

February 23, 2015

TO: ALL OFFERERS

FROM: Kathleen A. Davies
Chief Administrative Auditor

SUBJECT: ADDENDUM TO INVITATION TO BID – RFP15-CPA-03, Office of the State Treasurer,
Deferred Compensation 457(b) Plan and 401(a) Match Plan

ADDENDUM #1

Please note: The attached sheets hereby become a part of the above mentioned RFP.

To clarify the proposal submission process, firms must submit their proposals in **three, separate files**: Mandatory Criteria section, Proprietary section, and Cost section.

The Office of Auditor of Accounts (AOA) received the following questions for clarification in response to its RFP posted on February 6, 2015.

1. What is the size of the plans' assets and the number of their participants?
According to the audited financial statements of the 457(b) Plan for the year ended December 31, 2011, the Plan had 13,000 participants and \$371,259,568 in Plan assets.

The Office of the State Treasurer provided the following unaudited information regarding the 457(b) and 401(a) Plans:

	December 31, 2013	December 31, 2014
457(b) Plan Assets	\$507,910,813	\$544,949,398
457(b) Number of Participants	16,628	16,697
401(a) Plan Assets	\$21,903,325	\$22,337,109
401(a) Number of Participants	12,217	11,765

2. Is a SOC 1 Type 2 report available for investments? If so, when is it typically made available?
This is to be determined by the selected firm as part of their planning procedures.
3. Has the balance of self-directed investments significantly increased since the 2011 audit?
This is to be determined by the selected firm as part of their planning procedures.
4. Is there a separate audit report for the 401(a) audit?
Yes. The selected firm should issue two (2) separate audit reports each engagement period, one for the 457(b) plan and one for the 401(a) Plan.
5. Are all eligible employees part of one payroll system and one Human Resources Department?
This is to be determined by the selected firm as part of their planning procedures.
6. Has the 401(a) been audited in the past?
AOA is not aware of any audits performed over the 401(a) Plan to date.

7. Should there be a separate fee for the 457(b) and 401(a) Plans?
Yes. Since there are separate Plan documents and separate reports will be issued, the fees for each plan should be segregated.

8. Are we issuing one report each year for the 457(b) and one for the 401(a)?
See #4 above. Each engagement is for a two-year period. Therefore, for each plan, the selected firm will issue a report for the years ended December 31, 2012 and 2013, and a report for the years ended December 31, 2014 and 2015.