

February 19, 2016

TO: All Offerers

FROM: Kathleen Davies
Chief Administrative Auditor,
Delaware Office of Auditor of Accounts

SUBJECT: Addendum to Request for Proposals (RFP) – RFP AOA-16-CPA-03-DHIN

Addendum #1 – Proposers Questions & Office of Auditor of Account's Answers

Please note: The attached sheets hereby become a part of the above mentioned RFP. All other terms and conditions remain the same.

The Office of Auditor of Accounts (AOA) received the following questions for clarification in response to its RFP posted on February 10, 2016.

1. The fiscal year 2015 audited financial statements of DHIN did not include the financial data of the Delaware Center for Health Innovation, Inc. (DCHI), and the effects of the departure were not determined on the financial statements. Is it the expectation of AOA that DHIN include the financial data of DCHI in their fiscal year 2016 financial statements or is a continued departure acceptable to AOA? If it is the expectation of AOA that DCHI be included and a departure not be taken, is there any information available regarding the 2016 fiscal year activity of DCHI and if the financial statements of DCHI will be compiled, reviewed, or audited.
[The availability of DCHI's records will be addressed by the firm during planning. AOA's expectation is that the audit opinion will be based on the complete financial information of the engagement entity and the information available for audit.](#)
2. Are the financial records maintained on the State accounting system? If not, what financial reporting software is used?
[DHIN uses QuickBooks and is not on the State's accounting system.](#)
3. Does the entity anticipate any federal funding that would require a single audit?
[This was addressed in the RFP.](#)
4. Does DHIN expect to receive federal funds for FY16?
[This was addressed in the RFP.](#)
5. Are detailed fixed assets records maintained?
[DHIN uses QuickBooks to monitor their fixed assets. The extent of this information will be addressed by the firm during planning.](#)
6. Is there a detailed accounts receivable aging report maintained for the accounts receivable?
[This will be addressed by the firm during planning.](#)
7. Are the employees of the entity part of the State retirement fund and is there a liability allocated to the entity for pension?
[DHIN employees are not State employees and therefore do not participate in the State's retirement system. DHIN does offer a Savings Incentive Match Plan for Employees Individual Retirement Account \(SIMPLE IRA\) to its approximately 25 employees.](#)

8. Does the entity intend to include DCHI's financials in its reporting entity?
[See #1 above.](#)
9. Are contracts maintained for the revenues from Data Senders and Payer Fees?
[This will be addressed by the firm during planning.](#)

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