

Northern Affiliation of CMH's

AV = AuSable Valley CMH

North Country = North Country CMH Northern Affiliation

NE = Northeast Michigan CMH

RFP QUESTIONS

Year Ending 9/30/10

1. Why are you bidding? Are you happy with current auditor and their service?  
AV – To meet MDCH procurement requirements. Very happy with current auditors and service.  
**North Country:** We are required to meet MDCH procurement requirements. Also, our 3 year contract is up. Very satisfied with current audit services.  
NE – to meet MDCH procurement requirements. Yes, happy with current audit services.
2. How much time in total and how many people were on-site to conduct the audit of your CMH?  
AV - 3 to 4 auditors for 5 days for financial and compliance audits. Time spent off-site unknown.  
**North Country:** 4 days 3 auditors that worked 9+ hour days, 1 day 3 auditors worked 6 hrs, 1 partner worked ¾ of one day. Also, the firm does a 3/4 day of preparation prior to the audit that consists of 1 lead auditor and 1 partner. Time spent off site unknown.  
NE – 7 days, 4-5 staff for financial and compliance audit.
3. Are there any decentralized departments that receipt or disburse funds that would warrant testing?  
AV – No.  
**North Country:** No.  
NE – No, except 25 petty cash funds limited to no more than \$250 maximum. We audit them internally annually without problem, so this really isn't an issue.
4. Who maintains capital asset records and calculates depreciation each year?  
AV – Bookkeeper in conjunction with local CPA firm maintain records. Entries made by Finance Director.  
**North Country:** Accountant maintains fixed assets and calculates depreciation. Finance Director oversees and books to the General Ledger.  
NE – Accounting Supervisor BBA, overseen by Finance Director CPA
5. How much in Federal funds is anticipated in the current year? How much is subject to Single Audit as it appeared none of the CMH's required a Single Audit in 2009?

AV – No single audit requirements.

**North Country:** North Country CMH is the PIHP for Medicaid Revenue. Medicaid is received via per eligible per month capitation payments. Medicaid revenue is estimated to be \$68,000,000. Medicaid revenue is not subject to the Single Audit. FY2009 revenue received subject to Single Audit was \$321,492. Much of this amount (\$136,000) was Mental Health Block grants that did not continue into FY2010. Since we did not meet the \$500,000 threshold, there was no Single Audit required for FY2009. I will not exceed the threshold for the FY2010 audit.

NE - No Single Audit requirements.

6. How many adjusting journal entries did auditors have last year or did you provide to the auditors after the commencement of audit fieldwork?

AV – None

**North Country:** None

NE - None

7. Were there any written audit comments in the prior year (i.e. internal control letter comments, management letter comments, etc.)? If so please provide?

AV – None (all reports and letters should be on reports published)

**North Country:** See management letter published on website.

NE – none (all reports and letters should be on website)

8. Does the CMH record all accruals prior to the audit commencement? Who prepares the financial statements?

AV – All accruals recorded and financial statements prepared by Finance Director

**North Country:** All accruals prepared prior to audit. Finance Director prepares Financial Statements that are reviewed and audited.

NE – all accruals recorded EXCEPT managed care settlement entries which are completed during audit. Finance Director CPA prepares financial statements.

9. How will bids be evaluated? How much weight in that evaluation process will be placed on prior CMH experience?

AV – Against a set of criteria developed by committee of Finance Directors from each CMH. Significant weighting is placed on CMH experience due to MDCH compliance audit required training.

**North Country:** Against a set of criteria developed by committee of Finance Directs from each CMH. Prior CMH experience will be heavily weighted, specifically in regard to the Compliance Audit.

NE – Against a set of criteria developed by committee of Finance Directors from each CMH. Significant weighting is placed on CMH experience due to MDCH compliance audit required training.

10. What is the price paid for the 2009 audit?

AV - \$21,425

**North Country:** Total cost for the 2009 financial and compliance audit was \$28,125.

NE - \$21,330

11. In reviewing the 3 CMH's audit reports from Treasury's website it was noted that there was a compliance audit included with NeMCMHA's audit but there was nothing like that attached to AVCMH's or NCCMH's audit but according to the RFP pg 4 a compliance audit is needed for all 3 CMH's and there is to be in NCCMH the compliance audit of all 3 CMH's. Please explain this process further as I do not see a compliance audit in NCCMH's report and provide any copies of compliance audits that were issued in 2009 other than the NeMCMHA "CMH Compliance Examination" that was presented on Treasury's website.

**All reports from all CMH's should be on Affiliation website and available to all bidders.**