

03/16/2012

TO: ALL OFFERS

FROM: Kathleen O'Donnell
Chief Administrative Auditor

SUBJECT: ADDENDUM TO INVITATION TO BID – RFP12-CPA-03, Delaware Health Information Network (DHIN) Financial Statement Audit

ADDENDUM #1

Please note: The attached sheets hereby become a part of the above mentioned RFP. The Office of Auditor of Accounts (AOA) received the following questions for clarification in response to its RFP posted on February 28, 2012.

1. Please provide a breakdown of where DHIN's funding comes from.

Answer: Through the Fiscal Year Ended 2011, DHIN's funding came evenly from State, Private, and Federal Sources (~33% each).

2. Where is DHIN in the process of preparing the Fiscal Year 2012 financial statements? When do you expect them to be complete?

Answer: Financial statements for Fiscal Year 2012, through December 2011, were recently presented to DHIN's Board.

3. Are there any unusual items on the balance sheet?

Answer: There are no unusual items on the balance sheet.

4. Is DHIN a 501(c)(3) organization?

Answer: DHIN is not a 501(c)(3) organization. They are a nonprofit instrumentality of the State of Delaware.

5. Does AOA want the selected CPA firm to prepare DHIN's Management's Discussion and Analysis (MD&A), Financial Statements, etc. as detailed in the cost proposal section on page 13 of the RFP?

Answer: No, AOA believes that preparing this information is an independence impairment per *Government Auditing Standards* nor does the RFP ask the firm to do so. To alleviate confusion, AOA revises Section VII. Proposal Content, B. Cost Proposal as follows:

The cost proposal will include a transmittal letter with the name of the firm and certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with AOA.

The cost proposal must contain all cost information relative to performing the engagement as described in this RFP **for each fiscal year presented in the schedule** as outlined in Appendix A.

Out-of-pocket expenses for firm personnel (e.g. travel, lodging, and subsistence) will be reimbursed at the prevailing rates used by the State of Delaware for its employees. A statement **must** be included in the cost proposal stating the firm will accept reimbursement for travel, lodging, and subsistence at the prevailing rate used by the State of Delaware for its employees.

All other terms and conditions remain the same.

If you have any questions, please contact me at 302-857-3919 or kathleen.odonnell@state.de.us.