



1300 Mercantile Lane, Suite 108 ♦ Largo, Maryland 20774 ♦ 301-772-2060

REQUEST FOR PROPOSALS

NO. A20-001

AUDITING SERVICES

ADDENDUM NO. 4

Questions and Responses

ALL OFFERORS: This Addendum No. 4 contains questions and responses and is considered an ADDENDUM to, and part of, the referenced solicitation for Auditing Services (the "RFP"). The Revenue Authority shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Revenue Authority. **The Revenue Authority does not consider questions to be a protest of the specifications or of the solicitation.**

The Questions and Responses are as follows:

General Questions

What are the biggest concerns you have for your organization? How might you look at your audit firm to help you address those concerns?

Answer: The Revenue Authority currently does not have any major concerns in relation to the Origination or the audit of the financials. The Authority is recruiting an Audit Firm to audit the financial records as stated in the scope of work of the RFP A20-001.

Is the audit being put out to bid on a normal cycle? How long have your current auditors been servicing the Authority? Can the current firm propose?

Answer: The Revenue Authority is accepting bids for our FY2020 audit and the solicitation timeline is in accordance with the Agencies normal cycle. The prior Audit Firm serviced the agency for 8 consecutive years. Per Addendum No. 2 to RFP No. A20-001, the annual audit services for the Agency cannot be solicited to a firm that has

performed the Agencies financial audit for the most recent 3 to 5 years that precede the current request for proposals.

What are the current audit fees? What have they been the past three years?

Answer: The Revenue Authority's annual fee over the past three years is between \$35,000 and \$42,000.

Has the current auditor ever billed over their fixed fee and if so what was the reason?

Answer: The current auditor has not billed over the fixed contractual fee.

Have there been any disagreements with the current auditors regarding accounting treatment, journal entries, findings or other matters?

Answer: There were no disagreements with the current auditors.

Has the current auditor provided any additional services outside the original audit contract?

Answer: Yes, the current auditor did provide services outside of the original financial audit contract. It was in relation to the Auditor's consent for the FY 2019 audit report to be included in the Capital Regional Medical Center Bond Issuance of 2020.

For the interim and final fieldwork phase, how many audit managers, seniors, and staff are typically in the field and for how long?

Answer: The interim fieldwork was usually completed by one senior and one staff person within five (5) business days at our office. The final fieldwork was usually completed by one audit manager, one senior and one staff within a two (2) to three (3) week period at our office.

Have there been many passed or posted adjustments resulting from the audit process in recent years? Is it possible to obtain the required communication correspondence?

Answer: The FY 2019 audit included two (2) audit adjustments. The last three (3) years of required communication correspondence has been uploaded to the RAPGC website to RFP No. A20-001.

Who takes the lead in the implementation of new GASB's? Has management started to evaluate the impact of GASB 87 to the Authority?

Answer: The Revenue Authority Chief Financial Officer takes the lead in the implementation of new GASB's. Yes, management of the Authority has started to evaluate the impact of GASB 87 (lease accounting) to the Authority.

MIP is the noted software platform used by the Authority; do you have plans to make changes to your software platform?

Answer: The Revenue Authority is not planning to make changes to our accounting software for the FY2020 audit. The Authority will apply software updates to the accounting platform as needed in the future.

Have you experienced turnover in key roles within the organization?

Answer: The Revenue Authority has not experienced turnover in key roles within the organization in the last 6 years.

Are there any matters that require consideration in assessing the scope of this project over the proposed term?

Answer: All Proposers should refer to RFP A20-001 Section 3.3 - Scope of Work for all matters that require consideration in assessing the scope of this project over the proposed term.

With the onset of COVID-19, has changes to the timeline or required deliverables noted in the RFP been made? For example, firms are imposing mandatory telework and the RFP requires you to submit printed/bound copies. Due to telework restrictions, copies will be hard to send over,

will the Authority consider electronic submissions only?

Answer: As of the date of the posting of this Addendum #4, the Authority has not made any modifications to the timeline or required deliverable dates noted in the RFP in Sections 3.4 Technical Specifications; item-B "Contractor's Schedule for FY 2020 Audit". As a result of the COVID-19 national issue, The Revenue Authority will accept Proposals submitted via email as noted in Addendum #1 of RFP No. A20-001.

Was there any new debt issued?

Answer: The Revenue Authority issued bonds in January 2020 in the amount of \$40 million dollars to fund the construction of the Capital Regional Medical Center Parking Garage.

Who is the Financial Advisor for the Authority?

Answer: The Revenue Authority consults with multiple financial advisor's dependent on the project or task assigned. The Primary financial advisor for the Revenue Authority is Public Advisory Consultant, LLC.

Does the Authority maintain detailed Capital Assets?

Answer: The Authority does maintain a detailed Capital Asset roster within our Fixed Asset module in the MIP fund accounting software.

Do you anticipate the same level of funding from state and local sources as noted in the prior year?

Answer: The Authority will continue to explore resources at the Local, State and Federal levels to support our economic development within Prince George's County. The Authority has not applied for any Local or State funding in the coming year.

When do the interim audit procedures and year-end audit procedures typically start for the fiscal year end June 30 audit?

Answer: The Revenue Authority's annual fiscal plan allows the interim audit

procedures to begin by the end of July or early August of the same calendar year as the fiscal year ends.

Can we obtain any management letters [including auditing findings/recommendations affecting the Revenue Authority of Prince George's County's financial statements, internal controls, accounting and accounting systems] for the past three [3] years, if applicable?

Answer: The Revenue Authority has uploaded the past three (3) years of required communication correspondence to the RAPGC website to RFP No. A20-001.

Does the Revenue Authority of Prince George's County process their own payroll or use a third-party service provider?

Answer: The Revenue Authority enlists a third-party service provider to process the bi-weekly payroll.

Does the Revenue Authority of Prince George's County use any external services providers? If so, who are the service providers and do you receive SSAE16/SOC1 (formerly SAS 70) reports from these any service providers?

Answer: The Revenue Authority uses external service providers to perform contracted services. The Revenue Authority does receive SSAE 16 reports from these service providers.

Where there any issues related to the completion and submission of the audit for 2019?

Answer: There were no issues related to the completion and submission of the audit for FY2019.

Were there any findings reported in a management letter for 2019?

Answer: There were no findings reported in the management letter for FY2019.

Any possibility of a Single Audit required during the proposed contract period?

Answer: The Revenue Authority does not anticipate requesting a single audit during the proposed contract period.

1.2 PROPOSAL CLOSING DATE

Are hard copies of the proposal still required if an email is sent?

Answer: Hard copies of the proposal are not required if the proposal is sent by email. The Revenue Authority recommends proposers to submit the technical and cost proposals via email as instructed in Addendum #1 of RFP No. A20-001.

3.2 MINIMUM REQUIREMENTS

The RFP indicates on page 16 that the Proposer and all assigned key professionals shall be registered/licensed to practice public accounting in MD. Also, RFP page 28 it states we need to indicate whether each person is registered/licensed to practice public accounting in MD. Page 31 indicates we need to include an affirmative statement that Proposer and all assigned key professionals are properly registered/licensed to practice in MD. Does this mean key staff need to have individual MD CPA licenses?

Answer:

B. Licensed to Practice in Maryland

The Proposer and all assigned key professional staff (managers and above) shall be registered/licensed to practice public accounting in Maryland.

3.5 RAPGC RESPONSIBILITIES/ASSISTANCE

Based on the RFP the Authority prepares the entire audit report including footnotes correct?

Answer:

A. Prepare the Annual Financial Report. The Authority does prepare the entire audit report including footnotes.

What level of assistance can we expect from the Revenue Authority of Prince George's County staff? Will they assist with the following:

- a. Prepare the financial statements and related notes
- b. Prepare and record all journal entries
- c. Prepare audit confirmation requests
- d. Prepare account reconciliation schedules as requested
- e. Provide all the documents and access to the information needed to perform our audit procedures

Answer:

A. Prepare the Annual Financial Report.

B. Provide the Finance Unit Staff Assistance as follows:

- 1. Providing information, documentation, and explanations about the RAPGC financial activities.***
- 2. Providing general typing support related to the audit, including the preparation of confirmations and routine letters and memoranda.***
- 3. Preparing schedules not available from automated accounting system.***
- 4. Reproducing, extracting, and refiling documents. The Contractor shall be responsible for maintaining the integrity and returning intact all documents selected for review.***
- 5. Preparing a trial balance with adjustments and preliminary and final draft financial statements, notes, schedules, and tables to be included in the Annual Financial Report.***

C. Provide Electronic Data Processing Assistance. Data processing staff, equipment, and generalized user software will be available to extract information; however, the audit testing must be accomplished with auditor-provided programs.

- D. Issue Representation Letters, if required, from the Chief Financial Officer or other key staff assuring the financial statements are prepared in accordance with GAAP and are in compliance with all relevant laws and regulations; and from the RAPGC Attorney addressing contingent liabilities and potential litigation.**
- E. Provide Work Area and Equipment Access as follows:**
- Auditor office space, telephones, fax machines, and photocopy equipment for the RAPGC audit will be available at the Administrative Office, 1300 Mercantile Lane, Suite 108, Largo, which houses all financial records.**
- F. Provide the 401k Compliance Audit Report.**
- G. Complete drafts of the following for the FY 2020 Audit no later than the dates indicated.**
- Management's Discussion and Analysis Nov. 16, 2020**
 - Audit Report Nov. 16, 2020**
 - Management Representation Letter Nov. 16, 2020**

During interim and year-end audit procedures, are the auditors expected to work in the Revenue Authority of Prince George's County offices, or will information be available to be electronically transmitted? Will auditor access be available to the Revenue Authority of Prince George's County financial reporting system?

Answer:

- C. Provide Electronic Data Processing Assistance. Data processing staff, equipment, and generalized user software will be available to extract information; however, the audit testing must be accomplished with auditor-provided programs.**

During the interim and final audit process the auditors are expected to work in the office to review and audit the selected samples for the audit. Auditor access will be available to the financial reporting system.

Is there any other financial reports issued other than the audited financial audit?

Answer:

F. Provide the 401k Compliance Audit Report.

Has your auditors provided a management letter in the past 3 years for the noted entities above? If so, can that document be made available?

Answer:

H. Additional information may be made available as follows:

- 1. Prior Period Financial Reports – for fiscal years 2014 through 2019 are available on the RAPGC web site at <https://www.princegeorgescountymd.gov/3387/Audit-Report>***

The Revenue Authority has uploaded the past three (3) years of required communication correspondence to the RAPGC website to RFP No. A20-001.

Will the predecessor work papers and audit partner be available to help us evaluate the opening balances for the Revenue Authority of Prince George's County, in accordance with professional standards?

Answer:

H. Additional information may be made available as follows:

- 2. Prior Period Working Papers - Prior period audit working papers will be available for inspection by the awarded Contractor at the offices of:***

***CliftonLarsonAllen
1966 Greenspring Drive, Suite 300
Timonium, MD 21093***

THIS RFP ACKNOWLEDGEMENT FOR ADDENDUM NO. 4 CONTAINS MATERIAL CHANGES AND MUST BE ACKNOWLEDGED, SIGNED AND RETURNED WITH ALL PROPOSALS. FAILURE TO ACKNOWLEDGE IN THIS MANNER MAY RENDER THE PROPOSAL NON-RESPONSIVE.

SIGNATURE

COMPANY

DATE