

**State Employees' Insurance Board
RFP for Certified Public Accounting Services**

Responses to Written Questions

1. What were the prior year fees and hours for each of the following?
 - a. Audit of the financial statements of the SEIB
SEIB Response: \$19,000
 - b. Review of the financial statements of the Flexible Employee Benefits Board (FEBB)
SEIB Response: \$7,000
 - c. Review of report prepared by the SEIB in accordance with Alabama Code § 36-29-19.1
SEIB Response: \$1,200
 - d. Report related to the Blue Cross and Blue Shield's performance guarantees for the State Employees' Health Insurance Plan (SEHIP)
SEIB Response: \$3,500
 - e. Agreed-upon procedures report on dependents related to the SEHIP
SEIB Response: \$1,500
2. Can you please provide the 2016 reports for all reports requested under the RFP outlined in 1a through 1e above?
SEIB Response: Reports are available on our website at <http://open.alseib.org/>.
3. Please provide a copy of the prior year actuarial report supporting the claims incurred but not reported liability recorded by the SEIB as of September 30, 2016. Do the actuaries also assist management in evaluating whether or not a premium deficiency reserve is necessary?
SEIB Response: See response to question 2.
4. Does State Street provide a SOC 1 report covering controls over their custodianship over the securities lending program? If so, please provide a copy of the latest available report.

SEIB Response: Please contact State Street directly for this report.

5. Does BCBS of Alabama provide a SOC 1 report covering controls over their third party processing of claims? If so, please provide a copy of the latest available report.

SEIB Response: Please contact BCBS of Alabama directly for this report.

6. Who is the custodian over the SEIB investments? Do they provide all the necessary GASB 72 fair value footnote disclosure information including the fair value level table information? Does the SEIB have any level 3 investments that are valued based on unobservable inputs?

SEIB Response: Retirement Systems of Alabama (RSA) is the custodian of SEIB's investments. RSA provides GASB 72 fair value footnotes. SEIB does have level 3 investments.

7. Does the SEIB receive audited schedules of employer allocations and pension amounts by employer to support their respective share of the pension obligation and related deferred inflows/outflows since it participates in an agency multiple-employer plan?

SEIB Response: Pre-audit pension schedules are provided by RSA for the SEIB's financial statements.

8. Did the SEIB and FEBB staff or the external auditors prepare the prior year financial statements and footnotes thereto?

SEIB Response: Internal SEIB staff prepared prior year financial statements and footnotes.

9. Were there any prior year adjustments related to the SEIB financial statement audit? If so, please provide details of such adjustments.

SEIB Response: No.

10. Were there reported material weaknesses or significant deficiencies related to the 2016 SEIB financial statement audit?

SEIB Response: No.

11. Please provide a copy of the prior year audit results communication to the SEIB.

SEIB Response: Reports are available on our website at <http://open.alseib.org/>.

12. Were there any disputes with the prior year auditors over accounting matters?

SEIB Response: No.

13. Will we be able to get the claims paid data electronically so that we can utilize computer assisted audit techniques?

SEIB Response: If necessary this will be addressed post award.

14. When will management have information available to begin year-end audit fieldwork?

SEIB Response: January 1, 2018.

15. Does management anticipate any significant changes in covered benefits or funding sources for fiscal year 2017, 2018, or 2019?

SEIB Response: No.