



Department of Health

RFP #20527

External Independent Auditing Services

Questions and Answers Posted August 23, 2024

Question #	Corresponding RFP Section	Question	Answer
1.	Section 2.4	Is it possible for The Department and successful bidder to negotiate language that is not currently addressed in state contracts?	The Department reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions set forth in the RFP, without modification, should the Department determine that that constitutes the best interests of New York State.
2.	Section 2.5 Terms of the Agreement	Is it possible for The Department and successful bidder to leverage non-material modifications to the Department Contract terms previously negotiated and currently included in within existing contracts?	The Department reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions set forth in the RFP, without modification, should

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			the Department determine that that constitutes the best interests of New York State.
3.	Section 2.5 Terms of the Agreement	We would like to use enabling tools for the audit portion of work, would The Department be agreeable to negotiating terms of use language?	The Department reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions set forth in the RFP, without modification, should the Department determine that that constitutes the best interests of New York State.
4.	Section 2.5 Terms of the Agreement	Given the RFP is a blend of Advisory and Audit services, would The Department be willing to negotiate terms to ensure the successful bidders compliance related to applicable professional standards and other related audit compliance obligations?	<p>As set forth in Section 4.0 Scope of Work, the selected bidder is required to provide independent external auditing services.</p> <p>With respect to professional standards, section 4.2.3 requires the Annual Financial Statement Audit Report and audited set of Financial Statements to include assurance that the audit was conducted in accordance with GAGAS and GAAP. Section 4.3.1 states that the Contractor shall perform the programmatic (performance) audit in accordance with Governmental Accounting Standards.</p> <p>The Department reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions set forth in the RFP, without modification, should the Department determine</p>

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			that that, constitutes the best interests of New York State.
5.	Section 3.1 and Section 6.2.3	The RFP states on pages 6 (Section 3.1) and 24 (Section 6.2.3) that the Minimum Qualifications include employing, “at least one (1) Certified Public Accountant(s) licensed in New York,” but the Contract Management and Staffing table on pages 11 and 12 (Section 4.4) notes that a “New York State CPA certification” is required of the Engagement Partner, Audit Manager, and Senior Auditor. If the principal overseeing the engagement is a CPA licensed in New York, does this meet the minimum qualification?	<p>Section 3.1 addresses the minimum qualifications a bidder must possess to submit a proposal to be considered for evaluation as a prime contractor.</p> <p>Section 4.4 identifies minimum qualifications for key personnel for which the Contractor will be responsible for recruiting, training and providing appropriate staffing and oversight to ensure the integrity and timely completion of the services detailed in Section 4.0 Scope of Work throughout the course of the contract period.</p>
6.	Section 4.0 scope of work	What are some things you would like to see improved in the audit process compared to previous years for the financial statement audit? For the performance audit?	This question is not relevant to the development of a proposal under this RFP.
7.	Section 4.0 scope of work	Were there any management letters issued in prior years’ audits? If so, could you please provide an example?	Yes, a report was issued to management. As set forth in Section 2.2 (5), DOH must make a summary of the results of the external audit public as well as being provided to HHS (Health and Human Services). Previous audit reports are posted online.
8.	Section 4.0 scope of work	Were there any uncorrected misstatements in prior years’ audits?	This question is not relevant to the development of a proposal under this RFP.
9.	Section 4.0 scope of work	When did the prior audit firm typically perform their interim fieldwork and for how many weeks? When did they perform their final fieldwork and for how long?	<p>Historically the year end books are closed by the end of January and the trial balance is created.</p> <p>Usually the expenditures from Jan-Dec can be sampled/reviewed as early as February.</p> <p>Historically the Programmatic audit has done interim testing at the 6-month mark.</p>

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			NYSOH is required to provide the audit reports to CMS by June 1 st , accordingly a mid-May completion is expected.
10.	Section 4.0 scope of work	How many staff personnel and for how many weeks did the prior year audit firm have working on the financial statements audit and the performance audit?	This question is not relevant to the development of a proposal under this RFP.
11.	Section 4.0 scope of work	What were the prior year's fees for the audit of the financial statements and the performance audit?	This question is not relevant to the development of a proposal under this RFP.
12.	Section 4.0 scope of work	Was any part of the prior year audits performed remotely? Is DOH open to remote or hybrid audits in the future?	Yes, see Amendment #1.
13.	Section 4.1 Tasks/Deliverables	Would the Department be willing to add language stating that any additional services not originally contemplated will be subject to mutually agreed upon additional terms or pricing adjustments?	Should additional services not originally contemplated in this RFP scope be needed at a future date, DOH will review its procurement options according to State Finance Law.
14.	Section 4.2	Was there a report to management and the board communicating the audit findings and/or internal control findings?	Yes, a report was issued to management. As set forth in Section 2.2 (5), DOH must make a summary of the results of the external audit public as well as being provided to HHS (Health and Human Services). Previous audit reports are posted online.
15.	Section 4.2.1 and 4.3.1 Audit Work Plan	May the audit work plans for sections 4.2.1 and 4.3.1 be combined into one collective work product by the successful vendor as opposed to separate deliverables?	No. DOH requires a separate audit work plan for the Financial and Performance (Programmatic) Audits. Please see section 4.2.1, which requires a Financial Statement Audit work plan for each year of the Contract; and section 4.3.1, which requires a performance (programmatic) audit work plan in each year of the Contract.
16.	Section 4.2.2 Audit Work/Testing	Section 4.2.2 details a statement for the review of internal controls expected to be performed in conjunction with the audit report. The financial statement audit will be performed in accordance with AICPA and GAO professional standards, which do not	The standard audit report is acceptable, provided that it meets all the criteria as stated in Section 4.2.2. DOH expects Internal Controls and Policy and Procedures to be included in the audit work.

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		require the performance of internal control review procedures for the purpose of expressing an opinion on the financial statements. Would DOH accept the standard audit report on financial statements issued in accordance with these professional standards?	Deficiencies noted would be reported in the Management Letter in accordance with GAAP.
17.	Section 4.2.2 Audit Work/Testing	Would the Department be willing to include language clarifying that work papers shall not be examined or copied if not permissible under applicable professional standards?	The Department reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions set forth in the RFP, without modification, should the Department determine that that constitutes the best interests of New York State.
18.	Section 4.2.3 Annual Statements	Section 4.2.3 indicated that the audited set of financial statements shall include any quantitative and qualitative tests performed by the contractor and the nature of confidential or sensitive information that may have been omitted. Such statements appear to be inconsistent with the language used in an audit report on financial statements issued in accordance with AICPA and GAO professional standards. Would DOH accept the standard audit report on financial statements issued in accordance with these professional standards?	The Standard Audit Report is acceptable, provided that Section 4.2.3 would be incorporated as required and assurance that the audit was conducted in accordance with GAGAS and GAAP professional standards.
19.	Section 4.3	Does DOH require the audit to include all subparts or will DOH utilize the auditor's risk assessment and CMS guidance regarding which subparts are in scope for the programmatic performance audit?	As set forth in section 4.3, Contractor must assess the Marketplace's compliance with the minimum functions of a State exchange described in subparts C, D, E, F, G, H, K, and O of 45 CFR Part 155.
20.	Section 4.3	How many people are on your current team conducting the financial statement audit and performance audit?	This question is not relevant to the development of a proposal under this RFP.
21.	Section 4.4 Contract Management and Staffing	Section 4.4 Contract Management and Staffing indicated that Senior Auditor/Accountants must have 5 years of experience and possess a New York State CPA	No, the minimum qualifications for each job title are set forth in Section 4.4

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		certification and that Staff Auditor/ Accountants must have 1 year of auditing experience. In consideration of the MWBE utilization goal, would DOH consider revising this qualification requirement to 2-5 years of experience for Senior Auditor/ Accountants and removing the CPA certification requirement and 1 year of auditing experience requirement for Senior Auditor/ Accountants and Staff Auditor/ Accountants, respectively?	
22.	Section 4.4 Contract Management and Staffing	We understand the incumbent used separate delivery teams for the financial and performance audit elements of the legacy contract. Would NYSOH consider such a delivery arrangement for this contract as well?	Separate delivery teams for the annual financial statement audit (Section 4.2) and the annual external performance audit (Section 4.3) are acceptable.
23.	Section 4.4 Contract Management and Staffing	The minimum qualifications for Audit Manager and Senior Auditor outlined in Section 4.4, Contract Management and Staffing, state they must possess a New York State CPA certification. Will DOH accept or recognize Mobility for professionals who are licensed in other states that are recognized as "equivalent" by the New York State Board for Public Accountancy?	No. As set forth in section 4.4, a New York State CPA certification is required for the Audit Manager and Senior Auditor / Accountant.
24.	Section 4.4 Contract Management and Staffing	Does the CPA requirement of all staff levels apply to both the programmatic and financial audit or would the State accept non-CPA resources to conduct the programmatic audit if they have extensive programmatic audit experience of other State-based Exchanges?	The staff delineated in the chart on pages 11 and 12 of the RFP reflect the Key Personnel that must be provided by the contractor. DOH expects the awarded contractor to provide additional management and administrative support staff necessary to organize, prepare, and carry out tasks associated with conducting audits. As such, DOH expects the use of individuals with experience in other areas to be used as part of the Programmatic team, with the oversight and reporting of the audit performed by a NYS certified CPA

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25.	Section 4.6 Information Technology. 4.7 Security	There are numerous security policies within the links in RFP Section 4.6 and 4.7. Can DOH identify the specific policies applicable to this bid?	These policies and standards set the minimum IT and security benchmark for all New York State entities. Therefore, vendors must review all applicable NYS security policies and standards, should they be awarded a contract.
26.	Section 4.11 Contract Insurance Requirements	Is the Department willing to add a clarification that the Contractor will own working papers to comply with obligations and applicable professional standards?	The Department reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions set forth in the RFP, without modification, should the Department determine that that constitutes the best interests of New York State.
27.	Section 6.2.4.3.3 Field Work Transaction testing Plan- Financial Statement Audit and 6.2.4.3.4 Field Work Transaction Testing Plan- External Performance Audit	Currently in the RFP sections “Field Work Transaction Testing Plan- Financial Statement Audit” and “Field Work Transaction Testing Plan- External Performance Audit” are both listed as section 6.2.4.3.3. Will the Department accept section “Field Work Transaction Testing Plan- External Performance Audit” as 6.2.4.3.4, and an updated numbering to sections that follow?	Please see Amendment #1 which corrects the RFP section numbering.
28.	Attachment A	<p>Attachment A, Proposal Document Checklist identifies two items:</p> <ul style="list-style-type: none"> • State Finance Law Consultant Disclosure • Sales and Compensating Use Tax Certification <p>The directions in the RFP indicate that these forms are to be submitted/completed by the successful bidder. Therefore, are we required to include the forms, complete with notary, or instead provide a statement within the Administrative Proposal that we recognize</p>	They are required once a contract is awarded. They can be submitted as part of the response to the RFP, or an acknowledgement of the requirement can be included in the response to the RFP.

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		the document requirement when we are chosen as the successful bidder?	
29.	Attachment A	Is Attachment A required to be included with the proposal submission?	Attachment A – Proposal Document Checklist is not a required submission.
30.	Attachment 8- E. Ownership Clauses, 4. Section 4.1 Tasks/Deliverables	Is the Department willing to add a clarification that the Contractor will own working papers to comply with obligations and applicable professional standards?	The Department reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the RFP and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions set forth in the RFP, without modification, should the Department determine that that constitutes the best interests of New York State.
31.	Attachment 8- E. Ownership Clauses	Regarding Attachment 8 DOH Agreement (Standard Contract), Section IX General Specifications Provisions, clause “E. Ownership Clauses” Add a new provision (such as that below) that specifically acknowledges that Contractor retains ownership of its work papers created as part of its audit services for NYSDOH.	DOH is not considering changes to the contract terms and conditions contained in the RFP in this Question and Answer document.
32.	Attachment 8	Will DOH consider making the following updates (redlined below) to the New York State Department of Health contract in Attachment 8, Appendix A? Section IX General Specifications, Subsection II, Item J: Indemnification	DOH is not considering changes to the contract terms and conditions contained in the RFP in this Question and Answer document.

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		<p>CONTRACTOR shall be liable for the actions of its agents, employees, partners, shall indemnify and save harmless the DEPARTMENT from <u>third party</u> suits, act of every name and description relating to personal injury and damage to real or property and intellectual property, caused by any intentional act or negligence of agents, employees, partners or subcontractors <u>directly arising from the perform Agreement</u>; provided, however, that the CONTRACTOR shall not indemnify for loss or damage arising hereunder due to the negligent act or failure to act of th</p>	
33.	Attachment 8	Will DOH consider removing the word “gross” as a qualifier from the sample contract, Section IX, Subsection III, Item K: Indemnification Relating to the Third-Party Rights of the sample contract in Attachment 8, Appendix A?	DOH is not considering changes to the contract terms and conditions contained in the RFP in this Question and Answer document.
34.	Misc.	What are the reasons for the RFP and what type of audit firm is the company looking for?	See RFP Section 2.0.
35.	Misc.	What do you like the most about your current CPA firm? What would you like changed and/or improved?	This question is not relevant to the development of a proposal under this RFP.
36.	Misc.	What are the fees for your current financial statement audit and performance audit?	This question is not relevant to the development of a proposal under this RFP.
37.	Misc	Does the company require assistance in drafting the financial statements?	No.
38.	Misc.	How many late client entries were provided to the auditors after providing the year-end trial balance? What is the nature of these entries?	Accrual entries for post year end events are the only post-trial balance entries.
39.	Misc.	Were there any passed audit adjustments in the 2023 and 2022 audit?	No.
40.	Misc.	Is the incumbent vendor allowed to propose?	Any entity that meets all the Minimum Qualifications outlined in Section 3.1 is eligible to propose.
41.	Misc.	To help allow for the most thorough approach to transaction testing and record review, would the Department consider allowing remote testing for part or all of the engagement?	Yes, see Amendment #1

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42.	Misc.	Does DOH require a performance audit under <i>Government Auditing Standards</i> , or would DOH consider the use of Chapter 7 attestation engagements of <i>Government Auditing Standards</i> ?	DOH requires an Annual External Performance Audit report to be issued as a product of the audit each year. In accordance with general program integrity and oversight requirements 45 CFR 155.1200, State Based Marketplaces (SBM) must engage an independent qualified auditing entity which follows generally accepted government auditing standards, to perform an Annual Independent External Performance Audit.
43.	Misc.	I would like to be added as a resource for bidders as an MWBE firm. Is that possible to do through Q&A or website?	As per RFP Section 4.12, a New York State certified Minority- and Women-Owned Businesses (M/WBE) may request that their firm's contact information be included on a list of M/WBE firms interested in serving as a subcontractor for this procurement. The listing will be publicly posted on the Department's website for reference by the bidding community. A firm requesting inclusion on this list should send contact information and a copy of its NYS M/WBE certification to NYSOHcontracts@health.ny.gov
44.	Misc.	When will the year-end books and records be closed, and how early can final fieldwork start? Did the current auditors also perform interim fieldwork? If so, when did they perform interim fieldwork?	Historically the year end books are closed by January 31. Usually the expenditures from Jan-Dec can be sampled/reviewed as early as February. Historically the Performance audit has done interim testing at the 6-month mark.
45.	Misc.	How many weeks of audit and performance audit fieldwork do your current auditors have?	This varies annually and for each audit. The financial audit is a much shorter audit than the Programmatic audit.
46.	Misc.	Could you please provide a timeline for trial balance to be available, fieldwork to happen (when workpapers	Historically the year end books are closed by January 31 and the trial balance is created.

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		are prepared and ready for audit) and if issuance date of early May is expectation?	<p>Usually the expenditures from Jan-Dec can be sampled/reviewed as early as February. Historically the Programmatic audit has done interim testing at the 6-month mark.</p> <p>NYSOH is required to provide the audit reports to CMS by June 1st., accordingly a mid-May completion is expected</p>