



ADDENDUM #01

DATED: 12/2/2022

RFP R35297 Professional Auditing Services

Please sign and date this amendment and return it, along with your Bid.

NAME/BUSINESS: _____

ADDRESS: _____

MAILING ADDRESS: _____

CITY: _____, STATE: _____, ZIP CODE: _____

PHONE: () _____ FAX NO.: _____

ATTENTION OF: _____

TITLE: _____

SIGNED: _____

DATE: _____

All questions should be directed to the Purchasing Department at (913) 573-5440.

For Purchasing Use Only

Date Faxed Sent: _____

Date E-mailed: _____

The Purchasing Department must inform you of the following:

1. **Question:** Why is the Unified Government going out for bid (i.e., mandatory auditor rotation 5-year bid cycle, etc.)?

Answer: The contract has expired, and the current administration requested to go out for bid. The UG does not have a mandatory rotation policy surrounding the external audit engagement.

2. How long have the current audit firm performed the audit? Are they invited to the bid on this RFP?

Answer: More than 10 years. Yes, they can bid if they choose.

3. Are there any disagreements with the current auditors?

Answer: No, the UG has no disagreements with the external auditors.

4. Please provide the audit fees for the past three years. Also, please identify any special billings outside of the normal contract fee and if possible, to break out the billings for the ACFR audit, single audit, revolving loan fund, STAR bond audit, non-profit audits and 990 work, if any.

Answer: The discussion of audit fees will be outside of the RFP proposal on scope of services and at a later date

5. What weeks have auditors been on-site conducting the audit, both for interim, and final fieldwork? How many auditors have been involved throughout each phase of the audit?

Answer: For the last three years average of approximately 2 weeks on site. Through COVID there have been changes with how the engagement is handled in terms of short staffing on the UG side and remote strategies with external auditors. There are typically two interim periods and two weeks of field work. As workpapers complete we forward to the auditors for them to work on ad hoc.

6. If not working onsite how many weeks have the auditors worked virtually for both interim and final fieldwork?

Answer: There are weekly cadence meetings with the external auditors, and they conduct work as we provide workpapers and schedules.

7. Does management have a preference of working onsite vs remote for audit interim and final fieldwork?

Answer: No, we are flexible.

8. When is the final listing of federal award expenditures typically available for the auditors?

Answer: New aim for this to be completed in April. Currently our Legislative Audit Staff serves as staffing to assist the external auditors with this reporting and there are a number of drafts between that office and central accounting. We understand that delays in delivery can impact completion in line with targeted dates.

9. How many major programs are anticipated for 2022?

Answer: The UG had seven major programs for 2021. We have no reason to expect that number to change for the current year.

10. Were there any journal entries proposed by the audit firm for December 31, 2021, audit? If so, could you please provide the number and nature of these audit adjustments, including both recorded entries and those unrecorded due to materiality?

Answer: A total of 11 AJE's (most are not report related such as negative cash reclasses). There was 1 PAJE related to unavailable revenue for interest on a redeemed investment instrument in February 2022. There were no issues between management and the audit firm wholly or specifically related to the AJE's/PAJE's.

11. Were there any internal control deficiencies communicated as a part of the 2021 audit?

Answer: No deficiencies communicated however we have a number of mitigating controls in place. There was a significant deficiency related to procurement.

12. Are there any anticipated changes in the reporting entity during the contract period (i.e., new major funds, new component units, etc.)?

Answer: Not for 2022. We do have an implementation of a new ERP.

13. What is the readiness un adopting new GASB's to be implemented in future years including leases? Has the UG determined their total population of potential leases, and have you procured lease accounting software? How many leases does UG anticipate will meet the lease accounting requirements under GASB 87?

Answer: We are finalizing the lease population and are in the process of engaging a firm to assist with the implementation through LeaseCrunch lease management for year one. After this initial period our plan is to adopt DebtBook. We have been fully compliant with timely adoption of GASB standards. We have relied on auditor expertise during these types of implementations.

14. Have there been any changes in key personal from the prior year?

Answer: Yes, a new Mayor was elected in November 2021, a new interim County Administrator was hired in January 2022 and the CFO resigned in September 2022. We have an acting CFO presently. The central accounting team has 2 new staff members in the past few months.

15. Can you confirm that the Board of Public Utilities audit is not included in this RFP.

Answer: The Board of Public Utilities is a blended component unit, but their audit is not part of this engagement. They will have their own separate audit with their own auditor; however, their financial information will be included in the UG's audit report.

16. Section 1.20 Notification of Award describes a potential need for a performance bond; has this historically been required and/or anticipated to be required for a financial statement audit?

Answer: A performance bond is not required for this service.

17. Article V, Section 5.01, item 1a states the Unified Government ACFR is to be signed by May 12. This appears to be earlier than previous year when the report was dated 07/22/22. Is there a reason for this delay during 2022? Also, is the single audit normally released in advance or at the same time as the ACFR?

Answer: During the 2021 audit, we experienced some administrative delays in issuance of our audit, including a Cyber Attack, which caused system constraints for approximately 5 weeks. The audit was completed by the 30JUN2022 deadline; however, with the new administration in place, there was not sufficient time for review of documents. Draft documents were filed on EMMA before the June deadline. The timing of the single audit is to release in September.

18. Article V, Section 5.01, can you please provide copies of all deliverables included in the Scope of Work from the prior year with the exception of the ACFR, which was located on your website.

Answer: A copy of the UG STAR Bond is provided, as well as the 501C3 KCK entities. The 2021 STAR BOND is provided, as well as the 501C3 KCK entities. The 2021 Single Audit report is near completion, but to date has not been finalized. Please find the 2020 Single Audit attached.

19. Printed page 30 describes that the financial report preparation editing, and printing shall be the responsibility of the Unified Government. Does the UG utilize a 3rd party financial reporting software and if so, will the successful bidder get read only rights into this software? If not, please describe how this process has worked historically with the auditor?

Answer: We do have a third-party software to use for development of the financial statements and the ACFR. However, due to our legacy system, we have not successfully converted our modified accrual statements into the report writer. Currently, our financial statements are developed using Excel and the ACFR is a blend of Excel tables and Word.

20. Printed page 30 describes fieldwork to be completed by April 28, 2023; is there any flexibility in this timing the first year to ensure that everything is appropriately set up and accurate?

Answer: There is definitely flexibility in this date year one extending out the term of the contract. We have a number of unknowns specifically related to the launch of a new ERP system in January 2023 and how everything will flow between the two major initiatives of the audit and the ERP go live.