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Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

QUESTIONS AND RESPONSES # 3
PROJECT NO. F10B6400003

Audit Services for State Employee and Retiree Health and Welfare Benefits Program
January 28, 2016

Ladies/Gentlemen:

This List of Questions and Responses #3 is being issued to clarify certain information contained in the above named RFP. The statements and interpretations of contract requirements, which are stated in the following questions of potential offerors, are not binding on the State unless the State expressly amends the RFP. Nothing in the State's responses to these questions is to be construed as agreement to or acceptance by the State of any statement or interpretation on the part of the vendor asking the question as to what the contract does or does not require.

Please note that many vendors submitted questions that were significantly similar or requested the same information. Duplicate questions of this type are not repeated in this Q&A. Therefore, a vendor may not see its question reproduced here exactly. Please read through all the Q&As carefully before re-submitting a question. Thank you.

19. **QUESTION:** We note that Amendment 1 now includes a definition of Generally Accepted Auditing Standards. Our firm is not a CPA firm. Of the 10 standards, the General Standards and the Standards of Field Work are consistent with our audit approach and methodology. However, we do have questions regarding application of the Standards of Reporting as applied to this RFP. The Standards require that audit reports indicate whether financial statements are presented in accordance with generally accepted accounting principles. We do not see where in the RFP that review of financial statements is required. Does this reference to the Generally Accepted Auditing Standards represent an expansion of scope to include review of financial statements? Similarly, the Standards require the auditor to express and opinion regarding the financial statements or state that an opinion cannot be expressed. Once again, we do not see where in the RFP that review of financial statements is required. Does this reference to the Generally Accepted Auditing Standards represent an expansion of scope to include review of financial statements?

~Effective Resource Management~

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RESPONSE:

The RFP does not include a requirement to review the financial statements and the reference to the Generally Accepted Auditing Standards does not represent an expansion of scope to include review of financial statements. .

RFP § 3.2.1 D requires that the Offeror's methodology be supported by generally accepted auditing standards for these types of audits. It doesn't say that each and every one of the ten specific standards will apply. We expect the Offeror to follow the principals as applicable. A firm responding to the RFP should indicate how the standards are consistent with its audit approach and methodology. While the specific Standards of Reporting that refer to the auditor commenting on financial statements would not apply, RFP § 3.3.1, *Reports for Individual Contracts Audited - Content Requirements*, defines in detail what is to be included in the audit reports received as a deliverable related to this RFP.

20. **QUESTION:** Am I able to receive the last year's reports for the Medical Claim, Dental Claim and FSA audits?

RESPONSE:

The reports for the Medical Claim, Dental claim and FSA audits are not available as part of this procurement.

Remember Proposals are due on March 31, 2016 no later than 2:00 p.m. If there are questions concerning this solicitation, please contact me via e-mail at joy.epstein@maryland.gov or call me at (410) 260-7570 as soon as possible.

Date Issued: March 4, 2016

By



Joy Epstein
Procurement Officer