



HO-CHUNK NATION
DEPARTMENT OF THE TREASURY
PROCUREMENT DIVISION

January 26, 2023

ADDENDUM #1

RFP #2023SFS18

Audit Services

Responses to Vendor Questions

1. Is the accounting department centralized for the Tribe, Casino, Convenience Stores and the Ancillary Businesses?
 - a. Centralized payroll and accounts payable – all other functions are at site locations with the exception of the convenience stores which part of the accounting occurs at each associated casino and part of the accounting is done in the Treasury department.
2. What is the name for your accounting software?
 - a. Infor Lawson
3. For the audit fieldwork, do you have preference for onsite, remote and a mix of onsite and remote?
 - a. Prefer onsite - follow-up/clean-up can be remote
4. The current audit firm name.
 - a. Clifton Larson Allen
5. For fiscal 2022, how many major programs for the single audit? Do you expect similar number of major programs for FY 2023?
 - a. majors limited to 3 or 4 and to be the same in FY2023.
6. Any material weaknesses, significant deficiencies, or deficiencies expected for fiscal year 2022?
 - a. Not that I am aware of, but may have remaining issues from Software implantation in FY 2020.

7. What is the budget for the fiscal year 2023 audit?
 - a. Unknown

8. How many auditors worked on the fiscal year 2022 audit or fiscal year 2021 audit? How many weeks from start to completion for fiscal year 2022 or 2021 audit for the single audit, Sorts and Expo Center, Enterprise Funds, IT security Audit, gaming enterprise audit and Transportation Authority?
 - a. FY2021 – Casino Financials – 3 months
 - b. FY2021 – C Store – still waiting on financials
 - c. FY2021 – Single Audit – still waiting on financials
 - d. FY2021 – Gov Audit – still waiting on financials
 - e. FY2022 – Casino Financials – 3 months
 - f. FY2022 – C Store – not started
 - g. FY2022 – Single Audit – not started
 - h. FY2022 – Gov Audit – starting Feb 2023

9. Any fraud or lawsuit against the Tribe or its entities?
 - a. Not that I am aware of

10. Can we have a copy of the 2022 or 2021 audited financial statements? We are willing to sign a confidence letter. We can also review the 2022 or 2021 audited financial statements onsite.
 - a. Yes

11. Are there any specific concerns you had during last year’s audit or in the current year? We can address that in our proposal.
 - a. Not at this time

12. If we signed a non-disclosure agreement, would you be willing to share FY 2022 (if available) or FY 2021 prior year financial statements and the IT security report?
 - a. Yes

13. Does the IT Security Audit encompass the Nation, Gaming, and all other enterprises? If not, which entities does the IT Security Audit encompass?
 - a. I believe it is just the Gaming sites only

14. GASB Statement No. 87, *Leases* was applicable for the year ended June 30, 2022. Did the Nation and its gaming entities early implement GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* as of June 30, 2022, or will that be implemented as of June 30, 2023?

- i. Yes – we have or will have identified and setup entries to account for any GASB 96 transactions
- b. If the standard was not early implemented, does the Nation and its gaming entities anticipate significant Subscription-Based Information Technology Arrangements will be applicable to the new standard?
 - i. Yes

Questions specifically for the Nation’s audit:

15. What are the typical or preferable dates that the final trial balance and SEFA are available? When has interim and final fieldwork traditionally been performed? How many days and how many staff did the prior auditor have on site?
- a. FY ends on June 30th, Final TBs for casinos and SEFA are available by July 20th. For Casinos and SEFA, they normally start mid-July to mid/late September with audited Financials on or before October 15. Auditors were on site about a week and had 5 to 10 staff, depending on location.
 - b. We will also need audit staff to observe inventory counts on June 30th for both the pharmacy and C-Store year-end inventory counts.
16. Are the Nation’s controls primarily manual (hard copies papers) or electronic (payroll, procurement, etc.)?
- a. 95% are electronic
17. How many adjustments did the prior auditors propose as part of their audit procedures?
- a. C-Stores: None
 - b. Government/Health: 7-9
18. We didn’t see your FYE 6/30/2021 audit submitted on the Federal Audit Clearinghouse? When is that expected to be submitted and FYE 6/30/2022?
- a. Current audit firm has recently completed the Government wide financials and will be issuing them any day now (as of email from audit lead on 01/20/2023).
 - b. Does the Nation have centralized accounting systems for all of its governmental operations, including its health care facilities?

- i. Yes – we have a centralized accounting system which other systems feed information into. It was implemented in December 2019 with Payroll being moved over in July 2020.

- c. The proposal indicates that the Minors and Incompetent Per Capita Distribution Trust Fund and the Pension Trust Fund are reported as fiduciary funds. With the implementation of GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, most Tribal governments have concluded that their Minors Trust fund in more appropriately either reported within the Tribe’s general fund or reported as a special revenue fund. For fiscal year ending 2021, are these two still reported as fiduciary funds?
 - i. Yes

Questions specifically for the Gaming audits:

- 19. For the gaming entities, would the Nation consider accepting one combined financial statement for Ho-Chunk Gaming, with combining supplementary schedules in back for each individual property, as permitted by the NIGC – rather than separate audit opinions and financial statements for each property?
 - a. We always had separate financials for each location – it would need to be further discussed with the decision makers.

- 20. For the gaming entities, were there any material weaknesses or significant deficiencies reported in your last audit period?
 - a. I don’t have access to the FY2022 audit reports.....but in FY2021 there was one and it was involving the calculation of the gaming compact fees payable for that year.

- 21. For the gaming entities, how many audit adjustments were proposed in the prior year?
 - a. Casinos: 2-7 based on location (over the past two years)

- 22. For the gaming entities, is the accounting function centralized (does one accounting department serve all six properties)? To the extent there is a centralized accounting department, at which property is that located?

- a. Accounts Payroll and Payroll are centralized to the Treasury Department in the Tribal Building with all other accounting functions specific to the each location.
23. For the gaming entities, is the revenue audit function centralized (does one revenue audit department serve all six properties)? To the extent there is a centralized revenue audit department, at which property is that located?
- a. No – each location does their own revenue entries.
24. For the gaming entities, what is the nature of the debt facilities, if any, that will be subject to audit? Bank loans? Bonds? Are there any interest rate swaps or caps associated with debt agreements?
- a. No current debt.
25. Are there any current or planned expansion projects at any of the casino properties that might affect the scope of operations prior to June 30, 2023?
- a. No current or planned expansions
26. For purposes of scoping the casino MICS testing and determining a fee quote:
- a. For your most recent MICS reports, did the external CPA rely on the MICS Internal Audit function, as permitted by the NIGC, or did the CPA perform testing of all of the MICS sections in full?
 - i. Relied and tested internal audit work papers to test compliance.
 - b. The RFP notes that Wisconsin Dells is a Class III property and Madison has Class II gaming. Do the other properties host any Class II gaming, or are they all Class III?
 - i. Black River Falls – Class II and Class III
 - ii. Madison – Class II
 - iii. Nekoosa – Class III only
 - iv. Tomah – Class III only
 - v. Wisconsin Dells – Class II and Class III
 - vi. Wittenberg – Class III

- c. To clarify, the external CPA is being engaged to test not just the gaming locations' compliance with Class II MICS regulations (pursuant to Section 543), but also compliance with the Class III MICS regulations (pursuant to Section 542)?
 - i. Yes
- d. Are NIGC MICS compliance reports requested for each gaming property, or one consolidated report for all properties?
- e. Separate locations
- f. Please provide the NIGC Tier Status (A, B, or C) for each of the six properties.
 - i. Black River Falls – Tier C
 - ii. Madison – Tier C
 - iii. Nekoosa – Tier C
 - iv. Tomah – Tier B
 - v. Wisconsin Dells – Tier C
 - vi. Wittenberg – Tier C
- g. Is the Information Technology function centralized (does one information technology department serve all six properties)?
 - i. No – at each location.

END OF ADDENDUM

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