

**April 24, 2019**  
**Rhode Island Commerce Corporation**

**ADDENDUM NO. 1**  
**Questions & Answers**

REQUEST FOR PROPOSALS  
**AUDITING SERVICES**

The Rhode Island Commerce Corporation is soliciting Proposals from firm(s) qualified to perform audit services for the years ended June 30, 2019; 2020 and 2021 for the following entities:

Rhode Island Commerce Corporation and Component unit, Small Business Loan Fund Corporation  
Rhode Island Industrial Facilities Corporation  
Rhode Island Industrial-Recreational Building Authority  
I-195 Redevelopment District Commission  
Rhode Island Commerce Corporation Pension Plan and Trust

**Questions related to finances and financial systems**

- 1) What system(s) are used for accounting, loan servicing, payroll and other significant finance functions?

Accounting Software-Great Plains

Loan Servicing-Nortridge

Payroll-CSC Paymaster

- 2) Are these systems provided by a 3<sup>rd</sup> party vendor or are they developed and maintained in-house?

We did not internally develop any of the software in use

Accounting -Internal processing of accounting transactions

Loan Servicing-Internal processing of loans

Payroll-External processing of payroll

- 3) If a 3<sup>rd</sup> party servicer is used, are SSAE18 SOC 1 reports available for these vendor(s)?

Unknown, Service providers listed in question #1

- 4) What is the total number of federal programs expected, and please provide an estimate of federal program expenditures for each?

No significant changes anticipated from prior year. Please see link <https://commerceri.com/wp-content/uploads/2019/03/RICC-Accountants-Report-and-Financial-Statements.pdf>

### **Questions related to Internal Control and Financial Reporting**

- 1) Are internal controls and procedures documented in written form, communicated to all required parties, and are key controls identified?

Internal controls and procedures are in written form.

- 2) Who prepares the financial statements?

Accounting Staff

- 3) Who prepares all schedules included in the notes to financial statements and supplementary information?

Accounting Staff

- 4) Is there any internal audit function carried out and if so, to what extent?

No internal audit

- 5) Are IT and Cybersecurity Risks actively managed and monitored on a formal basis?

Managed and monitored by 3<sup>rd</sup> party IT service provider

### **Requests for additional information and other questions**

- 1) Please provide copies of prior year reports on internal controls and compliance required by Government Auditing Standards and the Single Audit Act/Uniform Guidance. If there were any findings reported, please also provide your corrective action plan and current status of resolution.

Please see link for all prior reports <https://commerceri.com/wp-content/uploads/2019/03/RICC-Accountants-Report-and-Financial-Statements.pdf>

- 2) Please indicate any significant involvement of external management experts (actuaries, engineers, consultants, fiscal agents, etc.) with roles in the internal control or financial reporting functions. Have there been any delays in prior audits due to coordination between the management experts and your independent auditor?

N/A

- 3) Please indicate the extent of audit adjustments being proposed by your independent auditor and accepted by management for recognition in the financial statements.

Minimal

- 4) Have there been any disagreements between management and your independent auditor during the prior three engagements?

No

- 5) Please provide the fees paid for audit services for each of the past three years, and indicate if there were any billings above contracted amounts for out-of-scope or additional services not contemplated at contract award.

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Commerce RI and SBLF	30,000	30,600	31,200
Single audit	\$120/hr	\$122/hr	\$125/hr
RIIFC	\$12,000	\$12,250	\$12,500
RIIRBA	\$12,000	\$12,250	\$12,500
I-195	\$10,000	\$10,200	\$10,400
Pension Plan	\$18,500	\$19,000	\$19,500

No billings above contracted amounts for out of scope services

\*\*\*End of Addendum \*\*\*