



Region 10 Prepaid Inpatient Health Plan (Region 10 PIHP)  
Genesee Health System  
St. Clair Community Mental Health

**Audit Services RFP Questions and Answers**

**The RFP indicates that the PIHP and its Affiliates expect to independently award contracts. Does the audit firm have the option to bid on 1, 2 or 3 contracts or is the audit firm required to bid on all 3 contracts?**

Must bid on all three or expressly state why you are not bidding on one or more of the organizations.

**Are 3 separate proposals preferred instead of 1 collective proposal?**

One collective proposal is required. Separate pricing as well as group discounts (if offered) should be clearly identifiable so that each board can understand the financial implication of selecting a different firm than the other boards.

**Are the financial statements and footnotes prepared by the audit firm or the PIHP/Affiliate?**

All three organizations prepare their own financial statements and footnotes.

**Does the PIHP/Affiliates expect significant changes in the future to the federal awards that they receive (ie CCBHC)?**

The PIHP and GHS do not anticipate any significant changes to future federal awards. St Clair has applied for additional CCBHC funding from SAMHSA for FY2024.

**We see RFPs as asking for a solution. What is the problem you need to solve? Beyond that, are there any underlying problems/needs for the organizations?**

We are hoping to obtain preferred pricing. Beyond that, all three organizations were due to reprocur audit services.

**What do you enjoy most about your relationship with your current firm?**

Experience in the CMH/PIHP industry.

**Are there any issues or concerns with your current auditor?**

None

**Is the incumbent eligible to participate?**

Yes

**What things could be done better during your audits and examinations to provide you value?**

Proactive communication about changing rules related to Medicaid reporting and compliance examination requirements.

**What do you consider a successful engagement?**

Completion of engagement in accordance with GAAS and GAGAS. Timely completion by the MDHHS deadline by June 30.

**What are your current fees for each organizations financial statement audit, single audit, and compliance examination?**

We do not feel it is in our best interest to respond to this question.

**What other firms are bidding/proposing?**

We do not feel it is in our best interest to respond to this question.

**Would you prefer field to be performed in-person, remote, or a combination? What was the size of the audit teams and length stay for fieldwork for 2022?**

**Region 10-** prefers a remote audit - Field work was one week, with additional follow-up and questions for about another 2 weeks. The PIHP worked with three audit team members fully remote.

**GHS -** GHS prefers remote but can accommodate a hybrid in-person and remote audit.

**St Clair-** SCCCMH prefers in-person when possible but would work with a combination. Fieldwork was approximately 2 weeks with 2-3 audit team members.

**Can you please confirm when Genesee Health System and Region 10 PIHP will be ready for the audits? The RFP indicates that fieldwork will begin in March 2024, however with a due date of March 31st for the financial statement audit, it seems it would need to start sooner than that.**

First week of March 2024.

**For each of the three entities, will the financial statement, single audit, and compliance audit trial balances and supporting schedules be ready for the auditors at the same time or are they typically staggered?**

**Region 10 –** Reasonably adjusted trial balance for all engagements is available at the same time.

**GHS –** Reasonably adjusted trial balance for all engagements is available at the same time.

**St Clair –** Reasonably adjusted trial balance for all engagements is available at the same time.

**Any significant changes in setup/structure of organization or management since last year?**

No

**What are the most important decision factors that will be used by management and the boards in selecting an audit firm?**

Experience and price.

**Will the audits for all entities/reports be awarded to the same auditor?**

Hopefully yes, however, each Board of Directors has the final decision to selection the audit firm they choose for their organization.

**Have you started preparation for GASB 96, Subscription-Based Information Technology Arrangements?**

- a. If so, do you expect it to be material?**
- b. If not, are you anticipating needing help to implement?**

We are aware of the GASB 96 SBITA requirements. Yes we expect it to be material.

**Do you expect any new Federal funding for fiscal year end 2023?**

No

**How many audit adjustments do you typically have, if any?**

Region 10 – None

GHS – None

St Clair - Due to the fieldwork being done in December, prior to the FSR completion, we typically have the Cost Settlement entry and the GASB Retirement and OPEB entries. Historically, there have been entries discovered by CMH that have been material enough to book after the TB was submitted to the audit firm, but we try to keep those to a minimum.

**Would you please provide the following:**

- a. 2022 issued MDHHS compliance examination reports**
- b. 2022 financial statement audit end of communications letters (i.e. AU 260 letter)**

- a. SEE AUDIT REPORTS POSTED TO WEBSITE
- b. SEE REPORTS POSTED TO WEBSITE

**Who is preparing the financial statement ? Are the entities preparing them or does the audit firm prepare?**

Entities are preparing them.

**It appears that each of the three entities audits will stand alone, due to separate governance, etc. Are there any aspects of these entities/audits that involve common accounting and controls over financial reporting? Any common management/board arrangements?**

No

**Can you please confirm whether firms are to provide one combined proposal or three separate proposals for Region 10 and the two Affiliates.**

Only one Proposal is needed.

**B6 on page 11 of the RFP states “the selected Vendor attests it shall meet current PIHP and Affiliates Board Procedure and Policy requirements for the duration of the contract”, can you provide a copy?**

Region 10 – policies can be found at <https://www.region10pihp.org/policies/>

GHS – policies can be found at <https://genhs.policystat.com/>

St Clair – policies can be found at <https://scccmh.org/policy-index/>

**O on page 16 of the RFP states “the audit firm must confirm in writing that criminal background checks are performed for each professional staff person”, can they be performed after the contract is awarded?**

Yes, but must be performed prior to any work being performed.

**Region 10 PIHP-**

**Why are you seeking new auditors?**

It is time for us to reprocur this service under our procurement procedures.

**Did you have any significant disagreements with the prior auditors?**

No

**How long has the current auditors been performing the audit?**

Since 2014

**Was last year’s audit performed remotely and do you anticipate this year’s being performed remotely?**

Yes and yes

**How much did the PIHP pay for audit services in each of the last two years?**

We do not feel it is in our best interest to respond to this question.

**The RFP indicates that the projected start of fieldwork to begin in March 2024 and issue by March 31, 2024, this is a very fast turnaround, can the auditor perform interim fieldwork prior to March? We assume that what you mean when it indicates in the RFP the vendor shall begin services within 60 days of the contract start date. If we can, when are the records available and is there any time that works better for the organization?**

Interim procedures can be proposed. A reasonably adjusted trial balance will not be available until March 2024.

**What accounting software does the PIHP utilize?**

Microsoft Dynamics BC.

**Does the PIHP draft the financial statements or does the auditor?**

PIHP

**Does the PIHP prepare the MD&A section?**

Yes

**How many auditor proposed adjusting journal entries were there for the most recent audited financial statements?**

None

**Do you have or anticipate any new federal grants in 2024? Were there any federal grants that you did not receive in 2024?**

No and No

**Has the PIHP made the necessary preparations and adjustments for GASB 96, Subscription-Based Information Technology Arrangements? Do you anticipate needing auditor assistance?**

No auditor assistance is needed.

**Has the PIHP issued any new debt, or do you anticipate issuing debt in the next few years?**

No

**Does the PIHP maintain its own capital asset records?**

Yes

**Were there any compliance audit finding in fiscal 2022? Can we get a copy of the compliance report?**

None. See report posted to the website.

## **Genesee Health System –**

**Why are you seeking new auditors?**

It is time for us to reprocur this service under our procurement procedures. This will potentially save time and cost.

**Did you have any significant disagreements with the prior auditors?**

No

**How long has the current auditors been performing the audit?**

5 years

**Was last year's audit performed remotely and do you anticipate this year's being performed remotely?**

GHS' FY 2022 audit was performed remotely and I would anticipate the same for FY 2023.

**How much did the Genesee Health System pay for audit services in each of the last two years?**

It would not be in GHS best interest to respond to this question.

**The RFP indicates that the projected start of fieldwork to begin in March 2024 and issue by March 31, 2024, this is a very fast turnaround, can the auditor perform interim fieldwork prior to March? If we can, is there any time that works better for the organization?**

Interim procedures can be proposed. A reasonably adjusted trial balance will not be available until March 2024.

**What accounting software does the Authority utilize?**

Great plains

**Does the Authority draft the financial statements or does the auditor?**

Authority

**Does the Authority prepare the MD&A section?**

Yes

**How many auditor-proposed adjusting journal entries were there for the most recent audited financial statements?**

GHS had no auditor proposed adjusting journal entries.

**Do you have or anticipate any new federal grants in 2024? Were there any federal grants that you did not receive in 2024?**

No

**Has the Authority made the necessary preparations and adjustments for GASB 96, Subscription-Based Information Technology Arrangements? Do you anticipate needing auditor assistance?**

No auditor assistance is needed.

**Has the Authority issued any new debt, or do you anticipate issuing debt in the next few years?**

Yes, related to new facilities.

**Does the Authority maintain its own capital asset records?**

Yes

**Were there any compliance audit finding in fiscal 2022? Can we get a copy of the compliance report?**

Compliance Report posted to the Region 10 website.