

SACRAMENTO EMPLOYMENT & TRAINING AGENCY



RFP for Audit Services (FY 2019-2020)

Proposer's Conference Q & A

February 13, 2020

10:00 a.m.

The questions and answers provided in this document are inclusive of questions from the Proposer's Conference and any questions that were submitted prior to the Proposer's Conference. Similar questions have been grouped together.

Q	Why are you going through the RFP process?
A	It is SETA's practice to go out to bid for audit services every three years.

Q	What is the reason you are considering changing the auditor?
A	It is SETA's practice to go out to bid for audit services every three years.

Q	<ul style="list-style-type: none"> • Will your current auditors be eligible to submit a bid, or are you required to rotate auditors? • Are the prior year auditors being invited to bid?
A	Yes, the current auditors are eligible and invited to submit a bid. No, SETA is not required to rotate auditors.

Q	How long have the current auditors been performing the audit for SETA?
A	3 years

Q	Has the 2019 Audit Report been issued and posted online?
A	Yes, the 2019 Audit Report can be found online on SETA's website under Public Information > Financial Statements.

Q	What accounting software does SETA use?
A	SETA utilized the County of Sacramento's accounting software, COMPASS.

Q	Are transactions, including payroll, processed and input by SETA staff or County staff?
A	All transactions, including payroll, are processed and inputted by SETA staff. The County of Sacramento holds SETA's funds in their Treasury and issues vendor payments on SETA's behalf.

Q	Have there been any changes in your accounting system or software since last year?
A	No

Q	Is your general ledger set up to track expenses by grant program? If not, what system is used for this tracking?
A	Yes

Q	Does SETA maintain copies of invoices or any other supporting documentation for transactions?
A	Yes

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Q	Are all of the accounting records maintained at one location?
A	Yes

Q	Does SETA have multiple office locations? Are all program managers located at one site?
A	SETA has one main administrative site location from which all program managers are based. SETA also operates 36 Head Start sites, a maintenance facility, a kitchen facility, and 4 Job Centers.

Q	<ul style="list-style-type: none"> • What did your prior auditor charge for audit services? • What were the prior audit fee by deliverable(s)? • What were the prior year fees? Did these fees include travel?
A	The annual contract fees had been in the range of \$45,000 - \$55,000 and are inclusive of any travel fees.

Q	What are causes for the audit fees to range from \$45,000 to \$55,000?
A	Annual fees were adjusted for the number of major programs tested for the Single Audit.

Q	How many major programs were tested each year for the Single Audit?
A	Two major programs were tested this past fiscal year.

Q	<ul style="list-style-type: none"> • Are there any new services requested in this RFP that were not included in the prior year audit fee? • Are there any new services in this RFP that were not included in the prior year?
A	No

Q	<ul style="list-style-type: none"> • Do you anticipate any significant changes in fiscal year 2019/20 or future years that will affect the financial statements, such as the issuance of debt, changes in funding sources, including grants, etc? • Any other Major Changes in the Current Fiscal Year that would affect the operations of the SETA?
A	No

Q	Has the SETA entered into any Major Contracts, Studies and/or Started any Projects in the Current Fiscal Year that would not be reflected in the Prior Year Financial Statements?
A	No

Q	Does SETA prepare the financial statements, including the footnotes?
A	SETA prepares the financial statements. The auditor will be responsible for the preparation and assembly of the Agency's Financial Report including footnotes. Please refer to Section III of the RFP for more information.

Q	Does SETA prepare all of the schedules that are included in the supplementary schedules section of the audited financial statements?
A	Yes

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Q	Does the County provide SETA's share of the net pension liability and related deferred inflows/outflows? If not, does SETA have an actuary perform the allocation calculations?
A	Yes, the County provides SETA's share of the net pension liability and related deferred inflows/outflows.

Q	Does SETA record the journal entries to record the net OPEB liability and related deferred inflows/outflows?
A	Yes

Q	How much assistance will be needed with the GASB 87 implementation?
A	SETA will look to the selected auditors to assist in the GASB 87 implementation. SETA has a limited number of lease types and isn't anticipating a complicated implementation.

Q	Any New Debt Issuances in the Current Fiscal Year?
A	No

Q	Is the SETA involved in any litigation not included in the Prior Year Financial Statements?
A	No

Q	<ul style="list-style-type: none"> • How many audit adjustments did your prior auditors have? What is the nature of these adjustments? • Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements? • How many adjusting entries did you have last year? • How many journal entries were proposed by the auditors? Were there any findings?
A	None

Q	<ul style="list-style-type: none"> • Were there any material weaknesses, significant deficiencies or control deficiencies? If so, please provide relevant reports. • Were there any significant deficiencies noted? Was there a management letter issued?
A	No

Q	When do you expect to have your books closed and available for audit and when do you expect the audit fieldwork to begin?
A	SETA expects to have the books closed and available for audit by August 15, 2020. Year end audit fieldwork is expected to begin at the end of August or first of September.

Q	<ul style="list-style-type: none"> • How many staff and how many days were your prior auditors on-site for fieldwork? • How many auditors and how many weeks were the auditors on site for both interim and year end field work? • About how much time did the prior year auditors spend onsite to conduct their audit?
A	Two to four staff were on-site for approximately twenty days (four weeks). Approximately two weeks for interim, and two weeks for year end.

Q	<ul style="list-style-type: none"> • Did your prior auditors perform interim fieldwork in the spring or summer? If so, what timeframe? • When were the interim and year end field work scheduled?
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A	Interim fieldwork has historically been scheduled in May or June. Year end field work has historically been scheduled at the end of August or first part of September.
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Q	How many staff are involved in the accounting function, including the grant accounting?
A	SETA has 17 staff involved in accounting functions, including the grant accounting.

Q	Has there been any change in staff that are responsible for the preparations for the audit?
A	No

Q	Have there been any major changes in staff turnaround in the past year?
A	No

Q	Do you expect to have any retirement or replacement of key employees?
A	No

Q	Please list the staff members in finance and their years of experience with the organization at that position.				
A	Position	Number of staff in position	Years in current position	Years at organization	Years of accounting experience
	Fiscal Chief	1	1.75	10	20
	Fiscal Manager	1	1.5	3	7
	Accountant II (Sup)	2	2-10	9-19	24-40
	Senior Accountant	1	5	7	11
	Purchasing Analyst	1	30	30	32
	Accountant II	2	1.5	3	3 to 20
	Accountant I	7	0 to 40	0 to 40	1 to 40
	Senior Payroll Specialist	1	3	3	6
	Payroll Specialist	1	1.5	1.5	8

Q	<ul style="list-style-type: none"> • How did you measure the quality of the audit performed? • What are some qualities that SETA looks for in an audit firm?
A	Desirable qualities include: knowledgeable, detail oriented, accurate, good communicators, collaborative, and timely reporting.

Q	What audit areas, in your opinion, were cumbersome?
A	None

Q	What efficiencies would you like to see in the audit of the SETA's financials?
A	Any possible efficiencies will be discussed with the selected auditor.

Q	What are the things you liked and didn't like about your current auditors?
A	This question should have no relevance to the development of any proposal and therefore will not be answered.