

Central Contra Costa Transit Authority
“County Connection”
Answers to RFP for Financial Auditing Services Questions
March 7, 2023

Answers to General Questions:

1. **Audit fees** – FY22 audit fees were \$50,400 for auditing and \$2,060 for additional agreed-upon services. No additional fees were billed as a result of significant findings.
2. **Budget for audit fees** – FY23 budget for audit fees is \$50,000.
3. **Length of time with current auditors** – FY22 was the 21st consecutive year with the current audit firm.
4. **Reason for RFP issuance** – The audit RFP was issued as the current audit contract has expired. Additionally, it is best practice to issue an RFP every five years.
5. **Prior auditors invited to RFP** – Prior year auditors have been invited to participate in the RFP process.
6. **Audit timeline** –
 - Interim fieldwork: May or June.
 - Trial balance available mid-September.
 - Final fieldwork: September or October.
 - Draft reports: end of October.
 - Final reports: end of November – must be presented to A&F Committee the first Wednesday of December.
7. **Prior audit team structure and timing** – Two to four people were on site at Interim fieldwork for four days, plus two to four people remotely during Final fieldwork for ten days.
8. **Services provided** – Scope of audit is essentially the same as prior years, with one exception: the selected firm will be required to assist with the implementation of Governmental Accounting Standards Board (GASB) statements as applicable, and with preparation of GASB 68 and 75 journal entries.
9. **Single Audit major programs** – The Authority has one major program and has met the requirements for a single audit for several consecutive years. We expect to have a single audit in FY23 and beyond.
10. **Single Audit total expenditures** – FY22 total SEFA expenditures were \$9,398,870.
11. **FY22 audit summary** – During the FY22 audit, staff provided 2 adjusting journal entries after providing trial balances and the auditors proposed 3 journal entries. There were no findings, and one recommendation.
12. **Management letter recommendation** – There are no outstanding comments from prior years. The prior year comment about reconciliation procedures has been resolved.
13. **Significant events** – The Authority has not entered into any major contracts, studies and/or started any projects in the current fiscal year that have not been reflected in the prior year financial statements. This includes bond issuance and leases.
14. **New debt** – The Authority has not issued debt and has no plans to issue debt in the future.
15. **Finance department staffing** – Currently we are unaware of any retirements or any other major changes in the finance department staffing. All positions are currently filled – there are no vacant or frozen positions.

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16. **Change in operations or funding sources** – There have been no changes in the current fiscal year that would have an effect on the operations of the Authority.
17. **Significant construction or capital projects** – The Authority is in the process of procuring forty new diesel buses at the end of FY23.
18. **Changes in accounting system software** – The Authority has had the same accounting software for decades. We are in the process of researching new accounting software. The current goal is to implement new software on July 1, 2024.
19. **Disagreements or difficulties** – There were no disagreements or difficulties encountered with the prior year auditors or audit process.
20. **Source documentation** – Documentation such as vendor invoices, cash receipts, employee timecards, bank reconciliation and journal entries are all stored electronically.
21. **Fraud** – There is no known or suspected fraud at this time.
22. **Remote Auditing** – The prior audits were conducted under a hybrid model: partially on-site and partially remote. The Authority had no difficulties with the remote or hybrid audit approach and is agreeable to this approach in the future. The primary concern with remote audit work is that things tend to get delayed, since the pressure to complete tasks in-person when working face-to-face is removed. However, if a schedule is agreed upon and adhered to, there is no reason why the audit cannot be performed entirely remotely.
23. **Litigation** – There is no significant litigation pending that was not included in the prior year financial statements.
24. **Auditor characteristics** (*“Is there anything specific you are looking for ...”*) – Experience auditing transit agencies is strongly preferred. Good communication, guidance with GASB implementations and GASB journals. Seasoned auditors. Also, continuity - we would prefer to see similar faces year after year.

Specific Q&A Section:

- Q1: May we receive a copy of last year’s management letter?
A1: The management letter is available for viewing on the Authority’s website:
<http://countyconnection.com/wp-content/uploads/2022/12/SAS-114-AUC-Final-Copy.pdf>
- Q2: Are financial records available electronically?
A2: Yes.
- Q3: Historically, when has the SEFA been finalized by management?
A3: Mid-September.
- Q4: Would you please clarify the assistance expected in the preparation of the MD&A?
A4: The prior audit firm assisted with the MD&A by providing the summary tables used in the document.

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Q5: Any audits or inspections by regulatory agencies?

A5: The Authority is a direct federal grant recipient, and as such, is subject to a Triennial review by the federal government.

Q6: Any changes to the governance structure of the organization?

A6: No.

Q7: I see the proposal says that the auditor will assist with the GASB 68 and 75 journal entries. What was the prior auditor involvement with these entries?

A7: The prior auditor reviewed the entries created by the CFO.

Q8: How many hours did the prior auditors spend on the interim and year-end audits?

A8: Unknown.

Q9: What are things you liked and did not like about your current auditors?

A9: Prior auditors were very accessible and knowledgeable about our industry. They provided a consistent audit team. The partner was always present. We appreciated early communication about potential recommendations or findings. We would appreciate a more proactive approach to new GASB pronouncements and implementation guidance.

Q10: Were there things you like and did not like in the audit process followed by your current auditors?

A10: We like the audit process that includes separating fieldwork into interim and final segments. We appreciate having an audit timeline established in advance so that all parties are aware of deadlines for critical milestones.

Q11: Do you permit third parties to access the financial software remotely?

A11: Our current software does not provide this capability.

Q12: Who prepares the financials?

A12: The CFO.