

RESPONSES TO QUESTIONS REGARDING RFP FOR AUDIT SERVICES

No.	Question	Answer
1	Are the predecessor auditors allowed to bid on the current proposal for independent auditing services?	The RFP is open to any firm interested.
2	Please provide the previous timeline (interim and year-end fieldwork) and the number of weeks of fieldwork (interim and year-end) that the predecessor auditors spent for all services required.	Interim was typically one week of fieldwork (end of June/early July) while the year-end fieldwork (end of August/early September) was usually two weeks.
3	What is the reason the Agency is considering a change in auditors?	As a matter of best practice.
4	How many staff members did the audit team consist of for the June 30, 2016 audit?	Two to three staff members throughout the field work.
5	Do you expect any retirement or replacement of key senior management and finance department employees in FY 16/17?	No such expectations at this time or during fiscal year 2016/17.
6	How many adjusting journal entries did the Agency have for FY 2015/2016? How many of these adjusting entries were proposed by the external auditors?	There were no audit adjustments in FY 2015/16. Typical post-close entries by management consist of the reclassification of long-term/short-term liabilities, unexpected subsequent cash receipts and the GASB 68 entries.
7	What were your comprehensive audit fees for the June 30, 2016 audits as performed by the previous auditors?	\$32,500
8	The Agency currently uses Sage 50 as its accounting software. Are there plans to change the accounting system before or after the fiscal year June 30, 2017? Are auditors allowed remote access to the accounting system?	Auditors are not allowed remote access to the accounting system and there are no current plans to change the software.
9	Is it the Agency's expectation that the audit firm prepare the financial statements? The RFP was unclear in regards to this.	Tri-City annually prepares its own financial statements.
10	Does the Agency have a mandatory auditor rotation policy? If so, after how many years are auditors required to rotate?	The Agency has no current established policies addressing rotation of auditors. However, Tri-City abides by California Government Code, §12410.6(b) which indicates that beginning in FY 2013-14, a local agency shall not employ a public accounting firm to provide audit services if the lead audit partner has performed audit services for that local agency for six consecutive fiscal years.
11	Did the June 30, 2016 audit results identify any internal control deficiencies considered to be significant deficiencies or material weaknesses?	No internal control deficiencies were identified as a result of the fiscal year-ending June 30, 2016 audit.
12	Did the June 30, 2016 audit results identify any non-compliance issues with laws, regulations, or funding agreements?	No findings were identified as a result of the fiscal year-ending June 30, 2016 audit.
13	Does the Agency have any concerns regarding current policies, operational issues, or upcoming changes in accounting and reporting requirements?	The Agency is always looking to improve and is open to constructive feedback.
14	Is the sample contract that is included in the RFP the contract that was executed with your incumbent audit firm?	An engagement letter was utilized in the prior year. An example contract that will be utilized going forward was included in the RFP.
15	Does the Agency require significant auditor assistance in implementing GASB Statement No. 75, <i>Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions</i> ?	The Agency does not have any Post-Employment Benefits obligations.
16	How many staff members does the Accounting Department of the Agency currently have?	Our accounting staff consists of 8 staff members.