

**Universal Service Administrative Co. (USAC)
AAD-25-048 – Financial Statement Audit and Agreed Upon Procedure (AUP) Audit Services
Questions & Answers**

Q#	Question	Answer
1	Can we request the Government for the Incumbent vendor's Name & their contract number (which is currently underperformance)?	USAC does not disclose details of current contracts, as this information is confidential. Please note that USAC is not a federal agency, a government corporation, a government-controlled corporation, or other establishment in the Executive Branch of the United States Government.
2	What is the total award value (size) of the current contract, which is presently ongoing by the by the Incumbent vendor?	USAC does not disclose details of current contracts as this information is confidential.
3	Can you please confirm whether there is an incumbent vendor for these services and, if so, provide the contract number?	Please see Answer to Question #1.
4	Could you please provide the contract value for the opportunity?	Please see Answer to Question #2.
5	Would you kindly confirm if this is an entirely new effort or is there an incumbent currently providing these services? If so, would you please provide the incumbent contract details?	This is not a new effort; however, USAC does not disclose details of current contracts as this information is confidential.
6	How would USAC management define excellence in a service provider?	All USAC requirements for an exceptional level of service have been detailed in the RFP.
7	Is there anything you would like to see done differently as part of the audit or AUP process (timing, communications, staffing, etc.)?	All USAC expectations, including timing, communications, staffing, etc. have been detailed in the RFP.
8	Are there any particular challenges or business areas that you want to ensure are addressed in the audit or AUP engagement?	No. The full scope of both the Financial Statement audit and AUP has been detailed in the RFP and related appendices.
9	How do you envision your audit firm's role in supporting your business objectives?	The role of the audit firm is to enable USAC to remain compliant with the requirements of the FCC rule outlined in Attachment 3 to the RFP and to fulfill the requirements outlined in the RFP.

Q#	Question	Answer
10	Have there been or are there expected to be any changes in operations, personnel, prior matters, etc. that would impact the audit or AUP (i.e. changes in AUP, new programs, providers, key staff positions, etc.)?	No.
11	Do you expect there to be upgrades or changes to your IT systems during the service period?	The period of performance of this contract is up to five (5) years. USAC continues to assess its IT systems to modernize and update as needed due to evolving technology and/or to comply with the law. Specifically, USAC anticipates migrating to a new financial system.
12	Please share your current view(s) on how the ongoing Consumers' Research v. FCC case that is currently being heard by the Supreme Court might impact Universal Service Administrative Company?	All inquiries related to this matter may be sent to communications@usac.org .
13	The RFP requires the final audit report to be delivered by May 30th of each year. Do you plan to hold an audit committee meeting to approve the financial statements subsequent to the draft delivery on April 15 and prior to final delivery on May 30th?	The audit firm will have required meetings with the Audit Committee Chair or Vice Chair to discuss the audit plan and the engagement results. In addition, in July of each year, there is an Audit Committee meeting where the results of the financial statement audit and agreed upon procedures engagement are presented to the committee members for approval.
14	The RFP includes the expectation of the contractor being on-site 2 days per week. Can you please confirm this is limited to the audit field-work timing discussed in the contractor kick-off meeting?	This engagement may be conducted remotely; however certain meetings, e.g., training, audit committee, entrance/exit conference etc., in-person attendance may be required.
15	What are examples of technologies that would be subject to USAC approval in order to share and store all USAC documents for work purposes?	USAC will accept systems that are FedRAMP authorized for sharing and storing data.
16	How long have you been with your current service provider?	USAC does not disclose details of current contracts as this information is confidential.

Q#	Question	Answer
17	What is the reason for issuing an RFP? Are the current auditors eligible to submit a proposal?	The current contract's period of performance is ending. This RFP is open to all qualified Contractors capable of performing the services outlined in the RFP.
18	How many firms did you share this RFP with? How many are responding?	This RFP is open to all qualified Contractors capable of performing the services outlined in the RFP. The deadline for response is May 15, 2025.
19	Is USAC completely satisfied with its current auditors and level of service? Are there any areas in which you would like to see changes/improvement or additional service offerings?	USAC cannot disclose details of an existing contractual relationship. All USAC requirements for an exceptional level of service have been detailed in the RFP.
20	What, in your opinion, is the most important service that your audit provider can / should provide outside of their audit opinions and related required correspondence?	All USAC requirements for an exceptional level of service have been detailed in the RFP.
21	Is the transition to a new auditor a concern? If so, why? What would lessen your concern?	No. However, experience with organizations similar to USAC or programs similar to the USF will be beneficial to lessen any potential learning curve.
22	Do you have a preference to on-site, remote, or hybrid (some on-site, some remote) audits?	Please see Answer to Question #14.
23	Please provide us with an estimate of how many days (interim and final) auditors were on site or otherwise assigned (if done remotely) for field work during the FY 2024 audit of USAC and what level of audit personnel were on site or otherwise assigned (if done remotely) for those time frames?	Interim: October to December – 4 weeks (out of the 12 week period) Final: January to April – 14 weeks USAC cannot disclose the staffing plan / personnel details of an existing contract.
24	Were any additional services provided in conjunction with the audit of USAC and do you anticipate any such services being requested with the FY25 audit or future years audit under this contract? If so, please provide a brief description of these services.	No.

Q#	Question	Answer
25	What were the fees charged for USAC FY 2023 and FY 2024 financial statements and other reports that are included within the scope of the RFP?	USAC does not disclose details of current contracts, as this information is confidential.
26	What do you see as USAC greatest challenges in the next year?	USAC has no specific concerns for the next year.
27	How many audit adjustments were posted during USAC for FY24 audit? Also, please provide a brief description of each adjustment.	No audit adjustments were required for the 2024 Financial Statement Audit.
28	Were there any management letter comments related to any reports that are included within the scope of the RFP?	There were no management letter comments related to any of the reports included within the scope of the RFP.
29	Did USAC experience any changes in key personnel, financing or funding during the current fiscal year (FY25)? If so, please describe such changes.	No.
30	In what areas can your auditor create added value?	All USAC requirements adding value under this contract are outlined in the RFP. Please also see Answer to Question #45.
31	Does USAC anticipate any information technology system changes during the term of this engagement?	Please see Answer to Question #11.
32	Does USAC have an internal audit function and has the Internal audit provided any assistance to the external auditor? If so what kind of assistance and how many hours?	Internal audit function: Yes Has the Internal audit provided any assistance to the external auditor: Yes What kind of assistance: Coordinating and gathering support for the agreed upon procedures engagement

Q#	Question	Answer
33	Is it possible to share the copy of the latest audited financial statement and AUP report?	<p>Please see the report at the following link: https://www.usac.org/wp-content/uploads/about/documents/annual-reports/2024/2024_USAC_Annual_Report.pdf</p> <p>A copy of the most recent draft AUP report can be requested via email with a signed copy of Attachment 5: (USAC Confidentially Agreement) to Anthony.Smith@usac.org and Procurement@usac.org.</p>
34	Can you provide a copy of your most recent audit and Agreed Upon Procedures reports?	Please see Answer to Question #33.
35	Is your current audit firm invited to bid?	Please see Answer to Question #17.
36	Were there any problems or disagreements with the prior auditors?	USAC does not disclose details of current contracts as this information is confidential.
37	Can you disclose the previous year's audit fee (we understand some entities choose not to disclose)?	Please see Answer to Question #25.
38	When typically are your books closed and ready to be audited? Is any preliminary work completed before year end? What is your required and preferred timing for audit fieldwork and when are the final reports typically issued?	Year-end is December 31. The books will be ready to be audited after year end close in February. Preliminary work is completed before year end. The required and preferred timing for audit fieldwork is January to end of March. Draft reports are due April 15 and final reports are due on May 30.
39	How many days was your current audit firm on site? Approximately what percentage of the work was performed remotely?	Please see Answer to Question #23. To clarify, the audit firm was onsite (conducting fieldwork) but remotely. Approximately 85% of the work was performed remotely.
40	Who drafts the financial statements and notes?	USAC's Accounting team.
41	Is the scope of services requested in this RFP consistent with the prior year service level?	Yes.

Q#	Question	Answer
42	Have there been significant operational changes and/or changes in personnel related to accounting functions in the past year?	No.
43	Is there a lead person at your organization to coordinate gathering necessary documents requested?	Yes.
44	Are there any changes in your accounting requirements expected for this audit?	No.
45	Will you require assistance with the adoption of any new accounting standards during the year?	Yes.
46	How many audit adjustments were made last year and to what did they relate?	No audit adjustments were required for the 2024 Financial Statement Audit.
47	Was there a Management Letter issued by the auditor? If so, were the recommendations taken by management?	No findings or recommendations were issued by USAC's auditor for the 2024 Financial Statement Audit.
48	We would like to clarify the RFP Requirements for the Past Performance Information (Volume 3). Specifically, you ask for examples of two (2) similar projects but no contact information for references. Then the RFP asks for references for 3 similar projects with contact and contract information. Are you looking for a total of five different projects with 3 of them having the specific contract and contact information you request?	RFP Section E.6.C.2 asks for Offeror to provide details regarding their experience providing the Services outlined in the RFP. RFP Section E.6.C.3 asks for Offeror to provide past performance reference information in order to allow USAC to conduct past performance reference checks. The projects listed in E.6.C.3 may be the same as those in RFP Section E.6.C.2 provided the information in RFP Section E.6.C.2 (a-c) is addressed.
49	Why has USAC decided to put this work out to bid at this time?	Please see Answer to Question #17.
50	How long has [the incumbent] provided the Audit and AUP services to USAC?	Please see Answer to Question #16.
51	Is there any existing disagreement specific to the latest financial statement audit and/or AUP between USAC and [the incumbent]?	Please see Answer to Question #36.

Q#	Question	Answer
52	A table of deliverables and Due Dates is listed on page 10 of 59. It was noted that the 2023 audited financial statement did not meet the stated deadline of May 30th of each contract year. Please provide details with respect to why the audited financial statements have a signed date of 10/15/2024.	USAC does not disclose details of current contracts as this information is confidential.
53	Please provide further details and clarification with respect to #11 on page 14 of 59 – Use of Technology and Email use. “All contractor personal must use their USAC email addresses to send and receive USAC communications and material.” Does this mean any/all communication between the contractor and USAC employees responsible for the Financial Statement Audit and AUP deliverable must communicate solely by USAC email addresses?	No. Contractor’s personnel will need USAC email addresses to access certain systems and perform certain tests. However, communication with USAC can be done using Contractor’s own company email address.
54	Please provide further details and clarification with respect to #12 on page 15 of 59 – Following PM@USAC Policy. Does this mean that our audit and AUP methodology must comply with PMBOK methodology?	Key Personnel for this Contract are not considered “Contractors serving in any capacity as part of a project team” as specified in Section B.12 of the RFP. The PMBOK methodology is not an expected methodology for this Contract.
55	Please provide further details and clarification with respect to #20 on page 26 of 59 – Key Personnel. Note that [our] employees may indeed be promoted while in the service of delivering USAC deliverables and as such their respective responsibilities may change specific to the USAC deliverables. We will provide ample time to USAC if/when this occurs and we will also ensure that if a change in the USAC delivery team is required that we follow the terms set within the solicitation with respect to notifying USAC.	This section specifies that USAC requires prior written approval before accepting changes to Key Personnel for the Contract awarded as a result of this RFP.
56	Please provide further details and clarification with respect to #32 on page 30 of 59 – Notices. Please denote if when utilizing electronic mail for the delivery of notices USAC requires the contractor to utilize a USAC email address.	No, this is not required.

Q#	Question	Answer
57	Please provide further details and clarification with respect to #39 on page 34 of 59 – Privacy and Security Addendum. Is there opportunity for discussion and negotiation specific to USAC standard terms and conditions policy and security addendum?	The Terms & Conditions stated in the RFP are standard to all USAC Contracts. Offerors may propose modifications or exceptions to the Terms & Conditions within their proposal as instructed in Section E of the RFP. USAC will review and may negotiate exceptions to the RFP if the Offeror is selected for contract award.
58	Please provide further details and clarification with respect to # 6 (Proposal Content) Confidentiality and Information Security – on page 53 of 59. “Offeror must explain in detail how they will establish and maintain safeguards to protect the confidentiality and integrity of USAC Confidential Information in their possession as required by the solicitation.” Please provide clarity on the level of detail you require.	USAC requests an overview of the safeguards Offeror has in place to protect confidential information. If additional detail is needed as part of proposal evaluation, USAC will request the information before contract award.
59	Please provide details and clarification with respect to #3 on page 56 of 59 – A list of 3 current or recently completed contracts for services similar in scope to those required by this solicitation. Are you asking for financial statement audit and AUP examples and/or are you asking for financial statement audit and AUP examples for other Nonprofit Entities that receive US Federal Funding for the specific purpose of executing and managing programs on behalf of a U.S. Federal Agency?	USAC is requesting past experiences that are most relevant to the scope of services outlined in the RFP. Experience with non-profits receiving federal funding will be preferred, if available. If not available, a similar audit and agreed upon procedures experience for other types of organizations will be considered.
60	Please provide clarification specific to E. Presentation and Page Limitation on page 57 of 59. Is USAC asking for the proposal response to be provided in Portrait or Landscape?	Proposal responses should be prepared in Portrait layout. Only a diagram, table, Gantt chart or chart be included as an attachment to the proposal using landscape orientation to enhance presentation if needed.
61	Is there an incumbent contractor present? If so, please provide the name and details of their contract including period of performance and contract value.	Please see Answer to Questions #1 and #2.
62	What is the budget set aside for this contract?	USAC does not provide this information. Offeror should provide its best estimate based on the scope of work stated in the RFP.

Q#	Question	Answer
63	Based on past performance, how many FTEs does USAC envisage will be required to support this engagement?	USAC does not provide this information. Offeror should provide its best estimate based on the scope of work stated in the RFP.
64	Can the past performance of subcontractors be submitted and considered to help satisfy the past performance requirements outlined in the RFP?	Yes.
65	How will USAC evaluate past performance references when submitted by subcontractors? Will the evaluation differentiate between work performed by the prime contractor and work performed by a proposed subcontractor?	Past performance is evaluated using the criteria outlined on Page 58 of the RFP. The evaluation method will not change for a prime contractor or subcontractor.
66	Will proposals submitted by prime contractors without subcontractors be evaluated more favorably than those proposing with subcontractor teaming partners?	USAC does not provide proposal evaluation details other than those outlined in Section E of the RFP.
67	Are subcontractor personnel allowed to fulfill key personnel roles (e.g., Project Manager, Team Leader), and if so, how will their qualifications and availability be evaluated in comparison to prime contractor staff?	Offeror may propose subcontractor personnel. The evaluation method will not change for a prime contractor or subcontractor.