

**RFP 2017-007 Financial and Compliance Audits  
Questions and Answers**

**1. Can you please provide a copy of the audit report for FY 2016?**

*The FYE 2016 audit reports are posted on our RFP/RFQ webpage [here](#).*

**2. Are the Air District grants the same or do they change over the years?**

*The funding source that is reviewed – the Transportation Fund for Clean Air (TFCA) – stays the same, but the projects that are awarded change from year to year.*

**3. Will you provide a sample of the individual project compliance audit report for TFCA?**

*Yes, a copy of a sample compliance audit Individual Report, and Summary Reports for the Regional Fund and the County Program Manager Program are posted on the RFP website.*

**4. How much coordination does the agency provide the auditors for the compliance audits?**

*By September of each year, the Air District will provide the auditor a list of all projects to be audited, that includes the project #, project title, project sponsor name and contact information, and the dollar amount that was paid (or scheduled to be paid) to each project. The Air District will also send notices to the project sponsor of each listed project notifying them of the audit, of which projects are being audited, and that the auditor will be contacting them shortly to schedule fieldwork. The Air District also coordinates with the project sponsor and the auditors to resolve any outstanding or new findings that are potentially correctable.*

**5. What month(s) is the compliance audit fieldwork conducted?**

*Typically, fieldwork begins late in the fall of each cycle and concludes by the end of the following summer, with follow-up for any project/project sponsor being completed by late summer, and all reports being finalized by mid-October.*

**6. Will the compliance audit report be dated June 30, 2017 for the first cycle of the report?**

*Yes.*

**7. How many committee/board meetings is the auditor expected to appear at?**

*Auditors are required to attend one Budget & Finance Committee meeting to present the financial audit and one Mobile Source Committee meeting to present the compliance audit. Both committees will then refer the audits to the full Board. If necessary, the auditors may be asked to attend the full Board meeting(s).*

**8. How much assistance does the agency provide with drafting the financial statements? Sounds like the auditors prepare the conversion entries. Do the auditors also prepare the full draft of the statements and footnotes?**

*Auditors are responsible for preparing full draft financial statements, converting entries and footnotes for District's staff review.*

**9. Does the Air District have a trust for GASB 75?**

*The Air District does invest its OPEB funds with CalPERS Trust.*

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

*No*

**11. How many hours did your previous auditors encounter for your last audit?**

*Financial Statement Audit - approximately 440 audit hours*

**12. What were your prior year's contract fees for each of the past three years?**

*Financial Statement Audit: \$55,000-\$60,000 annually over the past three years*

*Compliance Audit:*

*FY 2013: \$75,140 for 32 regional fund projects*

*FY 2014: \$126,632 for 22 regional fund projects & 9 CPM audits (109 CPM projects total)*

*FY 2015: \$117,460 for 38 regional fund projects*

**13. When is interim and final field financial audit work scheduled to begin?**

*Financial Statement audit interim is usually scheduled in early August and Final Field Work early November*

**14. Does the District prepare its own Financial Report or is the auditor responsible for preparation and assembly?**

*See Question #8 for answer*

**15. Per the RFP, under Section IV – Scope of Work, paragraph B.1, a compliance audit is required for each TFCA-funded project. To confirm, a compliance audit is required for all projects under Attachment B?**

*For the regional fund, every completed project needs to be audited. Note that Attachment B shows only a portion of the total number of completed projects for that cycle.*

*For the County Program Manager (CPM) fund, every CPM must be visited and the auditor determines whether all or a portion of each CPM's projects will be audited.*

**16. What is the reason that you are considering changing the auditor?**

*District policy recommends rebidding the audit contract. We are seeking the most responsive bidder and invite all firms to bid.*

**17. Will your prior auditors be invited to bid?**

*Yes*

**18. How many staff did the audit team consist of in the past?**

*4-5 staff*

**19. Is the scope of the service requested the same as last year?**

*See response to Question #10 for answer*

**20. Have there been any changes in your accounting system or software since last year?**

*No*

**21. Do you expect to have any retirement or replacement of key employees?**

No

**22. How many weeks did your prior auditors encounter for your last audit? How many weeks/hours were spent by the prior auditors in the field?**

*See response to Question #11 for answer*

**23. When is the District normally ready for the audit (closed trial balance and account reconciliations prepared), and when do the auditors normally conduct their on-site fieldwork?**

*See response to Question #5 for answer on compliance audit and see response to Question #13 for answer on financial audit.*

**24. What were the prior year audit fees and can you please breakdown by components? What is the current year budget for auditing services?**

*See response to Question #12 for answer*

**25. Is there anything specific that you are looking for with the successor auditors?**

*We expect auditor to provide guidance on implementation of GASB pronouncement 75 and other applicable pronouncement, including federal and state regulations changes that may impact the Air District.*

**26. What are the things you liked and didn't like about your current auditors?**

*This question is not relevant to the RFP solicitation*

**27. What are the things you liked and didn't like in the audit process followed by your current auditors?**

*This question is not relevant to the RFP solicitation*

**28. How many adjusting entries you had last year (including District prepared entries)?**

*None*

**29. Could you please provide us with a copy of the prior year management letter and copy of other audit reports issued?**

*Please see website for posting of various reports*

**30. Any unique or unusual transactions for 2018 to be considered (e.g. Debt refunding, creation of OPEB/Pension Trust, use of complex investment instruments, new entity formation).**

*Implementation of GASB 75*

**31. With regard to the 2017 TFCA Program Compliance Audit, are the expected completion dates the same as the 2018 financial statement audit?**

*TFCA Program Compliance Audits can be completed any time prior to late October since it is presented in the November/early December timeframe.*

*The FYE 2018 financial statement audit must be completed by December 31, 2018.*

**32. Section IV – Scope of Work, B – Annual TFCA Compliance Audit, 3b: Can you provide clarification on the following section of the RFP: “The Air District will work with the selected audit firm and Project Sponsors to make arrangements for site visits located outside of the nine-county Bay Area if needed”. Does this mean if travel is required to an area outside the 9 county district area would the District and the auditor negotiate the cost of travel separately? Yes, if travel outside of the District’s boundaries is required, the auditor may submit an estimate for direct travel expense costs as a separate line item during that audit cycle.**

**33. In the bidders conference the example was given of a site visit in Florida, were the additional costs to make that visit absorbed in the average costs per project or negotiated separately?**

*The additional travel was negotiated prior to the issuance of the task order for that particular cycle. For the purpose of the bid, auditor should assume that all travel will be within the nine county Bay Area.*

**34. Can you provide the fees paid for last time the Project 2 for the Regional Fund projects and the County Program Manager Fund audits were completed?**

*See response to Question #12 for answer*