



Financial Auditing Services Request for Proposals

Questions & Answers

- 1. What is the reason that you are considering changing the auditor? How long have the current auditors been performing the audit for TAM?**

TAM is required by its policy to issue a new RFP for financial auditing services every five years. The last audit team has had 2 contracts, totaling 10 years.

- 2. Will your prior auditors be invited to bid? Are your prior year auditors included or excluded from the current RFP process?**

Yes, they are invited to bid and not excluded from the current RFP process.

- 3. How many staff did the audit team consist of in the past and when did the auditors come on site?**

TAM usually has its interim in June and year-end during the first week of September. Depending on the team, number of staff assigned to TAM's audit varies from 2-5. All audits were conducted remotely during the COVID years and TAM staff is flexible in terms of how field visits are conducted as long as the process agreed runs smoothly and effectively.

- 4. Were there any major changes in the engagement requested in the RFP compared to last year's engagement?**

TAM staff is not expecting any major changes for the required engagement.

- 5. Have there been changes in the accounting system or software since last year, or is anything anticipated prior to closing 2023?**

No accounting system change is expected. TAM has been using the Abila MIP system for all accounting transactions and Microix workflow for timesheet and AP processing since 2016.

6. Do you expect to have any retirement or replacement of key employees? Were there any significant events in FY2023 or subsequent?

No, we are not expecting any key staff change and there are no significant events expected in FY2023 or subsequent that would impact the audit work scope as well.

7. What were the proposed annual hours of the previous audit contract? How many weeks did the auditors spend in the field, and when did the auditors come on-site?

Please note that all field work was conducted remotely over the last 3 years and the fee is set per task, not by hour (please see the answers to question 8 for the specific amount for each task). TAM's office is located in downtown San Rafael and all on-site visit work will be conducted at this location if desired.

8. What were the prior year audit fees and can you please breakdown by components?

Fees for the last two audit cycles were not to exceed \$20,000 per audit cycle. See break down below.

Financial Audit for the fiscal year ended June 30, 2021 and June 30, 2022

Contractor will be compensated per audit cycle as follow:

Financial audit for fiscal year:	\$17,000
Single audit and related reports:	\$2,500
Compliance report if needed:	\$500
Ongoing Accounting/Audit Assistance:	Free of Charge
Maximum not to exceed – Per Audit Cycle:	\$20,000
Maximum not to exceed – Total 2-year Period:	\$40,000

9. What is the current year budget for auditing services?

TAM currently has \$23,000 set aside in its budget for the FY2022-23 audit.

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

TAM plans to close the books by the end of August and the closed trial balance will be available by then.

11. Is there anything specific that you are looking for with the successor auditors?

TAM staff is happy to work with any team that's professional, capable, can communicate timely and clearly, and also is respectful of clients' time and deadline.

- 12. What are the things you liked and did not like about your current auditors? Were you pleased with prior year audit services? Were there any disagreements with the current auditors? Are there any improvements needed?**
We had no major issues/disagreement with the last audit team. However, we did have some communication issues during last year's audit and the team could not meet the delivery deadline. We were told many audit firms are experiencing workload and staff turnover challenges. We would like to have clear communication protocols especially timely responses with the partner in charge of the engagement with the new audit team.
- 13. How many adjusting entries did you have last year? How many adjusting entries/journal entries were proposed by the auditors, if any?**
There was a total of 8 adjusting entries for the conversion from governmental fund financials to government wide financial reporting. The auditors assisted with the computation of 2 of these adjusting entries for the OPEB and pension calculations. After providing the preliminary TB to auditors, TAM may have additional entries that get booked to reflect subsequent transactions received.
- 14. Do you expect to have a single audit this year?**
Yes, we are expecting a single audit this year.
- 15. Would the Authority be open to having the majority of the audit being performed remotely? Are you willing to do a hybrid audit approach in which we will only come to your office if we cannot get information electronically?**
All audits were conducted remotely during the COVID years and TAM can be flexible in term of how field visits are conducted as long as the process agreed to runs smoothly and effectively.
- 16. Are the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files.**
Yes, all supporting documents can be provided electronically.
- 17. Do you permit third parties to access the Authority's financial software remotely?**
TAM doesn't permit third parties to access its financial software remotely and does not see the need to provide the auditor the access based on our prior audits. However, the request can be considered if deemed necessary for the audit work.
- 18. Regarding the requested Measure A/AA ½ Cent Sales Tax Compliance Audit:**
- a. Could you please provide copies of all the FY 2022 Measure A/AA ½ Cent Sales Tax Compliance Audit reports?**

- b. TAM's website appears to have five separate such compliance audit reports posted for FY 2021 (e.g. Corte Madera, Belvedere, San Rafael, Parisi, and Marin Transit). Could you please confirm how many separate such reports are anticipated for FY 2023?**
- c. Will all documents needed for these audits be provided to the auditor directly by TAM?**

Please note that the "Required Measure A/AA ½-Cent Sales Tax Administration/Program Management Cost" is different from the Sales Tax Recipients Compliance Audit, which is conducted under a separate contract. The task included in this RFP is a verification that the administration and program management cost TAM charged to the sales tax is not exceeding the 5% cap set in the Measure A/AA Expenditure Plan. A copy of the letter issued by the prior audit can be found on Page 72 of TAM's FY2021-22 Annual Comprehensive Financial Report, located on the following link: <https://www.tam.ca.gov/resources-news/reports-budgets/>.

19. Were there any findings in FY2022? Has there been any recent fraud reported within TAM?

There were no findings, nor fraud report in FY2022 and the year prior for TAM.

20. What was the auditor involvement in the GASB 68 and 75 entries?

The auditors computed both the GASB 68 and GASB 75 accounting and reporting for pensions and OPEB entries.