

**Scott County, Iowa**  
**Request for Proposal Questions**  
**Posted May 20, 2010**

**1. Why is the County going out for bid (mandatory rotation, 5-year bid cycle, etc.)?**

The Scott County Board of Supervisors has a goal to review all vendor contracts in the upcoming year. The contract with our current Auditor was up, and the County has not gone out for RFP for audit services in many years.

**2. What is the County's level of satisfaction with the previous auditor? Are they being asked to propose on the June 30, 2010 audit?** Yes, we are very satisfied with our previous auditor. They received an RFP, and have the option to respond.

**3. What were the auditor fees for the last three years? For this period, please list any special billings, including description of reason for special billing.**

FY07 \$65,350                      FY08 \$65,900                      FY09 \$65,900

**4. Is there a separate contract for work performed by the auditors relating to bond offering review procedures, and have fees been charged for these procedures in the past?** There has been no additional charge for these services in the past.

**5. Have the auditors provided you with their budgeted or actual hours for the last three audits? If so, can you provide this information?** Hours are reported to the State Auditor's Office.

**6. How many federal programs do you anticipate will require testing as major programs for the June 30, 2010 audit?** We are unsure the number of major programs that the County will have. This will depend on the classification of the stimulus programs.

**7. What are the County's expectations in regard to the level of stimulus (ARRA) receipts and expenditures during the fiscal years covered by this contract (i.e. amount of funding, federal programs affected)?** We expect to receive some stimulus funds from the following grant programs:

Dept of Energy Grant (awarded, but not expended in FY10) ~ \$240,000

Immunization Grant (passed through State) ~ \$9,000

Health Modernization Grant (passed through State) ~ \$36,000

JAG (rcvd \$\$, not expended in FY10) ~ \$988,000

Roads (State paid for County road improvements, money never passed through County) ~ \$2,000,000

ODCP (passed through State) ~ \$87,000

Local Public Health Services (passed through State) ~\$12,000

FMAP Rate Reduction (we don't believe this is stimulus money)

IJOBS (a small amount of stimulus money in this allocation, passed through the state) ~ \$109,000

The county had two major programs for FY09.

**8. Does the County maintain documentation related to its internal controls, policies and procedures which would be available to the auditor to assist with the documentation requirements of the risk assessment suite of standards?** Our previous auditors maintain internal control documentation. The County is asked to update this information each year.

**9. Does the County expect any changes in the composition of major funds for the June 30, 2010 audit?** The county added an internal service fund for self insurance (health – medical) on January 1<sup>st</sup>, 2010.

**10. Will you provide the GFOA's review comments for the June 30, 2008 audit?** Yes. See Attachment 1

**11. Will you provide the management letter (communication to governance) for the June 30, 2009 audit?** Yes. See Attachment 2

**12. Page 9 of the RFP is not clear as to whether the auditor will or will not be required to provide special assistance to Scott County, Iowa to meet the requirements of the GFOA program. Please clarify.** The assistance required is very minimal.

**13. Page 12 of the RFP states that Scott County's component units are to be audited as part of the audit of Scott County, Iowa's financial statements. Are separate audit reports required for any, or all, of these component units?** Separate audit reports are not required. The reports required are shown in our FY09 CAFR located on our website.

**14. Do the current auditors have an opportunity to submit a bid?** Yes. See Question #2.

**15. Have there been any disagreements with the current auditors over technical issues in financial reporting?** There have been no disagreements with our current auditors.

- 16. Which firms have you sent requests for proposals to?** We have sent the RFP to several audit firms. This RFP is also located on our website.
- 17. How many auditors were on site and for how many days were the auditors in your offices?** The number of auditors on site are as follows (a mix of staff, in-charge, manager levels):  
Preliminary – 2-4 auditors for 2 weeks  
Final – 2-4 auditors for 3-4 weeks
- 18. Have there been a significant number of audit adjustments in the past?** The timing of the County finalizing all entries and financial statements greatly affects the number of audit adjustments included in the communication to management. For FY09, most of the entries related to fixed assets, leases, and the GASB 34 fund. The reconciliation for fixed assets and leases occurred during the final phase of the audit. The county is working to improve the timing of the reconciliation of fixed assets for FY10, to ensure that it is complete before we turn over the financial statements to the auditors.
- 19. Has there been any change in key personnel from the prior year?** No change in key personnel.
- 20. Is there any significant litigation in process?** No
- 21. Does the County expect any significant changes in the types of federal funding or amounts of federal funding in the next 3 years?** We anticipate changes related to ARRA funding.
- 22. Does the County expect any significant changes in the amount of annual debt issuance or types of debt in the next 3 years?** At this time, we don't expect significant changes.
- 23. When does the County anticipate that its next OPEB actuarial valuation will be available?** The next OPEB actuarial valuation will be as of 7/1/10 for the FY11 fiscal year audit.
- 24. Are there any other non-attest services that the auditor would be required to perform?** Not at this time.
- 25. Are separately issued financial statements required for the component units which are audited as part of the County's CAFR?** No separately issued financial statements required.
- 26. Does the County have written documentation available for its significant processing cycles (payables/disbursements, payroll, cash receipts, utility billing, taxes, etc.).** See answer to Question 8.
- 27. With the implementation of self-insured health insurance in November 2009, will the County use a third party administrator for payment of claims? If yes, will a SAS 70 report be available?** The County uses a third party administrator for payment of claims. The third party administrator is SAS 70 compliant, and their report will be available upon request.
- 28. Does the County outsource any functions, and if yes, are SAS 70 reports available?** Section 125 plans, credit card processing, and some programming. It is unknown if SAS 70 reports are available for these vendors.
- 29. Is the County contemplating any additional self-insurance plans in the next three years?** Yes, the County is contemplating a self insured dental plan.
- 30. Does the County accumulate all of the information for the statistical section of the report?** The County accumulates the majority of the statistical section of the report.
- 31. On page 10 it mentions that the accounting and financial reporting functions of the county are decentralized. Does this refer to the different functions performed by the offices of the various elected officials (e.g. Auditor, Treasurer, Sherriff, Assessor, etc) or is there a further degree of decentralization?** Some non-elected offices have their own accounting and reporting functions.
- 32. Do you anticipate that the amount of federal funding and the type of programs over the period of the contract will be similar to the 2009 audit? Do you currently have a feel for ARRA funds (amounts and programs) expended in FY 2010?** The County received ARRA funds for FY10. See Question #6 and #7
- 33. Can you please supply copies of management letter from the last 2 audits?** See Attachment #2
- 34. General questions**
- a. How many adjusting journal entries did the auditor make during the 2009 audit?** See Question #18
- b. Please describe the nature and type of these adjustments and provide copies.** See Question #18

**c. Were there adjustments that the auditors passed on making in conducting the audit (Auditors are required to disclose these entries to the county as part of their reporting responsibility.)?** For FY09, there were two passes. One involved an operating lease, the other - COGS for an enterprise fund.

**d. Any new debt for 2010? Planned debt for 2011 through 2014?** For FY10, there was a refunding for Urban Renewal Bonds and new BAB debt issuance for Emergency Equipment Bonds. No new debt is planned.

**e. Are the general ledger accounts for cash, investment, receivable and payable balances reconciled monthly to supporting details?** Yes

**f. Has the county used the audit firm for consulting services? If so, what types of projects?** The County used the previous audit firm for implementation of all significant GASB pronouncements.

**g. What were the total fees and out-of-pocket expenses charged for the 2009 audit?** See question #3

**35. If the detail is available, please provide the breakdown of the fees for the following:** The previous audit firm did not breakdown the fees for each service. We were charged an all-inclusive fee.

i. County financial audit?

ii. County single audit?

iii. Individual component units?

**a. What is the number of auditors that the County can comfortably handle on site?** A reasonable number of auditors will be allowed.

**b. Is the county involved in any significant litigation that may affect the audit?** No

**c. On page 9 of the RFP, item #1, please clarify if the auditor will or will not be required to provide special assistance for the GFOA program.** See Question #12

**36. Component Units**

**a. Are the accounting records of each component unit centrally located at city hall or at the respective component unit's location?** All accounting records are kept at County Administration building.

**b. Do the component units have their own accounting staff?** Yes. Library staff enters claims and payroll at their location.

3. Single Audit

**a. Has the county received any new significant grant programs? Yes. Has there been any significant change to the ongoing grant programs that the county receives?** The \$ amount and number of grant programs has increased for FY10 due to ARRA programs. See Question 7.

**b. Who prepares the financial statements and schedule of expenditures of federal awards?** The County prepares the majority of this document.

**c. Have there been any communications from either state or federal agencies regarding grant programs or prior single audit reports.** No communications regarding grant programs or single audit reports.