

**Universal Service Administrative Co. (USAC)  
AAD-26-050 – Financial Statement Audit and Agreed Upon Procedure (AUP) Audit Services  
Questions & Answers**

Q#	Question	Answer
1	Can you share with us why you are going out to bid at this time?	USAC has decided to recompete the services outlined in the RFP in order to ensure the services continue to be provided by a Contractor representing the best value to USAC. Additionally, given the rapid advancements in AI technology, USAC is allowing Offerors to propose AI based approaches for the services outlined in the RFP to assess potential cost savings or operational efficiencies.
2	What are you most looking for from a new service provider, and how would you prioritize those items?	USAC’s requirements and priorities are as outlined in RFP.
3	Any significant changes in operations during the past year?	No.
4	Can you provide an estimate on the length of audit fieldwork in the past?	<b>Interim:</b> October to December – 4 weeks (out of the 12-week period) <b>Final:</b> January to April – 14 weeks
5	Are there any significant litigation matters or other investigations pending?	No, there are not currently investigations or pending litigation that impacts this engagement.
6	How many times do the auditors meet with the audit committee during the year?	Approximately 3 times (twice virtually, once in-person). The audit firm will have required meetings with the Audit Committee Chair and/or Vice Chair to discuss the audit plan at the beginning of the engagement and the engagement results at the end of the engagement. In addition, in July of each year (usually the last Monday of July), there is an Audit Committee meeting where the results of the financial statement audit and agreed upon procedures engagement are presented by the Contractor in-person to the Audit Committee members for approval.

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7	Did the prior year management letter include any material weaknesses or significant deficiencies? Can you please provide prior year management letter, if any?	USAC cannot disclose details of the management letter; however, there were no material weaknesses identified.
8	Who drafts the financial statements and footnotes - management or the auditors?	Management drafts the financial statements and footnotes, and the auditors review and provide suggestions/edits.
9	Has the organization been subject to either an IRS or State audit within the past 5 years?	No.
10	Please describe your current IT infrastructure. Specifically, what type of systems are you running for the various finance and administrative functions?	USAC is currently using Great Plains, but we are in the process of implementing Oracle.
11	When was the last upgrade and what outside advisors/consultants if any did you use?	Sept 2022. USAC cannot disclose the vendors for this service.
12	Going into the new calendar year, are there any new IT initiatives that you are considering?	USAC's IT infrastructure is always evolving to meet the changing needs and demands of the organization. Any new IT initiatives for this calendar year that will impact the engagement in subsequent years will be communicated as appropriate.
13	What are some of the Board's primary concerns?	USAC's Board of Directors (Board) meeting minutes are available for review here: <a href="#">Board Minutes - Universal Service Administrative Company</a>
14	How does the Board view their external auditor relationship and what is the role they want them to play?	The Board views the external auditors as integral to meeting USAC's operational and compliance goals. The role of the external auditor is as outlined in the RFP.

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15	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?	<p>a) Year-end is December 31. The books will be ready to be audited after year end close in February.</p> <p>b) Yes.</p> <p>c) January to end of March.</p> <p>The draft Audit and AUP reports are due April 15 and the final Audit and AUP reports are due on May 30.</p>
16	Please provide further details and clarification with respect to #11 on page 15 of 60 – 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?	<p>No. The Contractor’s personnel will need USAC email addresses to access certain systems and perform certain tests. However, communication with USAC can be done using the Contractor’s own company email address.</p>
17	Please provide further details and clarification with respect to # 6 (Proposal Content) Confidentiality and Information Security – on page 54 of 60. “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.	<p>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.</p>