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| ETF_logo_large | STATE OF WISCONSIN **Department of Employee Trust Funds**  **Robert J. Conlin**  SECRETARY | 4822 Madison Yards Way  Madison WI 53705-9100  P.O. Box 7931  Madison, WI 52707-7931  http://etf.wi.gov |

Date: March 5, 2019

To: All Potential Proposers to RFP ETI0035

RE: **ADDENDUM No. 1**

**Request for Proposals (RFP) ETI0035**

* Financial Statements Audits for the Wisconsin Deferred Compensation Program

**Acknowledgement of receipt of this Addendum No. 1:**

**Proposers must acknowledge receipt of this Addendum No. 1 by providing the required information in the box below and including this Page 1 in Tab 1 of their Proposal.**

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|  |  |
| Proposer’s Company Name: |  |
|  |  |
| Authorized Person (Printed Name and Title): |  |
|  |  |
| Authorized Person’s Signature: |  |
|  | Date |

**Please note the following updates to RFP ETI0035:**

1. **ADD** the following questions regarding RFP ETI0035 from Vendors and answers from the Department:

**Financial Statements Audits for the Wisconsin Deferred Compensation Program - Vendor Q&A**

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| --- | --- | --- | --- |
| No. | RFP or Appendix Section | RFP or Appendix Page | Question/Rationale |
| Q1 | General | General | Why is WDC going out for audit? |
| A1 |  |  | The WDC is seeking qualified auditors because the Board requires an annual audit of the financial statements report. The Board’s contract with the current auditing firm will expire after the 2018 financial statements audit report is completed. |
| Q2 | General | General | Were there any issues with the current auditor? |
| A2 |  |  | There were no significant issues with the current auditing firm. |
| Q3 | Section 7.1.1 | Pg 2 | How many auditors and how many days were the auditors in the field for interim and final fieldwork? Is it acceptable if some of the work is performed remotely as a significant portion of the information generally comes from the third-party administrator? |
| A3 |  |  | ETF does not have detail from the current auditing firm regarding how many auditors were in the field or how many days those auditors were in the field for interim and final work.  Yes, remote work is acceptable. Because a significant amount of data may be obtained electronically from the WDC administrator, it is permissible to complete much of the WDC financial statements audit work remotely. |
| Q4 | 7.1.2 | Page 2 | Were there any journal entries discovered by the auditors during the 2019 audit process? |
| A4 |  |  | ETF believes you may be asking about the 2018 audit. The 2018 audit is currently in process with a scheduled completion date of June 13, 2019. No additional Journal Entries have been identified or requested by the current auditors. |
| Q5 | 7.1.2 | Page 2 | Were there any major audit issues identified for 2018? Any anticipated ones for 2019? |
| A5 |  |  | No major audit issues have been identified this far into the 2018 audit or are anticipated for 2019. |
| Q6 | General | General | What part of the audit process would WDC like to improve over the past audits? |
| A6 |  |  | The Board is interested in ensuring the WDC financial statement report is accurate and that the audit is done in an efficient and timely manner. |
| Q7 | General | General | What transition issues would WDC be concerned about if the audit is awarded to new auditors? |
| A7 |  |  | The Board desires cooperation between the current and new auditing firm regarding data needed to complete the 2019 financial statements report audit. This includes communicating and sharing work papers from previous financial statements report audits as necessary to complete future audits. |
| Q8 | 7.1.2 | Page 2 | Have there been any significant changes in key staff in the past year that would affect the 2019 audit? |
| A8 |  |  | No, there have not been any significant changes in key staff in the past year that would affect the 2019 audit. |
| Q9 | General | General | Assuming each bidder’s proposed fees are equal, what is the next most important thing to WDC? |
| A9 |  |  | The Board is interested in ensuring the WDC financial statement report is accurate and that the audit is done in an efficient and timely manner. |
| Q10 |  |  | What were the fees for the prior year audits for WDC for 2017 and 2018? |
| A10 |  |  | The auditor’s fee was $25,000 for each calendar year from 2014-2018. |
| Q11 | 1.3 | 6 | Is the incumbent firm allowed to bid? |
| A11 |  |  | Yes, the incumbent firm is allowed to submit a Proposal. |
| Q12 | 1.3 | 6 | Has the Plan received a Management Letter from the current auditor? If so, may we have a copy? |
| A12 |  |  | Here is link to the most current completed financial statements report audit, which includes the independent auditor’s report on printed pages 1-2: <http://etf.wi.gov/boards/agenda-items-2018/dc1115/item15d.pdf> |
| Q13 | 1.3 | 6 | About how much time (days or weeks) did the current auditor spend on-site performing audit procedures? |
| A13 |  |  | ETF does not have detail from the current auditing firm regarding how many auditors and days were spent in the field for interim and final work. |
| Q14 | 1.6 | 9 | The RFP states that any proposers are encouraged to submit assumptions or exceptions to any terms during the question process. Would a proposer be penalized if they were to include any assumptions and/or exceptions within the proposal itself? |
| A14 |  |  | The evaluation committee reviews and determines if a Proposer’s stated assumptions and/or exceptions are acceptable. See instructions for submitting assumptions/exceptions on page 15 of the RFP, under TAB 4.  Assumptions and/or exceptions made to those Department Terms and Conditions listed in Table 5 of the RFP may result in the rejection of a Proposal. |

Q = Vendor’s question; A = The Department’s answer

This Addendum will be available on ETF’s Extranet at <https://etfonline.wi.gov/etf/internet/RFP/WDC_audits2019/index.html>