**Audit RFP Pre-Bid**

**Questions and Answers**

**12/17/2018**

**The following is a compilation of the questions received from various accounting firms. Some questions might be similar to another or repeat another question. Thank you.**

1. What is the reason you are considering changing the auditor? **Contract ended**.
2. Have there been any changes in your accounting system or software since last year? **No** **Changes**.
3. Have there been any major changes in staff turnaround in the past year? **No**.
4. Do you expect to have any retirement or replacement of key employees? **Not in FY19**.
5. Please list the staff members in finance and their years of experience with the organization at that position. **Scott Klein – Controller 15yrs; Lawrence Fan – Acct Sys Supervisor 10yrs, Sandy Lindley – Acct Systems Supervisor 5yrs, Lisa Chan – Acct Systems Supervisor 5yrs.**
6. How many adjusting entries did you did you have last year? **None**.
7. About how much time did the prior year auditors spend onsite to conduct their audit**?---**
8. Are the prior year auditors being invited to bid? **Yes**.
9. What were the prior year fees? Did these fees include travel? **Fixed dollar amount bid all inclusive.**
10. Are there any new services in this RFP that were not included in the prior year? **No.**
11. The financial statements mention a separate Memorandum on Internal Control, can this be provided prior to bidding? **Yes.**
12. How many AJE’s were detected as a result of the audit? **None**.
13. Were there any disagreements with the prior auditors during the audit? **None.**
14. Are the incumbents invited to bid? **Yes.**
15. What was the prior audit fee? -------
    1. What is the reason that you are considering changing the auditor?  **Audit contract ended.**
    2. Will your prior auditors be invited to bid? **Yes**.
    3. How many staff did the audit team consist of in the past and when did the auditors come on site? -----------
16. Is the scope of the service requested the same as last year? **Yes.**
17. Have there been any changes in your accounting system or software since last year? **No**.
18. Do you expect to have any retirement or replacement of key employees? **Not in FY19.**
19. 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? ------------
20. What were the prior year audit fees and can you please breakdown by components? What is the current year budget for auditing services? -------------
21. When will a closed trial balance be available for the audit with all closing entries recorded? **End of July or first week of August**.
22. Is there anything specific that you are looking for with the successor auditors? ---------
23. What are the things you liked and didn’t like about your current auditors? -----------
24. What are the things you liked and didn’t like in the audit process followed by your current auditors? ------------
25. How many adjusting entries you had last year? **None.**
26. Do you expect to have a single audit this year? **Not in FY19 at this time**.
27. How many major programs you had last year? **We are enterprise fund.**
28. How much were the total federal expenditures last year? **Very little**.  **We do not rely on federal grant for funding**.
29. How long has the current auditors been performing the audit for the District?

**The current auditors have been performing the audit for the District since fiscal year ended June 30, 2005. Different audit teams for each contact.**

1. How many auditors and how many weeks were the auditors on site for both interim and year end field work? ------------
2. What is the desired timeline for:
   * + **Interim May**
     + **Year-End August**
     + **Draft Reports**
     + **Final Reports August**
3. What were the prior audit fee(s)? Please provide breakdown by report. ----------
4. Are there any new services requested in this RFP that were not included in the prior year audit fee?

**None at this time.**

1. Will there be a Single Audit? (If so, please include the most recent copy of the report with your response)

**None for FY19 at this time**.

1. If required, who does the State Controller’s Financial Transaction Report preparation and submission? If the auditors, how much was the last year’s fees?

**District accounting staff.**

1. How many journal entries were proposed by the auditors?

**None in FY18.**

1. Were there any findings?

**None in FY18.**

1. Were there any material adjustments made by the auditors in connection with the examination of the prior year Financial Statements?

**None in FY18.**

1. Has the District 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?

**None at this time.**

1. 10.Any New Debt Issuances in the Current Fiscal Year?

**Please refer to the attached link for the most updated financial information.** [**https://www.ebmud.com/about-us/investors/**](https://www.ebmud.com/about-us/investors/)

1. 11.Is the District involved in any litigation not included in the Prior Year Financial Statements?

**Please refer to the audited financial statements footnote disclosure published on our website.** [**https://www.ebmud.com/about-us/investors/financial-reports/**](https://www.ebmud.com/about-us/investors/financial-reports/)

1. Any other Major Changes in the Current Fiscal Year that would affect the operations of the District?

**None at this time**.

1. 13.How did you measure the quality of the audit performed?

**EBMUD is proud to receive an Excellence in Finance Reporting Award by the Government Finance Officers Association for 13 consecutive years. We consider best practice audit performance consists of the following elements:**

**Efficient audit schedule communication**

**Professional knowledge about GASB pronouncement**

**Address GFOA CAFR review comments correctly**

**Deliver audited financial statements on timely basis**

1. 14.What audit areas, in your opinion, were cumbersome?

**Pension, OPEB, and Debt.**

1. 15. What efficiencies would you like to see in the audit of the District’s financials?

**Met the MUD Act and external reporting deadlines**.

1. What is the weighting scale for each of the criteria listing in Section 5.2 Evaluation Criteria/Selection Committee? **Pricing, CEP and the audit plan generally have a higher** **rating**.
2. How many points are awarded to bidders that use local and/or disadvantage businesses?

**CEP rating is above the general criteria but below pricing**.

1. Please provide a copy of the most recently available Report to Management.

Memorandum of Internal Control and Required Communications 06/30/18 **E-mailed.**

The RFP requires a description of the relevant governmental/utility and education work experience of each individual assigned to the audit, including governmental/utility attended, courses attended within the past 3 years, and whether the individual received CPE in governmental/utility accounting and auditing in the past 2 years.   
Could you please clarify whether you require a detailed list of individual courses, or is information about the hours and type of CPE attained sufficient?

**We recommend providing certain level of details as there have been many pronouncements the past few years and we would like to ensure that the audit team as a whole possesses competent knowledge in our particular industry**.