

## **Request for Proposals for Financial Audit Services**

### **Additional Questions and Answers (posted 7/12)**

- **Will you require the audit team to be onsite during the fieldwork phase? If so, how many days?**
  - There is no explicit requirement for onsite fieldwork, and past audits have been conducted remotely. However, SVCE expects the audit firm to be able to meet onsite, should SVCE management or the Board of Directors deem it necessary.
  
- **Could the annual presentation be presented virtually through Zoom, Teams, or another online platform?**
  - At a minimum, SVCE intends to present audit findings to the Audit Committee and Board of Directors, and remote presentation is an option at the discretion of the Board, depending on its preferred meeting format.
  
- **How many customer accounts are included in the accounts receivable balance at 9/30/2021?**
  - SVCE has roughly 270,000 individual customers, of which 220,000 had receivables (Current – 210+ days) due at 9/30/2021.
  
- **Did the prior auditors send confirmations to individual customer accounts?**
  - The prior audit firm did not send out individual customer account confirmations. However, they did sample actual customer invoices which were provided by our data management consultant.
  
- **Have you assessed the impact of implementing GASB 87, Leases? If so, what was the quantifiable impact to the balance sheet?**
  - GASB 87 (Leases) determinations and calculations are determined by SVCE's accountants. Current estimates project \$1-2M Right-to-Use Asset/Liability.

- **You noted the timeline was tentative in the RFP. Would you consider extending the deadline for submitting the proposal to July 22 or July 29?**
  - Given the oversight in responding to several previously submitted questions, SVCE is extending the proposal deadline to 5pm on Friday, July 15<sup>th</sup>, but unfortunately cannot postpone the deadline beyond that point. SVCE will allow revisions to previously submitted proposals, based on these new responses, so long as revised proposals are received by 5pm on Friday, July 15<sup>th</sup>.
  
- **Is this the first RFP you have completed since the inception of the entity?**
  - No. SVCE has been in operation for 5+ years and has conducted numerous RFPs and solicitations. This is the second solicitation for audit services.
  
- **Do you anticipate that the prior auditors will propose?**
  - The prior audit firm is not prohibited from proposing, but SVCE did not request letters of intent, and so is unaware of whether they will be proposing or not.

### **Questions and Answers (posted 7/5)**

- **Could you provide a copy or link to the latest audited financial statements?**
  - All of SVCE's past audited financial statements are available via the following link: <https://www.svcleanenergy.org/plans-policies-reports/>  
Look under Finance & Budgets --> Annual Audited Financial Statements
  
- **It appears that SVCE received CAPP funds and may require a single audit. Would SVCE like to see a proposal for fees and qualifications related to that service as well?**
  - That is correct, SVCE did receive CAPP funds and would appreciate the inclusion of fees and qualifications for a single audit as well, should that be deemed necessary.
  
- **Could you please provide the AU-C 260 letter (aka management letter) issued at the conclusion of the most recent audit?**
  - The relevant management letters are included with each set of audited financial statements available on the SVCE website at the link above.

- **Is the Authority aware of alleged or actual fraud, waste, or abuse?**
  - The Authority is not aware of any alleged or actual fraud, waste, or abuse.
  
- **Please describe any changes in the scope of work from the previous audit year.**
  - The Authority does not anticipate any changes in the scope of work from the previous audit year but does request that fees and qualifications relevant to a single audit be included (see Question above).
  
- **What is the Authority doing to prepare for GASB 87 (Leases) for its office space? Please describe the Authority's expected assistance of the auditors in implementing GASB 87 Leases.**
  - GASB 87 (Leases) determinations and calculations are determined by SVCE's accountants, no assistance from auditor anticipated.
  
- **How long have the current auditors been performing the audit for the Authority?**
  - Pisenti & Brinker, LLP have been performing the Authority's audits for the past 5 years.
  
- **Were there any disagreements with the current auditors?**
  - There were no disagreements.
  
- **Why is the Authority looking for new auditors?**
  - SVCE's accounting policy requires that audit contracts be competitively bid every five years.
  
- **What were the prior audit fee(s)? Please provide breakdown by report. Did these fees include travel?**
  - The total fee for the most recent audit report, for the year ending Sept. 30, 2021, was \$26,800, inclusive of travel.
  
- **Were there any difficulties encountered during the prior audits?**
  - There were no difficulties encountered during the prior audits.

- **How many adjusting entries/journal entries were proposed by the auditors?**
  - Per SVCEs Accountant, none were proposed.
  
- **For both interim and year-end, in a normal year, how many staff did the audit team consist of in the past and how many days did the auditors spend in the field and when did the auditors come on site?**
  - The previous audit firm had a team of two auditors on the engagement. The previous two audits were performed remotely, but in past years, before COVID, in person attendance at committee and board meetings was requested.
  
- **Did the auditors perform any components of the audits remotely?**
  - Yes, a majority of work on the past two annual audits was performed remotely.

- **Are you open to a hybrid approach in which the audit team would only come to your offices if needed?**
  - Yes.
  
- **Are you able to scan and upload source documents?**
  - Yes.
  
- **Have there been changes in the accounting system or software since last year?**
  - No.
  
- **What accounting software does the Authority use?**
  - The Authority utilizes the services of Maher Accountancy, which uses Quickbooks for the Authority's financial records.
  
- **Is the Authority planning a change of accounting system or software in the near future?**
  - No.
  
- **Will there be any significant events in FY2021/22 that could affect the scope of the audits?**
  - The Authority received state CAPP funds.
  
- **Does the Authority anticipate needing a Single Audit in the next couple of years?**
  - Owing to the receipt of CAPP funds from the state, the Authority would like proposers to include fees and qualifications relevant to providing a Single Audit, in case it should be required.
  
- **When do you typically give the auditor the closed TB for each report?**
  - Per SVCEs Account, approximately 45 days.
  
- **What was the auditor's involvement in the GASB 68 and 75 entries and reporting?**
  - Per SVCEs Accountant, GASB 68 and GASB 75 are n/a for this entity.

- **How long have key Finance staff been with the District and are there any planned retirements?**
  - Key staff have been with the Authority for the following durations:
    - CEO – 4.5 years
    - COO / Director of Power Resources – 4 years
    - CFO – 2 years
    - Deputy Director of Administrative Services – 2.5 years
  - No retirements are currently planned.