

CAPCOG Auditing Services RFP Questions and Answers and Updates

August 23, 2023

RFP Updates

CAPCOG is making the following updates to the Auditing Services RFP:

1. Adding that we expect audit work to be part in-person, part remote to the scope of work outline.
2. Adding required certifications (see “required certifications” section on page 7, updated reference to proposal attachments in “response format section on pages 6-7”, and related attachments).
3. Adding a copy of CAPCOG’s CAIF 990 form for FY 2022 to the RFP page as an example (reference added to item 6 in the scope of work outline on page 4)

Questions and Answers

1. What is your primary goal for your audits for the next 3-5 years?
Continue receiving high-quality audits.
2. Why is CAPCOG going out for bids for these services?
Periodically going out to bid for such services is a good practice.
3. Does CAPCOG have a mandatory audit firm rotation policy?
No.
4. Have there been significant problems with CAPCOG’s audit in recent years?
No.
5. Have there been any management letters issued in the last two years?
No.
6. Have there been any disagreements between management and your independent auditor during the prior three engagements?
No.
7. What are the most important factors that you will be considering when making your decision related to the RFP?
Please refer to the evaluation factors listed on pages 6 and 7 of the RFP.
8. How many audit adjustments were there in the last audited fiscal year and what were the nature of these audit adjustments?
Please refer to CAPCOG’s FY 2022 annual financial statement available at <https://www.capcog.org/transparency/transparency-reports/>.
9. Is there anything about your current audit process that you would like to be changed in the future?
The RFP captures CAPCOG’s desired audit process for the next 3-5 years.
10. How many years has the entity been with their current auditors?
Seven.
11. Is the incumbent firm invited to propose on the engagement?
Yes.
12. Generally how many weeks and what timing (what month(s)) does management prefer the audit work to take place?
Please refer to the schedule in Table 2 on page 5 of the RFP.
13. How many auditors have generally been involved with CAPCOG audits?
3-5 staff auditors working on the audit at various times throughout the process.

14. Is management open to some "interim" work before end of December?
No – due to the Finance staff's workload, it is not possible to begin work on the audit in December.
15. Does CAPCOG anticipate to meet the threshold to have both a federal and state single audit for FY 2023?
Yes.
16. Does CAPCOG anticipate to meet the threshold to have both a federal and state single audit for FY 2023?
Yes.
17. Can you provide a copy of the prior year Form 990 for the CAIF?
CAPCOG is posting a copy of the Form 990 on the "Doing Business with CAPCOG" page under the section with this RFP.
18. Does management prefer the audit work to be remote, onsite, or some hybrid of the two?
Hybrid – we expect audit staff to spend at least some time in person at the CAPCOG offices beyond the required officers/board meetings at the beginning and end of the process in February and May.
19. Does management write/compile the audited financial statements or do the auditors write/compile the full report? If it's a hybrid approach please explain – i.e. management provides the combining statements, etc.
See task 1 in the scope of work outline on page 4 of the RFP.
20. We understand that GASB 96 is set to be adopted for the fiscal year 2023 audit. Has CAPCOG outsourced the preparation or implemented a software for tracking and calculations?
No.
21. Were there any significant changes in operations in the past fiscal year in regards to new federal or state programs, significant increases or decreases in funding.
CAPCOG received two new direct federal grants this past year from the U.S. Environmental Protection Agency (EPA) that started on 7/1/2023. This funding will make EPA the largest source of direct federal funding over the next three years.
22. Have there been changes/vacancies in key management positions or IT systems within the past year?
CAPCOG recently hired a new Human Resources Manager and Assistant Finance Director.
23. Are there any significant changes coming up that will have an impact on the audit process moving forward?
CAPCOG is proposing updates to our procurement policy for approval at our 9/13/2023 Executive Committee meeting, which, if approved, would mean that auditors would need to use both the 2016 policy to review procurements up through 9/13/2023 and the new policy to review procurements completed between 9/13/2023 and 9/30/2023. CAPCOG received a one-time \$9 million federal grant through the Commission on State Emergency Communications (CSEC) that we expect to spend most, if not all of, in FY 2024, to replace emergency communications equipment throughout the region for "Next-Generation" 9-1-1. There is also a strong possibility that the CAECD receives significantly more funding from the state over the next few years based on a proposed state constitutional amendment going to voters this fall.
24. What have CAPCOG's audit fees been for the past three years?
\$32,000 - \$36,000, not including fees for filing the Form 990 for the CAIF
25. What were the previous year's fees for Form 990 for the CAIF?
\$2,650
26. Is Form 1295 to be submitted with the proposal submission, or after the selected firm is awarded?
Submit form 1295 prior to the proposal submission (it has to be submitted to the state) and include documentation of the submission in the proposal. CAPCOG is updating the RFP to include the required forms.