

**USAC Solicitation for External Peer Review of USAC's Audit & Assurance
Division – RFP AA-19-043
Question and Answers**

1. **Section A, Part I; Page 2** – USAC indicates that the final report shall delivered by September 13, 2019. However, Section B, Part II; Page 5 indicates, “The period of performance of the Contract shall commence on the Effective Date as stated on Cover Page, and shall end six (6) months thereafter, unless terminated sooner or extended in accordance with the terms of the Contract”. Page 1 – The Solicitation information has an anticipated contract term date of June 17, 2019 – December 16, 2019.

Question: Can the Government please confirm that the final report should be delivered two months before the end of the contact term date or if the final report shall be delivered by December 16, 2019?

Answer: Yes. The audit report is due on October 11, 2019. However the contract will remain open until December 16, 2019 to allow time for any follow up activities or presentation of the audit results to the Audit Committee if need be.

2. **Section B.3 Place of Performance, Page 5/Section V.D. Price Proposal, Page 28**: The proposed firm-fixed price must be sufficient to achieve the objectives and deliverables set forth in Section B, and must include all direct and indirect costs, including **travel**, profit, and overhead.

Question: Is all work for external peer review performed by USAC's Audit and Assurance Division or will external CPA firms be included in the population used for the selection of peer review audits? If external CPA firms will be included in the population, can USAC please provide a listing of the external CPA firms and the corresponding locations to which travel may be necessary?

Answer: a) No, audits conducted by independent CPA firms will not be included in the population.

Question: Can USAC please define the period to be covered in the external peer review?

Answer: 3 fiscal years covering 10/1/16 to 9/30/19.

Question: Can USAC please provide a total population for the external peer review (how many audits), by audit type? Will the population be composed of audits for the last year period or for the all years covered in the peer review?

Answer: a) Approximately 121. All audits are performance audits conducted on beneficiaries and contributors of the Universal Service Fund.

b) The population will cover audits completed in the last three fiscal years (10/1/16 to 9/30/19).

Question: Does USAC have a minimum sample size that should be selected from the total population?

Answer: No. Please rely on the guidance provided under Sections 5.6 to 5.95 of the Government Auditing Standards (201 Revision) to determine the appropriate sample size.

Question: Should travel be proposed as a reimbursable NTE line item, or as an inseparable part of the total fixed fee?

Answer: Travel should be proposed an inseparable part of the total fixed fee.

3. **Section E, Part V.A.(B); Page 27** – USAC states “Offerors 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 section C.2.(k) and Section D, Attachment 3.”

Question: Please confirm that Section D, Attachment 3 is only required to be signed once the contract is awarded.

Answer: Correct, Attachment 3 is only required to be signed once the contract is awarded

4. **Section E, Part V.A.(C); Page 27** – USAC states “Conflicts of Interest. USAC is the appointed neutral administrator of the federal USF. USAC is governed by a Board of Directors comprised of various stakeholders in the universal service programs, and is prohibited from advocating positions on universal service policy matters.¹”

Question: Can the USAC please confirm that the “1” at the end of the sentence is just a typo or should there be a footnote added to the document?

Answer: This was a typo and it is corrected.

5. **Section E, Part V.B.(B); Page 27** – USAC indicates, “Key Personnel. All non-administrative personnel who will be performing work on the contract will be designated as key personnel. Identify by name all proposed key personnel. For each of these individuals, provide a resume (not to exceed two pages) that includes their educational background, job and related experience, a list of specific efforts they have supported, and references.”

Question: Can USAC please remove the last part of the sentence “and references,” as the references are included within the past performance?

Answer: The last part of the sentence “and references,” is removed.

6. **Section E, Part V.C; Page 28** – USAC states “USAC will attempt to contact past performance references identified in the proposal for confirmation of the information contained in the

proposal and/or will transmit a past performance questionnaire to the contacts identified in the Offerors proposals. Although USAC will follow-up with the contacts, the Offeror, not USAC, is responsible for ensuring that the questionnaire is completed and returned by the specified date in USAC's transmittal."

Question: Will USAC notify Offerors if/when past performance questionnaires (PPQs) are sent to references? Offerors cannot be responsible for ensuring that a PPQ is returned if they are unaware when or if it is provided to the reference.

Answer: USAC will first attempt to send the PPQs to the references only. If the references do not respond, USAC will then notify the Offerors.

7. Will USAC's AAD require and/or have a preference that each of the service provider team members assigned to this engagement has recognized certifications such as: Certified Internal Auditor, Certified Government Auditing Professional, and/or Certified Fraud Examiner?

Answer: It is preferred to have all team members possess a recognized certification. However, it is required that the management team members (who are providing oversight of the team members or the engagement) are certified.

8. How many traditional internal audit reports does the AAD issue on average on an annual basis? Please provide a break-down between assurance, consulting, compliance, IT, and special project reports.

Answer: a) For the past 3 fiscal years, the approximate annual number of performance audits of the beneficiaries and contributors of the Universal Service Fund is 121. The traditional internal audits are not conducted in accordance with GAGAS and, therefore, not subject to this peer review engagement. There are no other types of audits that are performed by USAC AAD.

9. How are AAD's work papers are organized and maintained (i.e. electronic work paper system such as TeamMate or AutoAudit)?

Answer: Electronically, using the Pentana application.

10. Would USAC's AAD be open to or have a preference to have work paper review conducted off-site at our offices if technologically feasible?

Answer: No.

11. How many individuals comprise USAC's AAD? Please provide either a departmental organizational chart or a break down by level of individuals.

Answer: AAD has 68 employees plus approximately 24 co-sourced resources (e.g., staff augmentation). However, approximately 38 employees plus 24 co-sourced resources perform the performance audits that are conducted in accordance with GAGAS; and therefore subject to this peer review.

The levels below represent 68 employees.

Executive Level Leadership - 7;

Senior Management and Management Level - 14;

Audit Leads, Seniors and Staff - 47

- 12.** Does the AAD co-source or out-source any portion of the annual audit plan? If yes, please briefly describe the nature and volume of work co-sourced or out-sourced.

Answer: a) Yes

b) Nature of work: Determining that program participants (Beneficiaries and Contributors) are in compliance with the FCC and program rules.

Volume of work: Does not exceed 40% on average of total audit population.

- 13.** Will the selected vendor be required to present the results of the external peer review to the board of directors and/or audit committee of USAC? If yes, does USAC's AAD prefer the presentation to be in person or is a phone/video conference acceptable? Please provide the date of expected presentation if desired.

Answer: a) Possibly, depending on the audit results.

b) In-Person Presentation would be preferred.

c) The last Monday in October 2019.

- 14.** Have there been any significant changes to the AAD's audit methodology since the prior external peer review? If yes, please briefly describe.

Answer: Yes. Our Audit selection criteria has moved from 100% risk based to a hybrid of risk based and non-risk based.