

Baker Tilly

QUESTIONS ASKED DURING PRE-PROPOSAL CONFERENCE CALL

QUESTION	Can you please clarify why it is described as being done in accordance with AICPA attestation standards? Unless done to support a financial statement audit, this type of work is not typically accompanied by an opinion.		RESPONSE	We can discuss this with the winning bidder. The project will be leveraged by LSO to support the issuance of an LSO opinion on ACFR.
QUESTION	Is Luma one (1) instance? If so, are there different modules and how many? Is the entire application managed by the same team?		RESPONSE	One (1) integrated suite with different modules (all modules inscope). All managed by the Controller's office sustainment team.
			2nd RESPONSE	Please see the SCO's website for more information about Luma: https://www.sco.idaho.gov/LivePages/luma-mod1-home.aspx
QUESTION	How many interfaces with separate accounting systems do you anticipate being evaluated?		RESPONSE	Approximately 140-180 interfaces. Not expecting the submissions to test all of these, but rather take a risk based approach to achieving sufficient coverage.
QUESTION	Do you have a number of application controls that are expected to be evaluated? Or will there be a scoping/identification effort to be performed to determine in-scope application controls?		RESPONSE	Our expectation is a level of assurance that appropriate application controls are in place and effective. The Controller's office intended to provide these assertions to us prior to issuance of the RFP, but did not. Bidders will likely need to support both identification and testing of application controls.

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			2nd RESPONSE	We have requested that the Controller's Office identify the application controls they have in place, however we have not obtained this information from them at this point. We are unsure if they will have it documented prior to the beginning of the engagement.
QUESTION	What workpapers are expected to be delivered before field work begins?		RESPONSE	The workpapers referenced here are intended to provide LSO with the detailed planned test procedures for their review prior to the conduct of fieldwork.

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QUESTION	What were the major issues encountered during the Luma implementation?		RESPONSE	There were delays in design/structure that pushed out the go-live dates.
QUESTION	What are the size and make-up of the teams supporting Luma?		RESPONSE	Teams are run through the SCO and supported by the Sustainment team to manage requests and changes.
			2nd RESPONSE	<p>The SCO has a Division of Computer Services. They cover, for example, computer operations, security requests, network/server monitoring, data center environment management, data management network connectivity, cyber security, development and support of the applications. This is in addition to the sustainability team. There is also a Hypercare Team in place from July 2023 to December 2023 that Deloitte (Implementer of the ERP) is involved with.</p> <p>There is a project manager over each of the two main Luma modules: one over Finance and Supply Chain management and one over Human Capital Management.</p>
QUESTION	Is LeaseQuery in scope? Are there any other add-on systems? If so, what are the systems?		RESPONSE	LeaseQuery is in scope. There may be other systems, unknown at this time.

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QUESTION	Are the other "separate accounting systems" referenced in the RFP in scope? If so, what are the systems and who manages them?		RESPONSE	No other systems outside of Luma are not referenced in the RFP scope. Only the (key) interfaces into Luma will be in scope.
			2nd RESPONSE	We are aware of at least one interface that is significant to the State's financial statement reporting and does not have a SOC, we can provide additional information if needed
QUESTION	What are the state agencies that are in scope?		RESPONSE	No other state agencies or their systems are in scope.
			2nd RESPONSE	However, those agency systems are a part of the interface process and risks should be considered.
QUESTION	How many interface/integrations are in scope?		RESPONSE	140 interfaces. Scope will depend on the a risk based approach to ensure adequate coverage. Coordination with outside agencies will be supported by the SCO and LSO.
			2nd RESPONSE	Closer to 180 interfaces
QUESTION	Is there any flexibility in the 65% required time spent on-site?		RESPONSE	Preference is to have a bulk of time onsite however, there may be flexibility in the percentage of time onsite.

ADDITIONAL QUESTIONS

QUESTION	Is there currently an IT risk management function (to manage, evaluate, monitor, etc.)?		RESPONSE	SCO acquired Infor's Governance, Risk, and Compliance (GRC) technology for this purpose.
QUESTION	What were the top IT concerns reported in previously audits/assessments?		RESPONSE	Concerns included the age of the legacy system and not being able to hire programmers.

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QUESTION	What are the top IT concerns currently surrounding Luma?		RESPONSE	Ensuring that agency systems interface with Luma completely and accurately. That application controls are appropriate and implemented for Luma.
QUESTION	Where are the key teams located?		RESPONSE	The Division of Computer Services is located with the SCO's office in Boise.
QUESTION	Are there any in scope on prem systems? If so, which systems and where are they located? Who manages the data centers?		RESPONSE	Luma is cloud-based as is LeaseQuery. We are not aware of any other systems that would be within the scope of this RFP.
QUESTION	Are you open to offshore resources?		RESPONSE	Luma is fedramp authorized and is gov cloud which does not allow for any off-shore access, so no testing/access is allowed off-shore.
QUESTION	Will you allow meetings to be recorded?		RESPONSE	We can discuss this with the winning bidder and the SCO during the engagement on a case-by-case situation.

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QUESTION	Was there a pre-implementation review performed?		RESPONSE	No IT assessments or pre-implementations have been completed to date.
QUESTION	Were there implementation controls followed by DT during the implementation that included but not limited to security controls, data conversion, interfaces, etc.		RESPONSE	LSO believes there were implementation controls following by DT. The SCO would be responsible for the oversight of implementation control requirements working with DT.
QUESTION	The RFP indicates that Luma is a SaaS product. Is there a SOC report available?		RESPONSE	LSO will look into the SOC report.
			2nd RESPONSE	A SOC 1 report and a SOC 2 report have been completed for Infor. A SOC 1 Type 2 Examination has been completed for LeaseQuery.

ADDITIONAL QUESTIONS

QUESTION	RFP indicates that LSO will be performing incremental reviews of the WP. Should there be budget hours built in for internal quality review prior to LSO review?		RESPONSE	This is at the discretion of the contractor. LSO will be reviewing the workpapers to monitor progress of the engagement.
QUESTION	The RFP indicates that the SCO is responsible for system development, maintenance and upgrades. Is there a division of support being managed by the SCO vs the SaaS vendor?		RESPONSE	Infor provides two big updates in October and April, and monthly patches as well. The SCO has a sustainment team to address user concerns, and is also utilizing a Hypercare team from July 2023 to December 2023 that includes members of the implementation team from Deloitte.

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Assumptions/Notes:

- 1 LSO noted approx. 140 interfaces which will require risk ranking and prioritization. Scoping is TBD
- 2 LSO noted that business process control will require scoping from the SCO. Scoping is TBD
- 3 The use of off shore support will be investigated by LSO on the acceptable % leverage model. TBD
- 4 Possible leverage model with use of one to two LSO staff (20%) to be consider as part of engagement team. TBD
- 5 Engagement WPs to be shared prior to engagement start
- 6 Luma is an integrated ERP with multiple modules
- 7 LeaseQuery (Luma add-on) will be a part of scope to be reviewed.
- 8 The SCO is in progress of developing management assertions to support application controls. LSO noted that contractor support may
- 9 There will be a requirement for some on-site support when performing assessment.

Additional Questions

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QUESTION	How much should the contractor budget/allocate for an LSO team member?		RESPONSE	Approximately 20% of the LSO team member's time, though this may change.
QUESTION	What is the budget for this project?		RESPONSE	It was about five years ago when this project was initially budgeted. We believe that number may be low at this point in time and needs to be adjusted.
QUESTION	How much work needs to be completed on-site?		RESPONSE	The RFP indicates that at least 65% should be completed on-site in Boise. However, this amount is negotiable with the contractor. We would like some time spent on-site during the engagement.
QUESTION	Will this be the first look at the system from an IT perspective?		RESPONSE	Other than any procedures/reviews performed during the implementation of the system, yes. This will be the first examination completed.
QUESTION	Did any controls from the legacy system get carried over to Luma?		RESPONSE	Aside from basic controls like approvals, segregation of duties, etc., no other controls were carried over from the legacy system.
QUESTION	Are there any time restrictions from the SCO when working with them?		RESPONSE	No
QUESTION	Are there limits on travel expenses?		RESPONSE	The contractor does not have to follow the federal limits, however they should look for reasonable, best-deals.

Additional Questions

QUESTION	Will assistance be provided in contacting the state agencies?		RESPONSE	Yes, the LSO will assist in any contact/meetings needed with the state agencies.
QUESTION	Does Deloitte still play a part in the implementation?		RESPONSE	Deloitte will be involved until December 2023 with Luma
QUESTION	Does the level of the LSO's involvement with the engagement impair or potentially impair the independence of the CPA firm.		RESPONSE	The LSO does not believe this is the situation and that there is no threat to independence. The LSO is the group auditor for the Statewide ACFR and is relying on the work performed by the CPA firm in order to issue an opinion on the State's financial statements. The LSO will accept responsibility for the examination and as such, will have certain procedures we need to perform related to this work, including reviewing the working papers.