



Capital Projects & Purchasing Department
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Walterboro, SC 29488
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RFP: FIN-10
Financial Auditing Services FY17-FY18

DUE: Wednesday, April 26, 2017 @ 11:00am

ADDENDUM 1
DATED: APRIL 11, 2017

ANSWERS TO QUESTIONS

1. What responsibility does the County take in preparing the MD&A, the notes and the financial statements? **Answer:** County takes responsibility/ownership of completing the MD&A as well as provides the auditors all financial statements, notes and other supplemental schedules included as part of the CAFR.
2. Does the County's finance department oversee the activity for the Memorial Library and the Fire and Rescue Commission? **Answer:** County finance department does handle all accounting activities related to the Memorial Library and Fire and Rescue Commission. The only exception to this is that the Memorial Library does have a checking account that they maintain, though each month they do provide the reconciliation along with a detail accounting of all deposits and check activity for the month.
3. When are the audited financial statements for the Alcohol & Drug Commission typically received? **Answer:** Audit financial statements for the Alcohol and Drug Commission are historically received no later than early to mid-November.
4. Are there any significant changes from the prior year that would have an impact on our proposal? **Answer:** No significant changes in county operations, structure or management have occurred since the issuance of the fiscal year 2016 report.
5. Do you expect any significant changes in Federal and State funding? **Answer:** No significant changes in State or Federal funding are currently anticipated.
6. Is there anything in particular that the County was not happy with regarding the prior auditors' performance? **Answer:** Overall County council, management and finance personnel have been very pleased with the services that have been provided Mauldin Jenkins over the three previous years.

7. How many adjustments were proposed by the auditors in the prior year? **Answer:** No adjustments were proposed by the auditors during the Fiscal Year 2016 audit.
8. Can we please receive a copy of the prior year management letter? **Answer:** No management letter was provided as part of the Fiscal Year 2016 audit.
9. How many hours were the prior auditors on site during interim and year-end fieldwork? How many staff were on site? **Answer:** For Fiscal Year 2016 audit, auditors did not perform any interim work and were onsite for one week to complete onsite work and then completed all other work from their office. During time onsite, auditors had between 3-4 staff onsite.
10. What was the prior year audit fee? **Answer:** Fiscal year 2016 audit fee was in the range of \$46,000.
11. Where does the County stand in its preparation for implementing GASB #77?
Answer: County finance, assessor and auditor staff are pulling together necessary information that is needed to properly complete the required note disclosure.
12. Will the County prepare any portion of the financial statement for the audit year(s)?
Answer: County prepares a draft CAFR, which includes transmittal, MD&A, financial statements, notes, other required supplemental schedules and SEFA.
13. Will lead sheets and account reconciliations be provided by the County to the auditors? **Answer:** Yes
14. Will confirmations be drafted by the County? **Answer:** Yes
15. Did the County enter into any new debt agreements during current year? Are any expected during the term of the audit engagement? **Answer:** To date County has entered into one new debt agreement, a new three lease finance agreement and did payoff early previously issued three lease finance agreement.
16. Are any new revenue streams planned over the term of the audit engagement? **Answer:** No currently anticipated.
17. Has there been any turnover in the Finance staff in the last year? **Answer:** No
18. Are any changes in accounting personnel expected during the term of the audit engagement (e.g., retirements, adding/deleting positions)? **Answer:** No changes currently anticipated.
19. Please provide qualifications of current finance staff (e.g., years in current position, years in governmental accounting, CPA, Certified Government Finance Officer, Degreed accountant).
Answer: Finance Director is CPA and has over 25 years of experience with the last eight years working in South Carolina local government, school district and state government. Controller is a bachelor degreed Certified Government Finance Officers and has been with the county in a senior financial role for over ten years. Accounting Manager is a bachelor degreed Certified Government Finance Officer with over three years in current position with the county. Staff Accountant is degreed accountant and has been with the county for over the last year.
20. Will the County need assistance with application of GASB 68 and/or GASB 34 entries? **Answer:** No assistance will be required in applying GASB 68 and 34 related entries.

21. Has there been a change in accounting software during the year and is there a change in accounting software expected during the term of the audit contract? **Answer:** No change in accounting software has occurred or is currently planned, county will continue to use Harris Smart Fusion.
22. Are all accounting functions performed at one location? **Answer:** All accounting functions are performed at County offices in Waltherboro.
23. Status of corrections of material weakness reported in the 2016 financial statement? **Answer:** Issues have been addressed during current fiscal year.
24. When will the Trial Balance be available for the auditors? **Answer:** Final trial balance should be available no later than mid-October.
25. Will the County have posted all year-end adjustments before the trial balance is provided to the auditors? **Answer:** Yes, all entries should be completed and including on trial balance.
26. When will the draft of the Schedule of Expenditures of Federal Awards be available?
Answer: SEFA is typically provided to the auditors at the same time as trial balance, though it is available earlier if needed (in draft form).
27. In the past, what adjustments were made (amounts and nature) after the County provided the preliminary SEFA to the audit firm? **Answer:** Only adjustments made after draft SEFA would be related to any accruals from accounts payable or other notifications from granting agencies that would have an impact on reimbursement receivables.
28. Is interim audit work (before year-end and before trial balance is available) permitted?
Answer: Interim work would be permitted and can be scheduled as part of pre-audit meeting.
29. Does the County or any of its component units' file Form 990 Information Returns that should be included in this proposal? **Answer:** No 990s are filed.
30. Can you please provide a copy of your letters provided to the Council at the end of your 2016 audit sometimes referred to as "Communication with those Charged with Governance"?
Answer: Presentation by auditor partner to County Council did not include any information in addition to what was noted in the 2016 CAFR. Presentation was focused on financial results for the year ended June 30, 2016 as well as the results of the single audit and the one finding as noted in the report. No additional document or other communication was provided to council.
31. Does the County expect to spend at least \$750,000 in federal awards during FYE 6/30/16?
Answer: For 2016 County spent \$1.4 million in federal awards and is currently projecting to spend between \$1-1.5 million for 2017.
32. How many adjusting journal entries did the County make after providing the Trial Balance to the auditors? Describe nature of those adjustments. **Answer:** County prepared roughly six (6) adjusting entries after the auditors had been provided the trial balance and draft CAFR schedules and notes. Adjustments were related to corrections in government wide related accruals as well as accounts payable invoice accruals.

33. Were there any additional billings from the audit firm? If yes, describe nature services provided and amount. **Answer:** No additional billings were needed as part of the Fiscal Year 2016 audit.
34. Component units: In the prior year, the Commission on Alcohol & Drug Abuse is audited by another firm. With regard to the Library and the Fire & Rescue Commission:
Will separate financial statements be issued? If yes, please provide a copy of most recently completed audit. **Answer:** County handles accounting functions, no separate audit.
35. Describe nature of adjusting journal entries made by auditor. **Answer:** No adjusting entries were required.
36. What were the fees for the component unit audits in the prior year? **Answer:** No separate fees, part of the overall fee paid by the County as noted in le.