**Preproposal Conference Q&A for Pa. USF External Auditor RFP.**

**1. Can we have a copy of the prior year audit?**

**RESPONSE:** All of the previous Audit reports are located on our website, <http://www.puc.pa.gov/utility_industry/telecommunications/pa_universal_service_fund.aspx>.

**2. How many audit adjustments were made last year and to what did they relate?**

**RESPONSE:** No adjustments were made last year.

**3. Why are you bidding out the audit services?**

**RESPONSE:** The contract has not been put out for bid since 2004. Instead, it has been extended on a one-year basis annually. DGS recommends issuing a new RFP for contracts every five years and we are coming in compliance with that recommendation.

**4. Is there something you are specifically looking for in an auditor (certain client base or experience, etc.)?**

**RESPONSE:** The duties of an external auditor chosen by the Commission are found at 52 Pa Code § 63.168. No specific client base is a prerequisite and auditors who submit proposals must, as necessary, provide copies of recent previous relevant work products for review by Commission staff.

**5. Other than the audit, is there something specific you hope to gain from the audit process?**

**RESPONSE**: No.

**6. Can you share the previous year’s audit fee?**

**RESPOINSE:** There was a do not exceed amount of $23,400 written into the last contract.

**7. How long (and how many) were the auditors in your offices last year (as best you can remember)?**

**RESPONSE:** The auditors were at Solix’s, the Fund Administrator, offices approximately 2 ½ days and there were two representatives.

**8. What software do you use?**

**RESPONSE:** MS Office-converted to PDF files.

**9. Is the scope of services requested in this RFP consistent with the services now being provided by your current audit firm?**

**RESPONSE:** Yes.

**10. Were there any problems or disagreements with the prior auditors?**

**RESPONSE:** No.

**11. Have there been any significant operational changes since the prior year’s audit?**

**RESPONSE:** No.

**12. Is there internal audit staff at the Commission and, if so, will their reports be available for the external auditor? Did they do any work around general or application computer controls during the last two years?**

**RESPONSE:** No, there is no internal audit staff at the Commission that audits the PA USF or makes reports regarding the Fund.

**13. Page 1 of the RFP requests that each audit report make recommendations regarding the finances of the Fund and should identify under-collections and over-collections experience by the PA USF in the previous year. Are these recommendations in addition to internal control weaknesses that would be identified under generally accepted auditing standards? How is information about under-collections and over-collections to be communicated?**

**RESPONSE:** No, these recommendations are not in addition to generally accepted standards and these over and under collections may be communicated via the Auditor’s Report.

**14. How many telecommunication companies currently pay into the Fund?**

**RESPONSE:** There are currently 292 companies that contribute to the Fund.

**15. The RFP references in Section II-5, B, 2, f regarding a letter of intent between the Offeror and a Small Diverse Business: “Attached is a letter of intent template which may be used to satisfy these requirements.” The attachment is not included in the RFP. Can this template be provided?**

**RESPONSE:** Yes.  It will be provided with the answers on our website.

**16. Under III-4 Criteria for Selection, Section B Work Plan – the RFP indicates the Contractor’s work plan will be part of the evaluation process. In what section of the proposal should this be included (the RFP does not specify). And should this section be submitted in 10 copies along with the prior experience and personnel submissions?**

**RESPONSE:** Section III-4.a.B Work Plan was included by mistake.  The Work Plan scoring is utilized for traditional RFPs, whereas this RFP is a Professional Services RFP since it is to hire accountants.  The Commission will issue an Amendment to the RFP to strike out Section III-4.a.B Work Plan.  Bidders do not have to provide a work plan in their bids since their activities under this contract are professional accounting services.

**17. Has the PA USF been previously audited? If so by whom, what opinion was rendered and were there any audit findings?**

**RESPONSE:** Yes, Withum Smith + Brown, PC. There were no audit findings.

**18. What are the amount of annual revenues into the Fund?**

**RESPONSE:** $35,266,042.

**19. How long has the Fund been in existence?**

**RESPONSE:** The Fund has existed since 2000.

**20. When is the pre-audit conference typically held?  Aside from the external independent firm personnel, who will attend this meeting?**

**RESPONSE:** There has been no pre-audit conference.  The chosen auditor proposes onsite dates at Solix and then will request information before the site visit.

**21. When will the financial statements, footnotes, and working papers be available for the external independent auditors to begin fieldwork?**

**RESPONSE:** This information will be available after March 15, 2015.

**22. Is there a deadline date for issuance of the audit report?  It appears the 2013 audit was completed around July 2, 2014.**

**RESPONSE:** By July 1st as per 52 Pa Code § 63.168.

**23. Aside from the external independent firm personnel, who attends the audit exit conference?**

**RESPONSE:** Chief Financial Officer, Chief Accounting Officer, and Director, Government Programs.

**24. It appears the PA USF is administered by Solix, Inc.  Will Solix representatives be available, on site, during the audit?**

**RESPONSE:** Yes.

**25. Is the auditing firm engaged by Solix, Inc. or the PA PUC?**

**RESPONSE:** The PA PUC engages the auditing firm.

**26. What IT system(s) are used for this Fund?  Both internally (e.g. PA PUC) and externally (Solix).**

**RESPONSE:** The IT systems used are Epicor Financial System and Solix Universal Solutions Platform, both externally.

**27. Does Solix’s obtain a SOC 1, Type 2 report?  If so, is it possible to obtain prior to submission of proposals (e.g. prior to March 31st)?**

**RESPONSE:** It is not a requirement for the PA USF audit. Solix does not currently have a SOC 1, Type 2 audit report.

**28. The PA USF has outsources material transactions of the fund to a third party (e.g. Solix).  The 3rd party (e.g. Solix) should be obtaining a SOC 1, Type 2 audit annually from independent auditors.  When an auditee outsources a material transaction(s), the auditors of the auditee must obtain sufficient understanding of the internal controls of the service organization.  In order to meet this professional standard/requirement, the Auditing Standards Board of the AICPA issued SSAE No. 16 rules for reporting on controls at Service Organizations.  Therefore, we would like to obtain a copy of this audit prior to submitting a response to your RFP.**

**RESPONSE:** Solix does not have a SOC 1, Type 2 audit report. That type of report is not required in the past from the PA PUC. Solix would discuss this further should it become a future requirement.

**29. Where is Solix located?  If multiple locations, from which location do they provide their services for the PUSF?**

**RESPONSE:** Solix has one location and their address is:

30 Lanidex Plaza West

P.O. Box 685

Parsippany, NJ 07054

**30. Does the external auditor interact directly with Solix or through the PA PUC?**

**RESPONSE:** The external auditor would work directly with Solix to schedule and complete its audit. The PA PUC can make sure that the external auditor and administrator are put in contact with one another.

**31. Does Solix have to approve the audit report?**

**RESPONSE:** No, Solix does not approve the audit report; only Commission Staff approves the audit report.

**32. What is the link to the PUC’s RFP page?**

**RESPONSE:** Go to the PUC main page, there is a link at bottom left to RFP page.

**33. Who is the contact person for the Small Disadvantage Business Office?**

**RESPONSE:** Gail Nuppnau, (717) 346-8105, [gnuppnau@pa.gov](mailto:gnuppnau@pa.gov).