

PSMFC A-133 SINGLE AUDIT RFP

Questions and Answers

As of 3-2-12

Q: Does you anticipate receiving ARRA funds for fiscal 2012, or were they received in fiscal 2011?

A: No, PSMFC has never received ARRA funds and does not anticipate receiving ARRA funds in the future.

Q: What do you like and/or dislike most about your current audit firm? What is the reason for considering a change?

A: According to PSMFC's procurement policy, we must go out to bid for all major services/programs every five years. We have been with the current auditor for five years now, so in order comply with the Commission's procurement policies, these services must go out to bid.

Q: Would you be able to provide the fees paid/budgeted for the June 30, 2011 and 2010 audits? Any other fees paid for consulting services or additional accounting assistance?

A: PSMFC typically budgets \$50,000 to \$70,000 for audit services during each fiscal year.

Q: Is there any material financial change subsequent to the June 30, 2011 audited financial statements that would not reflected on the issued statements as a subsequent event? New funds, revenue resources, Federal programs, significant increase in Federal funding, etc.

A: There will be no material financial change for the July 2011 through June 30, 2012 fiscal year. For the most part, funding has been stable from the 2011 fiscal year to the 2012 fiscal year.

Q: Could you please provide a copy of your 2011 audit financial statements.

A: Yes. Please check the PSMFC website under "Procurements".

Q: Is there a specific reason you are going out for bid?

A: In order to comply with our procurement policies, PSMFC must go out to bid on all major projects at least every five years.

Q: Have there been any disagreements with your prior auditors?

A: No.

Q: How would you like to see the audit process improve by having new auditors?

A: In the future, PSMFC would like to see the audits completed earlier. The desirable schedule would have the audits reports completed and available by November 1.

Q: Is there a finance or audit committee that coordinates the audit?

A: There is five core staff that assist with the audit process. The main communication would be with the PSMFC Fiscal Manager and PSMFC Lead Accountant. Then there are various support staff that assist with providing relevant information.

Q: What is the size, experience, and continuity of the accounting staff that will be involved with the audits?

A: The Fiscal Manager has been with PSMFC for over 30 years, and the Lead Accountant was been with PSMFC for 19 years.

Q: When would a preliminary listing of federal expenditures be available for review for the purpose of selecting programs for the Single Audit?

A: Within a week of the request from the auditors.

Q: Is there a specific time you want fieldwork performed?

A: Ideally, planning and preliminary testing would occur in June, with fieldwork taking place in August.

Q: How long and how many auditors (partner, manager, senior, staff) were in the field?

A: Typically, we had three to four auditors at our offices for one week of planning and two weeks of fieldwork.

Q: Could we obtain a copy of the prior year's compliance reports and Schedule of Expenditures of Federal Awards?

A: The compliance report is available online at the Federal Audit Clearinghouse website. The SEFA is included with the 2011 financials posted in response to the question above.

Q: Would it be possible to obtain a copy of the June 30, 2011 financial statements and Single Audit Package (this did not appear to be on your website)?

A: See above regarding the Federal Audit Clearinghouse website.

Q: Is the Commission a FASB or GASB reporter?

A: GASB

Q: Is the Commission part of a governmental entity?

A: The Commission was formed through a compact with five western states. As such, the Commission is considered to be a state/local government by the IRS, but is not a state agency. It is not part of another governmental entity.

Q: Is the RFP for the audit of the financial statements as well as the federal awards?

A: Yes, although the vast majority of the income and expenditures are from federal awards. This RFP is for an A-133 Yellow Book audit.

Q: Have many audit adjustments had the auditors proposed in the past?

A: There are generally a dozen adjustments of which the majority are proposed by PSMFC staff. The auditors generally propose one or two adjustments related to depreciation for GASB 34 presentation.

Q: When is the audit work typically performed?

A: Planning has occurred in September with fieldwork occurring in October. We would like to work with the auditors to move these dates earlier.

Q: Is the work performed in the Portland location?

A: Yes, all audit work is conducted at the PSMFC Headquarters in Portland, OR.

Q: Are all the books/records maintained at the Portland location?

A: Yes.

Q: Have there been any A-133 findings in the past three years (other than what might be reported on the DCF)?

A: No

Q: Is the level of federal awards in 2012 expected to be similar to the prior year?

A: Yes. PSMFC does not expect any major increases or decreases in the amount of funding from the prior year.

Q: Have there been any deficiencies in internal control in the past three years?

A: No

Q: Who prepares the financial statements and when are they completed.

A: The financial statements are prepared by the auditors.

Q: Who prepares the organization's tax returns (Form 990 et al)?

A: PSMFC is a governmental entity and does not file tax returns.

Q: What accounting software is used?

A: PSMFC's accounting system is a custom application based on Navision (Microsoft Dynamics NAV 4.0).

Q: How many adjusting journal entries were proposed by the prior auditor?

A: There are generally a dozen adjustments of which the majority are proposed by PSMFC staff. The auditors generally propose one or two adjustments related to depreciation for GASB 34 presentation

Q: Approximately what date are your books closed and reconciled and ready for auditors to complete their fieldwork?

A: Most accounts payable invoices are received within 60 days of the fiscal year end. We have been closing our books by Labor Day and reconciling records in September. We would like to work with the auditors to shorten the timeline between fiscal year-end and concluding the audit.

Q: How many auditors were on site for your last audit and for approximately how many days?

A: Three to four auditors were on site for a week of planning and approximately two weeks of field work.

Q: What basis of accounting are your financial statements prepared on?

A: Modified accrual basis

Q: Do you have a written internal control document?

A: No.

Q: Do you have a third party prepare your financial statements? Who prepares your Schedule of Federal Expenditures and Rewards?

A: Financial statements have been prepared by the auditors. The SEFA is prepared by PSMFC staff. The auditors have also been maintaining the fixed asset schedule in order to prepare GASB 34 statements.