

Addendum to PEIA RHBT Financial Statement Audit RFP

RFP Questions and Answers

December 5, 2014

1. What were the prior year fees and audit hours for the PEIA financial statement audit?

\$85,000/771 hours

2. What were the prior year fees and audit hours for the RHBT financial statement audit?

\$85,000/717 hours

3. What was the amount of additional out-of-scope fees billed by the auditor in the prior year for the PEIA audit?

zero

4. What was the amount of additional out-of-scope fees billed by the auditor in the prior year for the RHBT audit?

Unknown at this time, but out of scope fees are anticipated.

5. What was prior year auditor's hourly rate fee schedule by level for out-of-scope services?

National partner	630
Partner	350
Senior Manager	255
Manager	185
Senior	160
Advanced Staff	125
Staff	110
Senior Actuary	400
ITRA Partner	350
ITRA Senior	155
ITRA Staff	110
Client Service Assistant	65

6. Is the requested cost proposal only supposed to cover the fiscal year 2015 audits for PEIA and RHBT, with subsequent year renewals negotiated with management, or is it supposed to provide estimated fees for fiscal years 2015, 2016 and 2017?

2015

7. Did the PEIA staff or the external auditors prepare the prior year financial statements and footnotes thereto?

PEIA/RHBT staff

8. Does the West Virginia Investment Management Board and West Virginia Board of Treasury Investments provide PEIA and RHBT with all the information necessary to complete the detail investment footnote disclosures?

Yes

9. Do you anticipate any changes in the audit process or information available for audit supporting documentation as a result of the implementation of OASIS?

No

10. Were there any disputes with the prior year auditors over accounting matters?

No

11. Will SSAE 16 SOC 1 reports covering claims processing be available from the third-party administrators processing the medical and pharmacy claims for PEIA and RHBT that cover at least six months of the fiscal year?

Yes

12. Will we be able to get the claims paid data electronically so that we can utilize computer assisted audit techniques?

Yes

13. Does CCRC Actuaries assist management with estimating both the claims payable and premium deficiency reserve estimates?

Yes

14. Does management utilize any other specialists to help with financial accounting and reporting matters?

No

15. When will management have information available to begin year-end audit field work?

July 20, 2015

16. Does management anticipate any significant changes in covered benefits or funding sources for fiscal year 2015?

No

17. Does management anticipate implementing any new GASB pronouncements that will have a significant impact on the fiscal year 2015 financial statements for PEIA or RHBT?

Yes, GASB 68 (pension)

18. Please provide a copy of the prior year audit results communication to the Finance Board for PEIA and RHBT.

Provided with these responses

19. What were the audit fees for 2014 PEIA and RHBT audits?

\$85,000/\$85,000

20. Does management expect to receive an unmodified opinion on SSAE 16 SOC 1 Type II reports for Healthsmart and ESI claims processing for the fiscal year 2015? Will the reports cover the minimum of nine months of the fiscal year?

No, Healthsmart's will only cover 6 months

21. With the ERP implementation (wvOASIS), should the proposed fees include the additional audit procedures to audit the propriety of the conversion of the PEIA/RHBT financial data from FIMS to wvOASIS?

No

22. Has management encountered any implementation issues in regard of wvOASIS? If so, please specify a plan to address such issues.

No