

May 7, 2012

MEMORANDUM

TO WHOM IT MAY CONCERN

FROM: Janell Kim
Financial Services Administrator

SUBJECT: ADDENDUM NO. 1, REQUEST FOR PROPOSALS NO. J12287,
FOR PROVIDING THE FINANCIAL AND COMPLIANCE AUDIT OF THE
JUDICIARY, STATE OF HAWAII, FOR THE FISCAL YEAR ENDED JUNE 30,
2012

Transmitted herewith is one copy of Addendum No. 1 for your review.

Questions regarding the technical aspects of the RFP may be directed to Alvin Chong, Internal Audit Manager, at (808) 539-4242, email alvin.k.chong@courts.hawaii.org; other questions may be directed to Newton Sakamoto in the Contracts and Purchasing Office at (808)538-5805; email newton.t.sakamoto@courts.hawaii.gov.

Janell Kim
Financial Services Administrator

REQUEST FOR PROPOSALS NO. J12287
FOR PROVIDING
THE FINANCIAL AND COMPLIANCE AUDIT OF
THE JUDICIARY, STATE OF HAWAII,
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

ADDENDUM NO. 1

May 7, 2012

The following questions were submitted in writing and are being answered in accordance with this RFP:

Q.1. Can we get copy of the management letter?

A.1. Yes, a copy of the FY 2011 management letter will be provided upon request.

Q.2. In FY 2011, the Judiciary had two major programs audited. Can we expect similar programs as listed on the Schedule of Federal Expenditures (SEFA) or were there new programs that could be considered major programs to be audited in FY 2012?

A.2. The FY 2012 major federal programs are expected to be similar, but not identical, to FY 2011 major federal programs.

Q.3. Does the Judiciary prepare the MD&A, SEFA, and the governmental financial statements and notes or do the auditors prepare?

A.3. The Judiciary prepares the MD&A, and the auditors are responsible for preparing all other information contained in the audit report.

Q.4. Will the Judiciary prepare all of the work papers requested by the auditors?

A.4. Yes, the Judiciary will prepare all work papers that are reasonably requested by the auditors. In FY 2011, the Judiciary prepared all work papers requested by the auditors.

Q.5. Are the records centrally located or do the auditors need to visit other sites? If yes, is there outer island travel?

A.5. The central accounting records are located at one Honolulu office location; and the detailed accounting records are located at the individual circuit locations. The auditors are expected to visit the individual circuit locations, including the neighbor islands.

Q.6. Do the auditors do field work on each island and if yes, what is the length of stay and generally how many auditors make the trip (i.e., a week, 2 days, etc.)? Information requested to estimate travel costs.

A.6. Yes, the auditors are expected to perform field work on the neighbor island circuits. In general, the auditors send one or two persons to audit at least two neighbor island circuits, and stay about one day per circuit.

Q.7. If there is outer island travel, what types of procedures are performed at the sites?

A.7. The Judiciary does not specify the procedures or work to be performed at any site; it is the sole responsibility of the auditor.

Q.8. What was the audit fee for the FY 2009, FY 2010, and FY 2011? Were there subsequent change orders? If yes, what were the amounts of the change orders?

A.8. The audit fee was \$65,000 per year for FY 2009, FY 2010, and FY 2011. There were no change orders.

Q.9. How long have your current auditors audited the Judiciary?

A.9. The current auditors have audited the Judiciary for more than 10 years.

Q.10. Does the Judiciary have any concerns with your current auditors (i.e., disagreements with regards to accounting or auditing standards, timeliness of services, etc.)?

A.10. No, the Judiciary does not have any concerns with its current auditors.