



Tri-County Human Services Inc.

Provides Help and Hope to All Persons Affected By Behavioral Health, Substance Abuse, and Other Life Challenges

EXTERNAL AUDITOR RFP #161701AB

QUESTIONS & ANSWERS

1. We are working on our responses to the RFP and noted that you have a 403(b) audit as well. Is this something that we need to include in our pricing as well?

Yes, that's correct

2. Would it be possible to get a copy of the prior year 403(b) audit report so we can price it accordingly?

The 2015-16 Employee Plan (403b) Auditor's Report for 2015-16 has been uploaded to <http://tchsonline.org/competitive-procurement-advertisements/> and is labeled as Attachment 10

3. What kind of accounting software do you use?

Knight Software

4. Who prepares the financial statements and notes, if the auditors prepared, does TCHS prepare the supplemental schedules?

Auditors prepare financial statements, related notes and SFE. TCHS staff prepare supplemental schedules and state schedules

5. How many years have the current auditors been serving TCHS?

8 years

6. Are there any significant changes to funding or operations expected for FYE 2017?

There is the potential of a capital purchase, which will require a mortgage, under a separate corporation affiliated with TCHS

7. Were there any audit adjustments in the prior year?

Yes, one

8. Has there been any recent turnover in senior management or accounting personnel?

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Yes

9. What were the fees paid for the audit for the 2015 and 2016 years and for the related tax returns each year?

We are not releasing this information

10. Any changes you would like to see implemented for the audit process if you change firms?

No

11. How many staff are in the accounting department?

6

12. Do you use any third party billing services for patient health services?

No

13. How many years has Baylis & Company been your auditors?

See response to question #5

14. What is the reason for putting the work out to bid?

Due Diligence

15. Is Baylis & Company included in the RFP process?

This RFP is open to any and all external auditing firms

16. Is there a preference for a local, regional or big-4 firm?

No, there is no preference

17. What did you enjoy about your relationship with Baylis & Company?

Stability of staff, knowledge of not for profits and experience with State of Florida Department of Children and Families funding

18. Is there anything that you would have changed about your relationship with Baylis & Company?

No

19. Can you share the budget for the 2017 tax and audit related fees?

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We are not releasing this information

20. Are there any significant changes in operations expected for FYE 2017? (fixed asset additions or disposals, debt financing, changes in grants, etc.).

See response to question #6

21. What are the two most important challenges that Tri-County is currently facing?

- a. **Funding remains stagnant while seeing increased demand for services**
- b. **Transitioning from fee for service to managed care funding and managing this risk**

22. Have there been any changes in management or the accounting staff in the last two years?

See response to question #8

23. Is there a current audit requirement for your profit sharing plan? (based on number of employees, it appears you may be over the threshold).

Yes

24. When was the last time you had a plan review performed over the profit sharing plan?

2016

25. Has CFBHN or any federal agencies conducted site monitoring during the latest fiscal year? If so, were there any findings?

Yes, by the Florida Department of Revenue Unemployment Division and CFBHN. There were no findings

26. What kind of accounting software package do you have?

See response to question #3

27. Have you received any internal control recommendations over the past two years?

Received three recommendations in 2015 and none in 2016.

28. Have you ever had an IT risk assessment performed? What about penetration testing?

IT risk assessment and penetration testing are performed annually.

29. Are there any temporarily or permanently restricted donations in 2017?

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No

30. What is “business-like activities” income and expense on the statement of activities?

These are our 990-T activities, which are enterprise activities that are used to support the not-for-profit business

31. What is the bulk of “miscellaneous” income on the financials?

This is primarily revenue from the County Sheriff Departments

32. The footnotes mention interest rate swap derivatives, where is the related asset or liability on the statement of financial position?

It is the long-term liability – note C

33. Has there been any change to the indirect cost rate used by the agency?

No

34. Can you explain the DWUI/DWI program?

The DWUI/DWI program provides registration, classes, evaluation and ongoing monitoring visits in the tri-county area in accordance with Florida Statutes and in cooperation with the Department of Highway Safety and Motor Vehicles

35. Does management prepare the supplemental schedules?

See response to question #4

36. The notes refer to the schedule of functional expenses – is this referring to the schedules of actual revenues and expenses that are provided as supplementary information?

Yes

37. Why are you going out for bid for the audit and tax work? Are the incumbents included in the bid process?

See response to question #14 and to question #15

38. What are you looking for in a new audit firm? What can we do different and/or better in providing the requested services?

See response to question #17 and to question #18

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39. Who prepares the audited financial statements and footnotes?

See response to question #4

40. Who prepares the supplemental schedules for the audited financial statements?

See response to question #4

41. How many people are in the accounting department? What is the experience and credentials of these individuals?

a. Number of people on the accounting department

See response to question #11

b. Experience and Credentials

Associate's Degree = 2

Bachelor's Degree = 2

Accumulative Experience is approximately 20 years.

42. What are the "business-like" activities noted in the Statement of Activities?

See response to question #30

43. When is the Employee Benefit plan usually ready for audit?

July

44. Please verify the 5500 for the 403b plan is to be prepared by the CPA firm, not the TPA or custodian of the assets of the plan.

This is correct

The third party administrator prepares the 5500 for the 403b plan, not the Auditing Firm.

45. Please verify the Health Plan is fully insured and the CPA firm is to prepare the related 5500.

This is correct

46. Are you expecting any significant changes in your funding sources? Including increases or decreases in the funds received?

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No

47. How many audit adjustments do you normally have in your financial statement audit? If you have audit adjustments, what do they normally relate to?

See response to question #7. It was due to alleged, self-reported, employee fraud

48. Will your staff prepare/provide all of the necessary documents for the audit? Can they be provided electronically?

Yes

49. How many staff people from the previous firm and for how many weeks came out during interim and year-end fieldwork?

3 FTE

- a. Number of staff and weeks during interim

Less than one week

- b. Number of weeks during year-end fieldwork

Two weeks

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