.nj.us/dobi/division_insurance/njprotect/index.htm).

**3. Scope of Work, Audit Requirements, Audit Criteria (Section 3.2.2)** - Item b indicates that “the audit shall address whether the annual financial statements of NJ Protect are fair and appropriate and fairly present the financial position of NJ Protect”. Is IHC looking for the contractor to perform an audit of the NJ Protect financial statements?

**Response:** Yes.

**4. Scope of Work, Audit Requirements, Audit Criteria (Section 3.2.2)** – We have been able to locate a copy of the instructions for completing the HHS PCIP Monthly Data Request Form but not the form itself. Please provide a copy of the HHS PCIP Monthly Data Request Form.

**Response:** We have (or will) add a copy of the HHS template to our website at [http://www.state.nj.us/dobi/division\\_insurance/ihcseh/ihcmain.htm](http://www.state.nj.us/dobi/division_insurance/ihcseh/ihcmain.htm), and [http://www.state.nj.us/dobi/division\\_insurance/njprotect/index.htm](http://www.state.nj.us/dobi/division_insurance/njprotect/index.htm).

**5. Additional Services, including Litigation Support (Section 5.2)** – “NJ Protect may request the auditor to provide support at meetings and other activities that may result from the work performed. With the exception of support provided for litigation and appeals, this support is within the scope of this project.” Can you provide an estimate of the number of hours that may be required to provide the support that is within the scope of the project?

**Response:** No such services have been required since the inception of NJ Protect in August 2010. Of course, prior experience may not be indicative what may occur. Unfortunately, we cannot anticipate the hours and potential work that may be required.