

REQUEST FOR PROPOSALS

ADDENDUM # 1 Questions and Clarifications

AUDITING SERVICES RFP #NF2019-07

TO: Prospective Proposers
FROM: Martha Howarter, Director of Federal Programs
DATE: March 1, 2019
SUBJECT: Addendum No. 1 – Questions and Clarifications

The following is included as part of Addendum No.1 and supersedes the language/requirements set forth in the original "Request for Proposals".

ADDENDUM # 1 – Questions and Clarifications

#	Questions submitted or asked	Response from GPMTD
1	Why is the District going out for bid? Are there any issues with the current auditor? Is it anticipated the current auditor will re-bid?	<i>The expiration of audit service contract. No. Yes</i>
2	Is there any specific reason you are requesting proposals?	<i>The expiration of audit service contract.</i>
3	Will the current auditors have the opportunity to bid again?	<i>Yes</i>
4	How long have they been your auditors?	<i>8 years</i>
5	Were there any concerns with the performance of services of your previous auditor? If so, what was the nature of these concerns? Were there any disagreements or disputes with the prior auditor?	<i>None</i>
6	How long have the prior auditors been engaged for? Will the prior auditor be included in the RFP process?	<i>8 years</i>
7	What were the fees paid to the external auditor for the previous 3 years?	<i>\$29,200 (2016) \$30,000 (2017) \$30,800 (2018)</i>
8	How much did you pay for the audit last year? Was the fee all-inclusive or were out-of-pocket expenses (i.e. mileage, per diem, etc.) billed separately?	<i>\$30,800 (all inclusive)</i>

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9	What were the fees for the prior year's audit? Were there any extra billings for out scope projects?	<i>\$30,800. Yes, Refer to response # 11 for NTD code mapping</i>
10	What have the audit fees been for the audits the last three fiscal years?	<i>Refer to response #7</i>
11	What types of non-audit related services is the current firm providing the District?	<i>Federal NTD reporting Code mapping service. It was required by FTA to have the independent CPA firm to perform that every 10 years.</i>
12	How many audit adjustments were there in FY18?	<i>None</i>
13	Approximately, how many journal entries occurred last year as a result of the audit process?	<i>None</i>
14	How many adjusting journal entries did the external auditor propose as part of the FY18 audit? Was this number of auditor-proposed adjusting journal entries about the same during the FY16 and FY17 audits?	<i>None for FY16,17 &18</i>
15	Has the District entered in to any long-term debt agreements in FY19 or anticipate doing so before the end of the fiscal year?	<i>No</i>
16	Does the District expect similar federal grant expenditures and single audit major program(s) as FY19?	<i>Yes</i>
17	Do you expect the amount of federal grant funding to be consistent with prior years?	<i>Yes</i>
18	Do you expect any significant changes in your federal grants that would cause a federal program other than the FTA Transit Cluster to be a major federal program for the Single Audit in FY19 or FY20 (or later years if you can project out that far)?	<i>No, but maybe in FY 2021 or FY 2022</i>
19	Are there any major changes in operations since last year's CAFR?	<i>No</i>
20	Does the District prepare the complete CAFR, or rely on the external auditor for assistance in preparation of any portion?	<i>District prepares the complete CAFR.</i>
21	Section 2-2 "Audit Proposal Information" #2.1 indicates a required "Report of Risk Assessment of GPMTD's internal control". Is there a separate report on internal control that is not included in the CAFR or is this referring to Compliance and GAS opinions for the Single Audit on page 85-87 of the CAFR?	<i>It is this referring to Compliance and GAS opinions for the Single Audit on page 85-87 of the CAFR</i>
22	Will the District prepare the required schedule(s) as it relates to the state GATA requirements?	<i>Yes.</i>

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23	What will be the external auditor's responsibility for the preparation of the schedules in the Statistical Section?	<i>District will prepare those sections</i>
24	Did you receive a management letter from the auditors for FY 18? If so, can we get a copy?	<i>No</i>
25	When was your last FMO Audit? Were there any findings?	<i>Never, None</i>
26	Does the District or the Auditors complete the Comptroller's Annual Report?	<i>District</i>
27	Are the capital asset depreciation schedules maintained by the District?	<i>Yes</i>
28	What is the form of the District's Capital Asset records? Are these routinely updated and reconciled? Does the District have or expect any significant new capital projects in the current or subsequent years?	<i>Electronic records with Asset # tagged. Yes. New maintenance Facility.</i>
29	Are there any major building related capital projects planned for the years we are proposing on?	<i>Yes, maintenance facility</i>
30	Are there any major changes in the operations or activities of the District? If so, please describe.	<i>No major change.</i>
31	Are there any legal contingencies we should be aware of in proposing?	<i>No</i>
32	Does the District have or expect any new debt issuances in the current or subsequent years?	<i>No</i>
33	What is your intent regarding the early adoption of issued, but not yet effective until after FY19, GASB standards?	<i>District will adopt the standard on its effective date.</i>
34	Will the selected audit firm also be compiling the Illinois Comptroller's Annual Financial Report for GPMTD?	<i>No, District will handle it</i>
35	What is the general time frame for fieldwork?	<i>August</i>
36	Will it be acceptable to perform preliminary fieldwork? Possibly in May/June timeframe?	<i>Yes, June is OK</i>
37	How many people have the auditors generally brought for fieldwork and for how long?	<i>3-4 auditors, 3 days</i>
38	How many days were the prior auditors on-site for fieldwork? What is the District's anticipated date to present the CAFR to the board?	<i>3 days 2nd Monday of October</i>
39	What are your preferred audit fieldwork dates?	<i>In August</i>

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40	For the FY18 audit, how many auditors did the external audit firm have at GPMTD for fieldwork and for approximately how many days were those auditors on site?	<i>4 auditors in 3 days</i>
41	Is there a TPA for workers comp and employee health self insurance?	<i>Yes</i>
42	If so, who and do they have a SAS 70 audit performed?	<i>Yes. On TPA side</i>
43	Who is your actuary for OPEB?	<i>Lauterbach & Amen, LLP</i>
44	Is an inventory performed at fiscal year end? If so, did the auditors observe the inventory process?	<i>Yes. Auditor performed sampling inventory audit.</i>
45	Are all significant financial records maintained within the District's software? If so, what software is used for the District's financial reporting?	<i>Yes. Fleetnet/Avail</i>
46	Have there been any significant changes in internal controls, processes, personnel, etc. in the last fiscal year?	<i>No</i>
47	Was there a Management Letter issued last year? If so, please furnish a copy.	<i>No</i>
28	Section 1-3 "Proposal Submission" of the RFP indicates " <u>Original and required copies, complete with all signed affidavits and certifications, will be bound together.</u> " <ul style="list-style-type: none"> Does this mean "packaged" together in an envelope? or Would you like all of the copies actually <u>bound</u> together with the original?	<i>There should be 1 original bound proposal package that includes all original signed affidavits and certifications.</i> <i>There should be six (6) copies made from the original proposal package, individually bound for distribution to the evaluation committee.</i>
49	Section 3-7 "Compliance with RFP Terms and Attachments" indicates a " <u>Notice of Exception must be submitted with the proposal.</u> " If any exceptions are noted. Is there a specific Notice of Exception form that we should use for this? We didn't see a specific form in the RFP document.	<i>No specific form required.</i> <i>Please note what the exception is and reference the exception to the RFP Section and page number. Please provide detailed information related to the exception.</i>
50	In Section 1-3 of the Request for Proposal it is noted that one electronic copy of the proposal is to be submitted. Can this electronic copy be an Adobe version emailed to Martha Howarter at GPMTD? Or, would you like a copy on a CD in the envelope containing the paper copies?	<i>e-mail the electronic file (PDF) is acceptable.</i>