

Transportation Agency for Monterey County
Request for Proposal for Financial Auditing Services.

Bidder Questions and Agency Answers – v2 dated 12/27/2024

1. What is the reason that you are considering changing the auditor?

Answer: the current auditor has been doing the audits for the last 12 years, while prudent financial practices recommend rotating auditors every 3-5 years.

2. Will your prior auditors be invited to bid?

Answer: no, see the answer to question 1.

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

Answer: 2-3 staff would come on site for the two fieldwork sessions lasting 1-2 days each.

4. Is the scope of the services requested the same as last year?

Answer: the scope of work is unchanged from that defining the last seven fiscal years audits.

5. Have there been any changes in your accounting system or software since last year?

Answer: No

6. Do you expect to have any retirement or replacement of key employees?

Answer: No. All 2.5 FTEs in place 1/1/23 have now retired. The current Director started in Feb 2023, our new Finance Officer started in May 2024, and part time bookkeeper started Dec 2024. We have a contract payroll/accounting person who has been with the agency for 20+ years who is still in place.

7. How many weeks did your prior auditors require for your last audit?

Answer: if the question is how long it took to complete the audit – the FY23 audit wasn't received until September 2024. The auditor also does taxes, so their audit support disappears between March and August.

8. How many weeks/hours were spent by the prior auditors in the field?

Answer: the two fieldwork sessions lasting 1-2 days each.

9. When did the on-site fieldwork take place?

Answer: August & November

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

Answer: \$23,760 (TAMC \$19,390, RDIF \$2,550, Measure X \$1,790)

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

Answer: \$24,000 for FY24-25 with \$28,000 estimated for each of the next two years.

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

Answer: October 15th.

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

Answer: far more timely auditor report competition. Documented auditor adjusting journal entries.

14. What are the things you liked and did not like about your current auditors?

Answer: given how long they have been performing our audit, their knowledge of our funds, projects and programs required less support from our staff. Delays and lack of responsiveness are performance issues we are not happy with.

15. What are the things you liked and did not like in the audit process followed by your current auditors?

Answer: there is nothing I liked about the current audit process. There was no PBC list sent well in advance, while it seems they have a portal for uploading documents it is not used consistently making it unreliable, long gaps in time for responses.

16. How many adjusting entries did you have last year?

Answer: The auditor gives us the various GASB entries to make, along with the vacation accrual adjustment. I don't have a count of post-closing entries. Maybe a dozen. Lags in expense recognition and subsequent revenue recognition have been a struggle. We have new Finance staff and revised procedures in place to address this

17. Do you expect to have a single audit this year?

Answer: not for FY24-25 as the amount of Federal funds will be under \$1,000,000.

18. How many major programs did you have last year?

Answer: there were approximately 12 active programs with material levels of activity,

19. How much were the total federal expenditures last year?

Answer: zero in FY23-24

20. The Scope of Work separately lists fiscal/compliance audits for LTF, TDA, STA, and TAMC's RSTP, respectively. Could you please provide copies of the FY 2024 (or most recently issued) reports for each? If no standalone report is issued, please indicate.

Answer: those funds do not have separate reports, they are incorporated into the TAMC audit report comparing actual revenue and expenses against budget by funding source and work element.

21. Please provide a copy of the FY 2024 (or most recently issued) audit report for Planning, Programming & Monitoring Funds (as listed in the Scope of Work attachment)

Answer: historically this has been addressed in the Supplementary section of the TAMC audit.

22. For the Measure X service, by when is it expected that the separate audit reports of the recipient entities will be available for review as part of the Measure X procedures?

Answer: December 31st is the deadline for the local agencies to submit Measure X reports to TAMC.

23. Would the Agency be open to having the majority of the audit being performed remotely?

Answer: yes

24. What was the Agency's experience with remote auditing? Would you suggest any changes?

Answer: staff is familiar with using the Suralink portal organized around PBC lists and found it to work really well.

25. Are the majority of supporting documentation maintained electronically (e.g. PDF), such as checks, vendor invoices, cash receipts, timecards, personnel files.

Answer: for FY24-25 all records are electronic except for personnel files.

26. Do you permit third parties to access the Agency's financial software remotely?

Answer: we don't do that currently but are willing to consider it.