

## Accounting Auditor RFP Questions

**PLEASE NOTE:** Interviews will be scheduled for the week of March 12. Interviewees will be contacted the week of March 5.

1. Why is the District changing auditing firms at this time?  
The District follows the industry best management practice of rotating its auditor after a maximum of five years of service. The current auditor has served the district for five years.
2. How long has your current auditing firm been the District's auditing firm? How would you characterize your relationship with your current firm?  
The current firm has served the District for five years. We would characterize our relationship as a partnership. They have been a great resource for staff and provided excellent service.
3. Will the District be subject to the provisions of the Single Audit Act for the fiscal year ended 2018?  
No.
4. Were there any material audit adjustments made by the prior year's auditing during last year's examination?  
No.
5. Has the District recently been involved in any litigation that would affect our examination?  
No.
6. Will the trial balance as provided to the auditor include all necessary adjustments related to GASB 68 and the implementation of GASB 75?  
In the past, the auditor has supported these journal entries.
7. Will the District prepare the annual financial statements, or will the auditor be assisting in that task?  
As stated in the RFP under item 8 of the scope of services, the auditor will prepare the financial statements, notes, RSI and data to support the MD&A.
8. Will your prior auditor be invited to bid?  
No, they have served the full 5 year term.
9. How can we obtain a copy of your prior year financial statements?  
The District's website has the latest financial statements posted. In addition, the latest Audited Financial Statements are attached to the RFP.
10. For both interim and year end, how many staff did the audit team consist of in the past and how many weeks did the auditor spend in the field?  
Four weeks for field and interim work. Staffing levels have fluctuated between 2 and 4 auditors on site.
11. Is the scope of the service requested the same as last year?  
Yes.
12. Have there been any changes in your accounting system or software since last year?  
The current system has been in place since 2016. The District uses Springbrook.

13. Do you expect to have any retirement or replacement of key employees in Finance?  
No.
14. What were the prior year audit fees and can you provide the break down by components?  
The annual fee was \$34,500/year.
15. Is there anything specific that you are looking for with the successor auditors?  
We are looking for a firm that knows how to address the Board and respond to their questions as well as a firm that performs the work in a timely and efficient manner.
16. How much were the total federal expenditures in prior years and can you provide a copy of your last single audit if you had one?  
We did not perform a single audit last year. The last single audit was performed in FY 2014-15. That report is available on the website.
17. How many major programs are usually tested each year for the single audit?  
See question 16.
18. How many audit adjusting journal entries did you have in the prior fiscal year?  
Three entries were made in the prior year.
19. Will there be any significant events in FY 2017-18?  
No.
20. What type of accounting/bookkeeping system does the Agency use?  
The District uses Springbrook.
21. Any major change of budgetary size or management turnover from previous year?  
No.
22. Any major disagreements in regards to accounting principles or auditing procedures?  
No.
23. Were there any journal entries provided to the auditors by District staff in the prior audit after the year end trial balances were provided to the auditors? If so, how many?  
Yes, two entries were provided.
24. Were there any significant deficiencies or material weaknesses reported in the previous year? If so, what was the nature of the items?  
No.
25. Did the prior year auditor provide any services other than those listed in the RFP?  
They provided as needed support services to accounting staff.
26. Did the Auditor's calculate the GASB 68 Pension Liability?  
The auditor made the year end entries for GASB 68.
27. Are there any other anticipated services to be requested for FY18?
  - a. Your RFP mentions applying for GFOA award for FY 18 and FY 18 will be the first year of implementation for GASB 75. Should our proposal quote fees for assistance with these projects for FY 18 or is that anticipated to be part of the overall quoted fee?

Should any additional services be required, the District will manage them on a time and materials basis. The District has conducted a valuation of its OPEB and reported them in compliance with GASB 75. In addition, the District is in the process of having a plan actuarial report being done for GASB 74.

28. Has there been a management letter issued in the past few years with audit findings? If so, could we get a copy of it?

Please see attached Audited Financial Statements.

29. In the RFP #8 under the scope of services is asking the auditor to prepare the Management Discussion and Analysis? This section of the report, in our experience, is normally written by District management. We always review it for our clients, but we, as auditors, do not write this section. Is this a requirement to bid?

The District requests that the auditor prepare the consolidated financial tables presented in the MD&A. The discussion is completed by the District.

30. Are there any changes anticipated for FY 18 that would require additional work on the part of the auditor, such as new debt, debt defeasance, new service lines, grants, etc.?

Not this year. The District will be taking a SRF loan out next year to pay for a water treatment plant, which is expected to cost around \$45 million.

31. Please provide a list of firms that have been sent an RFP.

This information is not relevant to the solicitation.

32. Were there any major changes in the engagement requested in the RFP compared to last year's engagement?

No.

33. When is interim and final field work scheduled to begin?

The audit schedule has not yet been set.

34. How do you track capital assets? What software application is being used?

The District use Springbrook to track its assets.

35. Who prepares the State Controller's Financial Transaction Report?

The District prepares this.

36. What audit areas, in your opinion, were cumbersome?

High turnover of field auditors during audit and limited resources onsite made the process cumbersome in the past.