

**Richmond Metropolitan Transportation Authority
RFP 2021-AUDIT, Professional Auditing Services**

Proposal Questions and Answers

1. What are the biggest concerns you have for your organizations? How might you look at your audit firm to help you address those concerns?
A. Impact of COVID-19 as many organizations.
2. Is the audit being put out to bid on a normal cycle? How long have your current auditors been servicing you? Can the current firm propose?
A. Yes. The current contract was five years. Yes.
3. What are the current audit fees? What have they been the past three years?
A. The previous contract was \$55,000 annually with a CPI factor.
4. Has the current auditor ever billed over their fixed fee and if so what was the reason?
A. No.
5. Have there been any disagreements with the current auditors regarding accounting treatment, journal entries, findings or other matters?
A. No.
6. Has the current auditor provided any additional services outside the original audit contract?
A. No.
7. What are the budgeted audit fees for the fiscal years 2021, 2022, 2023, 2024 and 2025 engagements?
A. \$56,000 FY21. FY22 forward not known at this time.
8. For the interim and final fieldwork phase, how many audit managers, seniors, and staff are typically in the field and for how long?
A. Typically a senior and staff for one week interim and two weeks final on site (if possible).
9. 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?
A. No adjustments have been passed. Posted adjustments, if any, were immaterial. Auditor communications can be found in the Authority's CAFR posted on the Authority website.
10. Who takes the lead in the implementation of new GASB pronouncements?
A. The Authority.
11. Do you have plans to make changes to your software platform?
A. Yes – in process currently.
12. Have you experienced turnover in key roles within the organization?
A. No.
13. Have your auditors provided a management letter in the past 3 years? If so, can that document be made available?
A. No.
14. Will the organization consider any modifications to the terms and conditions included in the RFP, as applicable, that would be typical for the type of services contemplated? If yes, should such requests for modification be provided in the proposal response or will they, as applicable, be addressed in the contract negotiation process?
A. Addressed during contract negotiation.

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15. Does the Authority prepare the audited financial statements or does the auditor provide assistance with that process?
A. Authority prepares financial statements, audit firm incorporates information for audited statements in firm's software application
16. If the auditor does not prepare the financial statements, are there any other non-audit services provided by the auditor?
A. Typically not.
17. Does the auditor commonly propose any adjustments? If so, what is the nature of those entries?
A. Not commonly. If so they have been immaterial.
18. What was the Authority's audit fees for fiscal year 2020?
A. The previous contract was \$55,000 annually with a CPI factor.
19. The proposal mentions performance of a single audit, however, I was unable to locate any single audits on the Federal Audit Clearinghouse website. Does the Authority anticipate the need of a federal single audit in 2021 or 2022?
A. No, however incorporating this provision if the current scope of the Authority's operations changes.
20. What financial software does the Authority use?
A. MS Dynamics.
21. How many employees does the Authority employ (for purposes of auditing pension and opeb)?
A. Approximately 100.
22. Would you please provide a copy of your most recent internal control and governance communication letters?
A. This information may be found in the Authority's CAFR which is posted on the Authority website.
23. Did the Authority receive CARES Act funding? If so, generally, what was that funding used for
A. Reimbursement of unemployment benefit payments paid to the State, per the Act.
24. Is there anything you would like to see done differently in the audit process (timing, communication, PBC Lists, etc.)?
A. If possible, greater consistency of assigned engagement staff.
25. How is COVID-19 expected to impact the audit process and how did it affect the prior year's audit? Are those changes expected to continue for the FY2021 audit?
A. This depends on the continued impact of the pandemic and the future is not reliably predictable. However, the process was primarily conducted remotely and electronically unless direct observation, as in the case of internal control processes, was necessary.
26. Have there been any changes in operations since the prior audit? This would include new programs, new or discontinued funding sources, organizational structure changes, etc.
A. No.
27. Have there been any changes in staffing and/or personnel that are involved with the audit since the last audit?
A. Yes, accounts payable staff. However this is a minor role in the audit process and primarily involves the provision of documents for test work.

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28. What changes has the Authority made, if any, as a result of declines in funding due to COVID-19 and are these changes expected to be permanent, or at least in place for the foreseeable future?
- A. Operational changes were made and expenses reduced to offset revenue reduction in order to maintain financial stability and compliance with bond covenants. Future adjustments and strategic actions are determined and executed as needed.
29. What were the prior year audit fees and are there any changes in the scope of work as compared to the prior contract?
- A. The previous contract was \$55,000 annually with a CPI factor. As noted in the RFP, additional statements due to the implementation of GASB 84 will be required.
30. If fees are not provided, how many hours did the auditors incur on the audit engagement (number of people, time in the field, etc.)?
- A. See question #29.
31. Are there expected to be any new bond issues during the contract period?
- A. No.
32. Based on the Authorities activities and existing agreements, is GASB 87, Leases, expected to have an impact on the Authority's financial statements and has this impact been assessed?
- A. Yes. GASB 87 will be implemented for fiscal year 2022 reporting.