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State Controller

KEELY MARTIN BOSLER
Director of Finance

INTERIM EXECUTIVE DIRECTOR
Vacant

REQUEST FOR PROPOSALS

No. CPCFA01-21

Financial Audit Services

RESPONSES TO QUESTIONS

August 26, 2021

The following information is provided in response to questions received by CPCFA regarding for Request for Proposals (“RFP”) No. CPCFA01-21, as shown below:

Responses to Questions:

1. Why are you considering changing your Auditor?

Answer:

The term of the contract was up.

2. How many years has your prior auditor provided your audit services?

Answer:

Five years.

3. Will your current auditor be invited to bid?

Answer:

CPCFA is accepting responsive proposals from all interested parties.

4. Is the scope of the services requested the same as last year?

Answer:

Yes.

5. Has the organization entered into any contracts, issued a bond, begun a major project, or become party to litigation that are not reflected in the prior audit? Please describe.

Answer:

For purposes of this RFP, 10 bonds were issued during FY20/21. To the knowledge of staff, CPCFA has not entered into any contracts, begun any major projects, or become party to litigation for the purposes of this RFP.

6. Has your organization (or its employees) been under any governmental investigation or regulatory examination in the past?

Answer:

For purposes of this RFP, CPCFA staff has no knowledge of the organization or its employees being under investigation or regulatory examination in the past.

7. Are you aware of any fraud in your organization? If so, please describe.

Answer:

For purposes of this RFP, CPCFA staff is not aware of any fraud in our organization.

8. Do you suspect any fraud in your organization? If so, please describe.

Answer:

For purposes of this RFP, CPCFA staff does not suspect any fraud within our organization.

9. Have there been any allegations of fraud against your organization or anyone in your organization in the past two years? If so, please describe.

Answer:

For purposes of this RFP, CPCFA staff is not aware of any allegations of fraud against our organization or anyone in our organization in the past two years.

10. Did you have any disagreements with your prior auditor?

Answer:

No.

11. How many journal entries and/or material adjustments did the auditor make last year? Please describe.

Answer:

No material adjustments were made. The State Treasurer's Office Accounting Dept. requested five journal entries, and the Auditor created three journal entries.

12. Were there any significant findings reported by the prior year auditor?

Answer:

No.

13. Has the Authority undergone any audits or inspections by regulatory agencies?

Answer:

For purposes of this RFP, CPCFA staff is not aware of any audits or inspections undertaken by regulatory agencies.

14. Is the Authority low risk or high risk?

Answer:

Question is too vague to answer.

15. Have there been any changes to the governance structure of the Authority during the audit period?

Answer:

We have experienced changes in the Executive Director position at CPCFA. An Interim Executive Director will be appointed on August 26, 2021.

16. Have there been any significant changes in your management/staffing during the audit period?

Answer:

We have experienced changes in the Executive Director position at CPCFA

17. What are your major concerns?

Answer:

For purposes of this RFP, CPCFA staff has no concerns.

18. What are your board's major concerns?

Answer:

For purposes of this RFP, CPCFA's Board has not voiced any major concerns.

19. What accounting system do you use? Has the Accounting system changed in the past year?

Answer:

FI\$Cal. The accounting system has not changed in the past year.

20. When will a closed trial balance be available for the audit with all closing entries recorded?

Answer:

January 2022

21. When are you ready for us to audit?

Answer:

CPCFA staff anticipates being ready by December 1, 2021, for the first audit due under the RFP.

22. Do you have a specific due date for the audit issuance?

Answer:

Because the audits must meet the reporting timeframe requirements of the State Controller's Office, it is currently anticipated the auditor will have each annual audit prepared by June 30th of the following fiscal year. This date is included in Addendum No. 2.

23. What meetings do you require the auditor to attend? When and where are they held?

Answer:

We hold a kick-off meeting in November via Microsoft Teams or teleconference.

24. Are there any other special reports / filings / tax returns that you would require?

Answer:

For purposes of this RFP, CPCFA staff is not aware of any other special reports, filings, or tax returns that we would require.

25. What will be the due date of the report for the first year?

Answer:

Because the audits must meet the reporting timeframe requirements of the State Controller's Office, it is currently anticipated the auditor will have the first audit prepared by June 30th of the following fiscal year. This date is included in Addendum No. 2.

26. In Section A.3.b.vii, you state that the audit should be completed by December 30th; however, for the first year, is there any extensions to account for an initial audit?

Answer:

Because the audits must meet the reporting timeframe requirements of the State Controller's Office, it is currently anticipated the auditor will have the first audit prepared by June 30th of the following fiscal year. This date is included in Addendum No. 2.

27. Will the Authority require additional reports for the items listed in Section A.3.a or do you consider all these items addressed within the financial statements?

Answer:

For purposes of this RFP, CPCFA staff does not anticipate requiring any additional reports.

28. What is the typical timing of the fieldwork?

Answer:

Typically, it has been one 8-hour day.

29. How many auditors were onsite and for how long?

Answer:

Two auditors for 8 hours.

30. Will this audit be completed substantially remotely or would you rather have some auditor presence?

Answer:

In past years, the majority of the audit has been conducted remotely, with one 8-hour day of on-site fieldwork at our office, located at 801 Capitol Mall, 2nd floor in Sacramento.

31. Are there any additional services that you are requesting that are not part of the previous audit?

Answer:

For purposes of this RFP, CPCFA staff does not anticipate requesting additional services.

32. How many audit adjustments were proposed by the prior year auditor?

Answer:

Three.

33. How many auditors and how many weeks were the prior auditors on site to conduct audit fieldwork? When did the on-site fieldwork take place?

Answer:

Two auditors conducted the audit work mostly remotely. The fieldwork was conducted and the auditors were on-site at our offices for one 8-hour day. The work took place on April 28, 2021.

34. Were there any findings or internal control recommendations in the prior year?

Answer:

No.

35. What were the prior year audit fees and can you please provide the break down by components?

Answer:

There was a total labor cost of \$19,800.00 with 213.25 total billed hours. Included in the cost was a \$1,000.00 payment to a DVBE subcontractor.

36. Have there been any changes in your accounting system or I.T. environment since last year or expected during the term of the contract?

Answer:

No.

37. How many journal entries were proposed by the prior auditor for fiscal year 2020?

Answer:

Three journal entries.

38. To confirm, is the FY2021 audit expected to be completed by 12/30/21?

Answer:

Because the audits must meet the reporting timeframe requirements of the State Controller's Office, it is currently anticipated the auditor will have the FY 2020-2021 audit prepared by June 30th of this following fiscal year. This date is included in Addendum No. 2.

39. Are the financial statements drafted by the Authority or are they to be drafted by the auditor?

Answer:

The financial statements are drafted by the State Treasurer's Office Accounting Department.

The date for submitting questions regarding RFP No. CPCFA01-21 has passed. Should you require any clarifying information, the contact person for this RFP is:

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Please note that no verbal information provided shall be binding upon the State unless such information is issued in writing as an official addendum to this RFP.