



## **2020 RFP for Auditing Services Questions and Requests**

### **Why is DRWC soliciting proposals?**

Previous contract ended last year so we are soliciting competitive bids for the upcoming year.

### **Can the current firm propose?**

Yes.

### **How many audit adjustments were made for the prior year audit?**

Eight.

### **Who prepares the financial statements and footnotes?**

DRWC staff prepares the financial statements and Audit Firm prepares the footnotes.

### **If there was a management letter issued can we obtain a copy?**

This will be shared with the selected firm.

### **Under “Scope of Services” in the RFP (#5) can you expand on the type of financial analyses that may be performed and would this be a negotiated fee above the audit fee?**

Managing the contents of the audit statements including but not limited to reformatting, restating tables, notes, etc.

### **Under “Scope of Services” in the RFP (#8) are you referring to Interim work?**

Yes.

### **What were the prior fees for the Audit, 990, Items #5 and #8 under “Scope of Services” in the RFP?**

As we are soliciting competitive bids for the services, we are unable to disclose the audit fee for the previous year.

**Under “Scope of Services” in the RFP (#9) are you looking for sample sizes for operation expenses and capital assets?**

Yes.

**May we obtain a copy of the 6/30/2019 audited financial statements?**

Attached.

**May we obtain a trial balance supporting and general ledger for the 6/30/2019 statements?**

Trial balance and general ledger will be shared with the selected firm.

**May we obtain a copy of the AU-C 260 and AU-C 265 letters?**

No such letters were issued.

**Does DRWC want a fee for the option years?**

Yes.

**When will DRWC be ready for the audit?**

Around the first week of September.

**The RFP states that the audit must be completed by September 30 but the June 30,2019 audit opinion is dated December 2019. Was there an issue with the 2019 audit?**

No, our auditors were waiting for one confirmation from a third party.

**Was there any new debt issued?**

No.

**Who is the actuary for the Pension Plan and OPEB Plan?**

Buck Consultants.

**What was the length of time services were provided by the predecessor auditor?**

3 Years.

**What is the timeline for fieldwork and deadline for issuance of a draft report?**

In the past, fieldwork is between 2-3 weeks and draft report is issued early October.

**Are all requests for information (and responses) made available to all proposers?**

Yes.

**How many firms were invited to propose?**

The RFP is posted on the DRWC website and open for public solicitation.

**Who are the users of the financial statements?**

- Board of Directors
- Funders
- Lending Institutions
- Bank

**Will there be in-person interviews during the proposal process?**

We are not sure at this point.

**As part of our new client acceptance we need to schedule a meeting and review predecessor auditor workpapers. Do you foresee the predecessor not cooperating?**

If there is lack of cooperation, additional procedures on opening balances will need to be conducted. We do not foresee any such challenges.

**Would it be possible to renew the contract after the initial 3 years or is your policy to rotate to a new firm after 3 years?**

We do not automatically rotate firms. However, we will issue another RFP at the end of the 3 years.

**How many auditing service providers have you had for the previous 6 years?**

2 firms.

**What is meant by “The auditor’s study and evaluation of the entity’s system of internal accounting control and, where applicable, pertinent other control systems. The auditor’s report shall identify those systems established, those systems evaluated, those systems not evaluated and also shall disclose any material control deficiencies coming to the auditor’s attention.”**

The audit firm will review, evaluate and report back on the internal control systems regarding major accounting procedures.

**What is meant by “Define separate scope of audit samples for operating and capital budget items.”**

To choose different samples for audit work from operating and capital project expenses.

**Do you receive federal funding directly or indirectly?**

Not in the past fiscal year, although we do pursue grant funding that could be federal.

**Are there affiliated entities which need to be considered for consolidation?**

Yes – one entity.

**Are there any contingencies which would impact financial reporting and disclosure? Legal matters or related to compliance questioned costs?**

No.

**What general ledger software do you use?**

Sage 300.

**Do you utilize subsidiary ledgers within your accounting software and are these ledgers reconciled on a regular basis?**

Yes.

**Who is your payroll provider, and can they provide you with their SOC report (report on internal controls)?**

ADP. They provide SOC reports.

**When will actuarial reports be available for the pension plan and other post-employment benefits? Do these plans have separate audit? Can these plan audits be provided? Do providers provide SOC reports?**

Actuarial and post-employment reports are available around September right around audit time.

**Were your prior year confirmations for cash, investments and debt prepared electronically using confirmation.com or completed with paper confirmations?**

Both.

**Are there any debt covenants?**

No.

**Do you anticipate collection issues related to grants and accounts receivable? Can these balances be easily confirmed?**

We do not anticipate any collection issues and we should be able to get the balance confirmations.

**Who maintains your property and equipment depreciation schedule(s)? Is this internally prepared or maintained by the predecessor auditor?**

DRWC maintains property and equipment schedules.

**Deferred revenue – are these balances monitored and reconciled to related revenue and receivables? Is it common that DRWC receives advances?**

Yes, and yes, it is common to receive advances.

**What is the composition of your accounting department for the Organization? Is the composition adequate to meet deadlines outlined in the proposal?**

The accounting department has adequate staff to meet required deadlines.

**Are there specific value-added services that are of interest (i.e., training, process review, technology, cyber security, etc.)?**

Yes, we can consider these separate of the Audit RFP process.