

	<b>State of South Carolina</b>  <b>Request for Proposals From S.C. Department of Administration (Admin) <u>AMENDMENT #1</u></b>	Request: 5400027147 Date Issued: 7/1/2024 Admin Contact: Elsie Montgomery Phone: (803) 737-1178 E-Mail Address: Elsie.Montgomery@admin.sc.gov	
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**DESCRIPTION: Admin seeks proposals for services of an independent forensic accounting firm, experienced in forensic accounting, to conduct a forensic accounting review of all cash and investments held in the State Treasury.**

SUBMIT PROPOSAL BY **7/8/2024 11:00 AM** **7/9/2024 11:00 AM**  
QUESTIONS MUST BE SUBMITTED BY **7/1/2024 11:00 AM** (time has passed)

SUBMIT YOUR PROPOSAL BY E-MAIL TO THE ADMIN CONTACT  
(Elsie.Montgomery@admin.sc.gov) OR TO EITHER OF THE FOLLOWING ADDRESSES:

MAILING ADDRESS: S.C. Department of Administration PO Box 2825 Columbia SC 29211 Attention: Elsie Montgomery	PHYSICAL ADDRESS: S.C. Department of Administration 1200 Senate Street, Suite 450 Columbia SC 29201 Attention: Elsie Montgomery
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ENTITY NAME (Full legal name of business)	
AUTHORIZED SIGNATURE	
TITLE (Business title of person signing above)	
PRINTED NAME (Printed name of person signing above)	DATE
MAILING ADDRESS	
CITY	STATE/ZIP CODE
TELEPHONE #	E-MAIL ADDRESS

**AMENDMENTS TO SOLICITATION (JAN 2004)**

(a) The Solicitation may be amended at any time prior to opening. All actual and prospective Offerors should monitor the following web site for the issuance of Amendments: [www.procurement.sc.gov](http://www.procurement.sc.gov) (b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by letter, or (4) by submitting a bid that indicates in some way that the bidder received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged. [02-2A005-1]

**QUESTIONS FROM OFFERORS - AMENDMENT (JUN 2017)**

THE SOLICITATION IS AMENDED AS PROVIDED HEREIN. INFORMATION OR CHANGES RESULTING FROM QUESTIONS WILL BE SHOWN IN A QUESTION-AND-ANSWER FORMAT. ALL QUESTIONS RECEIVED HAVE BEEN REPRINTED BELOW. THE "STATE'S RESPONSE" SHOULD BE READ WITHOUT REFERENCE TO THE QUESTIONS. THE QUESTIONS ARE INCLUDED SOLELY TO PROVIDE A CROSS-REFERENCE TO THE POTENTIAL OFFEROR THAT SUBMITTED THE QUESTION. QUESTIONS DO NOT FORM A PART OF THE CONTRACT; THE "STATE'S RESPONSE" DOES. ANY RESTATEMENT OF PART OR ALL OF AN EXISTING PROVISION OF THE SOLICITATION IN AN ANSWER DOES NOT MODIFY THE ORIGINAL PROVISION EXCEPT AS FOLLOWS: UNDERLINED TEXT IS ADDED TO THE ORIGINAL PROVISION. STRICKEN TEXT IS DELETED. [02-2A097-1]

**The following questions were submitted pursuant to Section III GENERAL INSTRUCTIONS of the Request for Proposals within the deadline as specified. The Questions and Answers form Amendment 1 to the RFP. Unless explicitly changed by Amendment 1, all provisions of the original Request for Proposals remain intact and effective.**

**Questions and Answers to 5400027147:**

1. What specific years/historical ACFRs would be included in the "...review of the amounts of cash and investments reported in various of the State's historical ACFRs...?"

**The State's Response:**

**2014 – 2023**

2. If different than the review dates for "...review of the amounts of cash and investments reported in various of the State's historical ACFRs...", what time period (specific beginning and ending dates) does the Admin request the Contractor's analysis to cover?

**The State's Response:**

3. What year was STARS implemented?

**The State's Response:**

**STARS was the state's book of record for over 30 years until it was replaced by SCEIS in 2009. STARS was used for certain functions until 2016 when transactions were turned off. See response to question 9.**

4. As of what date(s) should the reconciliation(s) between SCEIS and STARS be performed?

**The State's Response:**

**2008-present.**

5. Was the 'mapping error' as noted in the FY 2022 ACFR, Note 15, related to discretely presented component units, blended component units, or both?

**The State's Response:**

**The "mapping error" refers to the configuration of the fund's GAAP Code which controls whether fund balances are included in fiscal year end reporting used to compile ACFR. The mapping error was related to discretely presented component units, also referred to as "lump-sum agencies" and "AFS agencies".**

6. The RFP defines the scope of the forensic accounting work as "agreed upon procedures"/"AUP". Forensic accounting/investigatory consulting projects are typically performed under the AICPA's Statement on Standards for Forensic Services. Agreed-upon procedures engagements are typically performed under the AICPA's Statement on Standards for Attestation Engagements. Please confirm whether this project will be performed under the AICPA's Statement on Standards for Forensic Services.

**The State's Response:**

**The State is requesting proposals from independent forensic accounting firms to provide forensic accounting services. In providing those services, the firm is expected to follow the AICPA's Statement on Standards for Forensic Services. The State reasonably expects that any findings, conclusions, or reports on the results of these forensic services may be used for any purpose that the State deems appropriate (which may potentially include responding to investigations by or questions from legislative or other governmental entities and in defending any claims that may be made in litigation).**

7. What are the approximate number of cash and investment accounts included in the scope of this project?

**The State's Response:**

**Revenue GL accounts per CG website:**

**<https://cg.sc.gov/sites/cg/files/Documents/Guidance%20and%20Forms%20for%20State%20Agencies/CG's%20Accounting%20Policies%20and%20Procedures/07-31-22/Revenue%20GL%20Account%20Descriptions%20-%20July%202022.pdf>**

8. What is the Admin's preferred format of the Contractor's reports?

**The State's Response:**

**Contractor should submit the required reports in Microsoft Word.**

9. What is the timeline of Enterprise Resource Planning (ERP) system implementations?

**The State's Response:**

**SCEIS Implementation timeline:**

- **2004: General Assembly establishes the SCEIS Oversight Committee by proviso.**
- **2005: General Assembly mandates all agencies to adopt SCEIS with exception of lump-sum agencies.**
- **2005-2006: Planning and design.**
- **2007: Implementation start date.**
- **2009: Agencies begin using SCEIS.**
- **2010-2011: Implementation of central accounting functions.**
- **2012: SCEIS used in limited capacity to produce the ACFR.**
- **2015: Treasury Investments go-live.**
- **2016: STARS transactions turned-off, Treasury Cash and Investments fully implemented.**
- **2017: Cash Conversion and Appropriations clean-up.**

10. What are the usage dates for each of the systems, including, but not limited to, SCEIS and STARS?

**The State's Response:**

The State's legacy system, STARS, was used for 30 years until being replaced with SCEIS in 2009.

See response to question 9 for more SCEIS implementation details.

11. What underlying platforms/architectures are the various historical and current ERP systems based on?

**The State's Response:**

**Historical systems are monolithic mainframe platforms. Current SAP ERP systems are based on a three-tier architecture.**

12. Please provide the ERP platform and technology including version for the following:

- a. SCEIS,
- b. STARS, and
- c. Any legacy platforms that were used to migrate to SCEIS and STARS.

**The State's Response:**

**SCEIS**

- **SAP ECC, BW/BOBJ**
  - **Installed Product Version: SAP enhancement package 8 for SAP ERP 6.0**
  - **Database System: MSSQL**
  - **Operating System: Windows NT, OS Version 10 (Microsoft Windows 2019), SAP Kernel Release 753**
  - **VI SDK Servers: VMware vCenter Server 6.7.0 build-19299595**
  - **Storage: Hitachi VSP5600 Frame, Model VSP5600\_60090**
  - **Application Stack**

Function	Application Version	NetWeaver Version
SAP Enterprise Core Component (ECC)	6.08	7.5
SAP Enterprise Portal - Nakisa	4.3	7.3
SAP NW Gateway Hub/Fiori (SCEIS Central)	6	7.51
SAP SAML (SCEIS Central Login)		7.5
SAP Supplier Relationship Management (SRM)	7.04	7.5
SAP Enterprise Portal - SRM	7.02	7.5
SAP Enterprise Portal - SRM Vendor	7.02	7.5
SAP Business Warehouse (BI/BW)		7.5
SAP Exchange Infrastructure (PI/XI)		7.5
SAP Solution Manager	7.2	7.4
SAP Business Objects (BOBJ)	4.2	
Design Studio for BI Platform 4.2	1.6	

<b>SAP Governance Risk Compliance - Access Control</b>	<b>12</b>	<b>7.52</b>
<b>SAP Success Factors (SAML)</b>		<b>7.5</b>
<b>SAP System Landscape Directory</b>		<b>7.5</b>
<b>SAP Adobe Document Services</b>		<b>7.5</b>
<b>Work Manager Mobile</b>	<b>6.5.11</b>	
<b>SAP Mobile Platform</b>	<b>3.1.0.6</b>	

- **Data Analytics**
  - **Azure storage accounts - DataLake, DeltaLake, Data Warehouse**
  - **Azure Synapse Workspace – Apache Spark Pools, Notebooks**
  - **Microsoft PowerBI Service, Microsoft PowerBI Desktop**

**d. STARS Mainframe**

- **IBM z13 2965-104, Software version z/OS 2.4**
- **Database: Software AG Adabase**
- **Client: Software AG Com-plete**

13. Please provide a list of in-scope Functions/Modules that are included in each platform (i.e. Funds Management, General Ledger, Fixed Assets, Accounts Payable, etc.).

**The State’s Response:**

**Financial Accounting (FI)**

- a. **Public Sector Management (PSM) - PSM-FM (Funds Management)**
- b. **Controlling (CO)**
- c. **Materials Management (MM)**
- d. **Plant Maintenance (PM)**
- e. **Project Systems (PS)**
- f. **Sales and Distribution (SD)**
- g. **Travel Management (TM)**
- h. **Work Manager Mobile**
- i. **Flexible Real Estate (RE-FX)**
- j. **Treasury and Risk Management (SAP TRM)**
- k. **Human Capital Management (HCM)**
- l. **Business Warehouse (BW)**
- m. **Business Objects (BOBJ)**
- n. **Governance, Risk, and Compliance (GRC)**
- o. **SuccessFactors**

14. What is the estimated volume of users for each module?

**The State’s Response:**

Module	Count	Note/Comment
FI	1,401	transactional/processing
FM	947	transactional/processing
CO	382	transactional/processing
MM	4,420	transactional/processing
PM	85	transactional/processing
PS	192	transactional/processing
SD	241	transactional/processing
TM	1,085	transactional/processing
WMM	43	transactional/processing
RE	18	transactional/processing
TRM	74	transactional/processing
HCM	858	transactional/processing
BW	1,784	reporting
BOBJ	809	reporting
GRC	243	transactional/processing
SF	~44,000	all State employees (LMS)

15. Please provide specifics regarding the mapping table that needs to be analyzed within the ERP.

**The State's Response:**

**The FMFINCODE table in SAP holds fund mapping configurations.**

16. Was the conversion mapping from legacy to SCEIS done automated or manual for the above mapping table?

**The State's Response:**

The following fund mapping was used for conversion:

[http://sceis.sc.gov/documents/STARS\\_to\\_SAP\\_Fund\\_Listing.xls](http://sceis.sc.gov/documents/STARS_to_SAP_Fund_Listing.xls)

17. Will there be SCEIS, STARS or legacy platforms subject matter experts that will available to meet with the Contractor?

**The State's Response:**

**Yes**

18. Please provide the volume by year for the mapping table or approximate number of funds that have to be analyzed?

**The State's Response:**

**The mapping table contains master data and is not transactional.**

19. How many upstream and downstream applications are integrated with the ERP platform?

**The State's Response:**

**Interface List:**

<b>Row Labels</b>	<b>Sender</b>	<b>Receiver</b>	<b>Grand Total</b>
<b>BankOfNewYork</b>	2		2
<b>BBT</b>	1		1
<b>Bloomberg</b>	2		2
<b>BOA</b>	7	8	15
<b>BOBJ</b>		1	1
<b>BONYMellon</b>	3		3
<b>BSWA</b>	1	1	2
<b>BW</b>	1		1
<b>CG</b>	1		1
<b>Clemson</b>	3	4	7
<b>Contracts</b>	4		4
<b>Customer</b>	2		2
<b>DOR</b>	1		1
<b>FCB</b>	1		1
<b>FI Interfaces</b>	79	41	120
<b>GRC</b>	1		1
<b>HHS</b>		2	2
<b>HR Conversion</b>		17	17
<b>HR Interfaces</b>	18	2	20
<b>Kronos_WFDimensions</b>	1		1
<b>MM Interfaces</b>	3	9	12
<b>NBSC</b>	1		1
<b>OSMB</b>	2		2
<b>Requisitions</b>	2		2
<b>Security</b>	1		1
<b>Solicitations</b>	5	2	7



SouthStateBank	1		1
STO	5	17	22
SuccessFactors		1	1
SunSystems		2	2
TDBank	1		1
UCB	1		1
Utilities		1	1
Vendor	23		23
WellsFargo	8	15	23
Grand Total	181	123	304

20. Please provide the current monthly/annual volume within the in-scope modules?

**The State's Response:**

- Deposits per year: Approximately 50K (deposits at bank and via wire transfer)
- Vendor Payments per year: Approximately 6M.
- GL Transactions per year: Approximately 2M
- Investment Transactions per year: Approximately 12K

21. Given that many entities are closed from July 3 through 7th, due to the July 4th holiday, may the response date be extended by at least 14 days, especially given the contemplated procedures?

**The State's Response:**

**Responses will now be due by 7/9/2024 at 11:00 AM**

22. Given the potential substance of the engagement, are there potential extensions to the final deliverable dates beyond the December 16 deadline?

**The State's Response:**

**See Section I. INTRODUCTION (5<sup>th</sup> paragraph) and Section VIII PROVISIO 93.19 of the RFP. If Admin elects to extend the completion date, the Contractor's due date for the final report may also be extended.**

23. What is the expected allocation of on-site time vs. remote?

**The State's Response:**

**This is to be determined and may depend on the capabilities of the contractor ultimately engaged pursuant to this RFP.**

24. What is the availability of use of the State's staff through the engagement?

**The State's Response:**

**See Section I. INTRODUCTION (3<sup>rd</sup> paragraph) and Section VIII PROVISIO 93.19 of the RFP**

**The Office of State Treasurer, the Office of Comptroller General, the Office of State Auditor, and all other agencies of the State, as may be designated by Admin, must provide their full cooperation, and will make available any staff, books, records, statements, and other information, including information from all financial institutions, investment firms, trustees, or any other third-parties holding cash and investments on behalf of the State, at a time that may be required and in a form that may be prescribed by Admin in facilitating the Contractor in performing the work required by this engagement.**

25. What is the envisioned process of obtaining State data from current and legacy systems salient to the engagement?

**The State's Response:**

**Legacy system data can be restored from backup for viewing or export. Current system data is available to the offeror in dedicated production-copy environments. Current system and legacy system data is available to the offeror in the state's cloud analytics platform for research, analysis, and reporting.**

26. What are the number of cash receipts and disbursements?

**The State's Response:**

**See response to question 20.**

27. Due to the sensitive nature of the type of services, will the State allow us to provide information on our experience and references but not specific client (or past client) names unless able to submit in the following phase in the selection (Many similar engagements contain nondisclosure agreements, especially during litigation)?

**The State's Response:**

**See Section III. GENERAL INSTRUCTION – SUBMITTING CONFIDENTIAL INFORMATION AND SECTION IV. INFORMATION TO BE SUBMITTED – QUALIFICATIONS AND EXPERIENCE – Subparagraph c. Proposals are expected to include sufficient information to meet the reference check requirements of the RFP.**

28. Is there an expectation that the respondents report may be utilized as part of any litigation?

**The State's Response:**

**Please see response to Question 6 above**

29. Will the State be willing to sign a copy of our engagement letter to be negotiated on commercially reasonable terms?

**The State's Response:**

**Any contract entered will be documented in accordance with Section VI. CONTRACT DOCUMENTS of the RFP.**

30. Will the State be willing to negotiate the "indemnify and defend" clause as the firm is unable to accept the "defend" requirement and must have limits on indemnity?

**The State's Response:**

**The State must have protection in the event it is made party to a legal challenge for withholding information from public disclosure based on the contractor's confidential designation.**

31. Will the State allow a time and materials fee structure, given that we will not know full scope until discovery is completed?

**The State's Response:**

**Any fee proposal not inconsistent with Section IV. Information to be Submitted – Fee Structure of the RFP will be considered.**

32. What period is considered in scope for the review (i.e. is there a defined look-back period or a date as of which the cash and investment balances were considered reliable)?

**The State's Response:**

**See response to Question 1**

33. Page 3 requests; "an analysis of all cash and investments held in the State Treasury". What is the current value of the cash and investments, and what is the estimated volume and value of transactions that will be in the scope of the review?

**The State's Response:**

**See the 2023 ACFR at <https://cg.sc.gov/>. Also Approximately 30M FI postings for treasury and investments.**

- 34 Page 3 requests; “reconciliation and balancing of... unreconciled funds managed by the relevant state agencies” within SCEIS and STARS systems. Please provide an estimate of the volume and dollar amount of unreconciled entries.

**The State’s Response:**

**Unknown at this time.**

35. What is the underlying system (SAP, Workday, etc.) of the SCEIS, STARS and other systems that will be in-scope, including legacy systems if relevant to the time period of the review?

**The State’s Response:**

**See response to question 12.**

36. Page 3 requests a review of “various of the State’s historical ACFR”. How many ACFRs are in scope?

**The State’s Response:**

**2014 – 2023**

37. No scope period is listed in the RFP regarding the period of time under analysis. What period of time is expected to be analyzed by the Contractor?

**The State’s Response:**

**2014 – 2023**

38. Regarding the financial information to be provided to the Contractor for analysis, what amount of information is estimated to be provided?

**The State’s Response:**

**The financial information requested by the contractor will be provided to the extent it can be obtained by the State.**

39. Can the data be measured in number of transactions, GBs, pages, document numbers, etc.?

**The State’s Response:**

**See response to Question 25**

40. The RFP requests that “forensic accounting work (or ‘agreed upon procedures’)” be performed in this matter. However, AICPA professional standards require that CPA firms perform forensic accounting work be performed under the [Statement on Standards for Consulting Services No. 1](#), while “agreed upon procedures” are considered an attestation service under [AT-C Section 215](#).

**The State’s Response:**

**Please see response to Question 6 above.**

41. Please confirm that this is a forensic accounting consulting service, and the Scope of Work will be performed under SSCS No. 1 as required by the AICPA.

**The State’s Response:**

**Please see response to Question 6 above.**

42. The RFP requires the Contractor to be an “independent forensic accounting firm.”

Please define what qualifies as “independent” in this regard. For example,

- a. Would a firm that has performed / is performing any type of consulting services for any part of the South Carolina state government be disqualified?
- b. Is a firm required to have no former state employees working at the firm?
- c. Is a firm that performs consulting services for any banks, counterparties, or other entities involved with the cash and investments held by the State Treasury considered to not be independent?

**The State’s Response:**

**The State requires that the firm be “independent” in the sense that the firm should not have any bias or close connections with the State of South Carolina such that the firm could be perceived as not being able to perform the forensic accounting procedures objectively and with integrity.**

43. Will such reports necessary to conduct the examination be available electronically?

**The State’s Response:**

**To best of the State’s ability, reports will be made available electronically.**

44. How many accounts are involved in the cash and investments held by the State Treasury, to be analyzed in this engagement?

**The State’s Response:**

**There are 7 investment portfolios, servicing approximately 4000 participants with approximately 17,000 securities. The state uses 23 financial institutions for deposits.**

**Investments are supported by approximately 50 brokers, an investment management firm (Federated), a custodian (Bank of New York Mellon), and a trading partner (Bloomberg).**

45. Will State employees be available for information gathering interviews either in person or virtually?

**The State's Response:**

**See Answer to Question 24. Additionally, employees will be made available either in person or virtually as needed.**

46. Has the State previously engaged a firm to conduct any type of forensic accounting engagement?

**The State's Response:**

**Not for this purpose.**

47. Will the project work be required to be on site, remote or hybrid?

**The State's Response:**

**See Section II. SCOPE OF WORK – paragraph 7**

48. Are you anticipating any potential issues with the availability of supporting documentation for transactions during any of the period under the scope of the project?

**The State's Response:**

**Contractor will be provided all available relevant information.**

49. Does the State receive any federal funds through ARPA or other federal programs that are in scope for this engagement?

**The State's Response:**

**Yes.**

50. Has the State's financial statement auditors identified and reported any internal control deficiencies in the past 3 years?

**The State's Response:**

**Yes**

51. Can you provide a standard copy of the Record of Negotiations/Award or the standard Terms & Conditions therein?

**The State's Response:**

**The Record of Negotiations/Award is a document that will be tailored to reflect any amendments (additions, deletions, edits, etc.) to the RFP or Proposal agreed upon by the State and the engaged contractor. It will also contain written confirmation of the award of the contract by Admin and the acceptance of same by contractor.**

52 The RFP requests that the Contractor confirm the “accuracy and impact of the \$3.5 billion restatement that was made to the opening balance in the general fund...”

Can you clarify what is meant by confirming the “impact”?

**The State's Response:**

**Appropriateness of the restatement**

53 The RFP requires that “The Contractor is expected to perform work on-site at designated state agency offices as is necessary as determined by Admin. Work not required to be performed on-site by Admin may be performed remotely by the Contractor.”

Can you clarify, in general terms, what portion of work is believed to be required to be performed on site, versus that which can be performed remotely?

**The State's Response:**

**See the Answer to Question 23**

Can you clarify, in general terms, what type of work is believed to be required to be performed on site, versus that which can be performed remotely?

**The State's Response:**

**See the Answer to Question 23**

54. The RFP states, tentatively, that the decision to Award will be finalized on July 16. At what time does the State believe the work should begin after the Award?

**The State's Response:**

**As soon as the contract is awarded to the contractor.**

55. The RFP has requested the forensic investigation be performed under the AUP standards.

- i. Can you explain why?
- ii. Will the State consider allowing the contractor to work and perform the services in compliance with the consulting and forensic standards?

- Traditionally, forensic investigations are performed under these guidelines to allow the forensic accountant to offer an opinion.
- The AUP standards, no opinion is offered and the forensic accountant only performed the agreed upon tasks as apposed to developing the work plan based on our specialized knowledge, skills, training, experience, and expertise.

**The State's Response:**

**Please see response to Question 6 above.**

56. Can you explain the record retention policy for the State?

**The State's Response:**

**Records are retained in accordance with S.C. Department of Archives and History approved retention schedules. Retention schedules depend on the nature of the record in question.**

**The state maintains backups for all fiscal years of STARS through 2016. All SCEIS transactions, from 2008 to present, are available in dedicated production-copy environments and a cloud data analytics platform.**

57. How much of the historical financial activity is maintained in hard copy (paper) compared to digital (electronic) copies/images?

**The State's Response:**

**Please see the response to Question 56.**

58. What is the estimated amount of transactional activity that occurs on a yearly basis?

**The State's Response:**

**Please see response to Question 20**

59. What is the estimated amount of transactional activity that occurs with the cash and investments accounts on a yearly basis?

**The State's Response:**

**Please see response to Question 20**



60 How many bank accounts are involved/impacted?

**The State's Response:**

**Please see response to Question 44**

61 How many investment accounts are involved/impacted?

**The State's Response:**

**Please see response to Question 44**

62 Can you provide insight into the unreconciled funds that are managed by the relevant state agencies within the South Carolina Enterprise Information System.

**The State's Response:**

**Unknown at this time.**

63 Can you provide a list of financial institutions, investment firms, trustees and other third-party holdings of cash and investments.

**The State's Response:**

**Please see response to Question 44**

64 How was the \$3.5 Billion issue identified?

**The State's Response:**

**A reconciliation of the pool of cash and investments to the amounts presented in the ACFR**

65 How was the \$1.8 Billion issue identified?

**The State's Response:**

**As part of the \$3.5B restatement**

66 Will the forensic accounting team have access to the system implementation team that caused the mapping issue?

**The State's Response:**

**The implementation team did not cause the mapping issue. The CG's Office determined the mapping of the account. The CG's Office will be available to the contractor.**

67 Is there an expectation that a civil litigation action can be taken against the implementation contractors?

**The State's Response:**

**The State did not issue the RFP because it seeks to use the work affirmatively in asserting a claim against any individuals or firms and does not anticipate using the findings, conclusions, or reports of the forensic accounting firm for those purposes.**

68 . Are the historical accounting activities from the legacy system available that recorded the activity prior to the implementation to analyze the activity?

**The State's Response:**

**Yes**

69 Does the source documentation exist to analyze as well?

**The State's Response:**

**Contractor will be provided all available relevant information.**

70 How many executive departments is the forensic investigation expected to cover?

**The State's Response:**

**The State has two central Statewide financial activity agencies- The Office of State Treasurer, the Office of Comptroller General. Approximately 80 agencies transact in SCEIS.**

71 Does South Carolina have any expectation that potentially criminal and/or unauthorized activity occurred?

**The State's Response:**

**The State does not have an understanding at this time that any criminal and/or unauthorized activity occurred. It is possible that the forensic services performed by the firm could identify information suggesting conclusions contrary to the current understanding.**

72 In order to evaluate the responses to the questions posted and to develop a thorough approach, would the State consider a two-week extension of the proposal due date?

**The State's Response:**

**See Answer to Question 21**

73 How many cash accounts are currently maintained with financial institutions, investment firms, trustees, etc.?

**The State's Response:**

**See Answer to Question 44.**

74. How many investment accounts are currently maintained with financial institutions, investment firms, trustees, etc.?

**The State's Response:**

**See Answer to Question 44.**

75. How many unreconciled funds managed by State agencies exist?

**The State's Response:**

**Unknown**

76 Is the State seeking reconciliation of cash and investment accounts through 6/30/2024, or a different date?

**The State's Response:**

**6/30/24**

77. The RFP requests the contractor to review cash and investments reported in various historical ACFR's to determine if those ACFR's were fairly stated. How many years does the State desire the contractor to review?

**The State's Response:**

**2014-2023**

78 Can the State please elaborate on the reason for the aggressive report deadlines? Is this due to timing of funding for this work coupled with the timeframe of the State's FY2024 ACFR?

**The State's Response:**

**See Section I. INTRODUCTION (5<sup>th</sup> paragraph) and Section VIII PROVISIO 93.19 of the RFP. The General Assembly has established due dates for the required reports. Admin must have sufficient time to review the drafts before submission to the General Assembly.**

79 A significant portion of this work will require the selected vendor to obtain information from third parties. Their responsiveness, which will likely take weeks/months, is going to be essential to meeting deadlines. This coupled with expected timing of executing a contract will create pressure on the very aggressive report due dates in September and December. Would the State consider an extension of these due dates?

**The State's Response:**

**See the Answer to Question 22.**

80 Will information obtained from third parties, such as bank activity, statements, etc. be available in readable format for analysis (Microsoft excel, .txt, or readable PDF)?

**The State's Response:**

**Yes.**

81 Can the State elaborate on what is intended by the term AUP in the RFP? Is the State expecting a portion of the engagement to be performed as an Agreed-Upon Procedures engagement under AICPA attestation standards? AUP standards allow a practitioner to perform specific procedures on a subject matter and report findings without providing an opinion or conclusions. It seems that may not offer the flexibility to provide recommendations and correcting entries to the State.

**The State's Response:**

**Please see response to Question 6 above.**

82 Can all work be performed remotely? If no, what percentage of time and activities does the State deem necessary to be on-site?

**The State's Response:**

**No, all work cannot be performed remotely. See Answers to Questions 23 & 53.**

83 Please elaborate on what the STARS system actually was... a Microsoft product, an Oracle product, a home-grown solution, etc.?

**The State's Response:**

**Please see answer to question 12.**

84 Please elaborate on what software SCEIS actually is... is it a Microsoft product, an Oracle product, a home-grown solution, etc.?

**The State's Response:**

**Please see answer to question 12.**

85. Can the State please elaborate on the desired fee structure? Will hourly rates by level along with a not to exceed maximum be acceptable? Providing additional information on the fee structure will be necessary for adequate competition and proper evaluation of proposal responses.

**The State's Response:**

**See the Answer to Question 31.**

86. Is the STARS system currently online? Is all historical data readily available or do archives need to be restored?

**The State's Response:**

**Yes, STARS is online and fiscal year back-ups can be restored on demand.**

87. What is the underlying database and operating system for STARS (e.g., IBM AS400, DB2)?

**The State's Response:**

**See response to question 12.**

88. What version of SAP is used by the South Carolina Enterprise Information System (SCEIS)?

**The State's Response:**

**See response to question 12.**

89. What is the underlying database and operating system for SCEIS?

**The State's Response:**

**See response to question 12.**

90. What SAP modules are in use (e.g. Financial Accounting, FI-CO, SD)?

**The State's Response:**

**See response to question 13.**

91. Is system documentation including manuals or user guides available for STARS and SCEIS?

**The State's Response:**

**The State will provide contractor what is available.**

92. What types of financial data were stored and managed in STARS? (e.g. GL/AP/AR)

**The State's Response:**

**STARS was the book of record for the State and was cash basis. Other legacy systems such as FMS kept detailed cash basis banking information and IMS kept cash basis investment information.**

93. Did STARS assign a separate company code and a chart of accounts for each state agency and third party?

i) How many company codes and GL accounts were assigned?

ii) Were the same company codes and GL accounts mapped into SCEIS during the migration?

**The State's Response:**

**The CG maintained a chart of accounts in STARS and each agency used those accounts. The chart of accounts used in STARS was mapped to the GLs in SCEIS.**

94. Can we download relevant data from STARS & SCEIS to our secure analytics environment?

i) Any restrictions for placing data into our private cloud?

ii) Can we connect ETL tools to download data securely?

**The State's Response:**

**The state maintains a cloud analytics platform which can be used by the offeror.**

- **Azure storage accounts - DataLake, DeltaLake, Data Warehouse**
- **Azure Synapse Workspace – Apache Spark Pools, Notebooks**
- **Microsoft PowerBI Service, Microsoft PowerBI Desktop**

**Contractor can work with the state to extend the state's data analytics platform as needed to support audit activities.**

95. Are historical financial reports available from STARS and SCEIS related to cash and investment activities?

**The State's Response:**

Contractor will be provided all available relevant information.

96. What consolidation tools were used to generate the ACFR? (E.g. Hyperion Financials, Excel)?

**The State's Response:**

**Excel from a combination of SCEIS reports and agency reporting packages**

97. Section II. Scope of Work, item 1) requires “AUP on all cash and investments held in the State Treasury and the reconciliation and balancing of all such cash and investments with any unreconciled fund managed by relevant state agencies within . . . SCEIS to . . . STARS.”

i) Please clarify the time period (s) included in the scope for review.

ii) Approximately how many cash and investment accounts are held at financial institutions, investment firms, trustees or other third-parties (“non-government entities”) that would be subject to the AUPs?

iii) Have records from the non-government entities referenced in ii) above been maintained by the State entities for the relevant time period, particularly for periods beyond the outside entities’ record retention requirements?

iv) Have the “unreconciled funds” been identified, and if so, approximately how many?

v) Have the “relevant state agencies” been determined, and if so, approximately how many?

**The State’s Response:**

**See answers to previous related questions throughout Amendment #1.**

98. We also understand that various state agencies provide audited financials that feed the ACFR report. Is the underlying transaction level data for those audited financials available?

**The State’s Response:**

**From some of those agencies the underlying transaction level data will be available. For some it will not be available.**