

DESCHUTES COUNTY AUDIT SERVICES RFP (FAQ Dated 1-12-22)

QUESTIONS AND ANSWERS:

QUESTION 1: Would the County be able to loosen the professional liability insurance requirements from \$2 million to \$1 million?

RESPONSE 1: The RFP stated professional liability insurance requirement were stated at \$1 million per occurrence limit with a \$2 million annual aggregate limit.

The County would entertain proposal(s) with a \$1 million per occurrence limit with a \$1 million annual aggregate limit for professional liability insurance.

QUESTION 2: Were there any journal entries discovered by the auditors during the 2021 audit process?

RESPONSE 2: The auditors did not propose any correcting or adjusting journal entries.

QUESTION 3: Outside of the audit process, what does the County find/define value from its auditors?

RESPONSE 3: The accounting firm is a source of tax and general business guidance as needed during the year. These services are not billed. We also use auditors to perform annual reviews of Transient Room Tax returns for about 10 operators each year. This service is billed.

QUESTION 4: Were there any major audit issues identified for 2021? Any anticipated ones for 2022?

RESPONSE 4: No major audit issues for FY 2021. None anticipated for FY 2022

QUESTION 5: What part of the audit process would the County like to improve over the past audits?

RESPONSE 5: No areas of improvement identified.

QUESTION 6: What transition issues would the County be concerned about if the audit is awarded to new auditors?

RESPONSE 6: Key transition issue would be the non-productive time required to learn the County's systems and processes

QUESTION 7: Have there been any significant changes in key staff in the past year that would affect the 2022 audit?

RESPONSE 7: There have been no recent changes in Finance Department staff that would impact the next audit.

QUESTION 8: Are there any significant changes in federal funding in the current year from previous years?

RESPONSE 8: The County will receive \$38 million in ARPA funds like many local governments to assist in addressing the pandemic impacts.

QUESTION 9: If the County could change one thing about the audit process, what would that be?

RESPONSE 9: Similar to question #6, no changes have been discussed.

QUESTION 10: Assuming each bidders proposed fees are equal, what is the next most important thing to the County?

RESPONSE 10: The level of experience brought by the auditing firm. The timing and duration of field work. Availability of the auditing firm without having to compete for auditors' time due to auditors other commitments. Turnover at the auditing firm.

QUESTION 11: What stage of implementation is the County currently at with regard to GASB Statements?

RESPONSE 11: The County has not yet started on the implementation of GASB 87.

QUESTION 12: Please provide the background and experience of each staff member within the internal audit department.

RESPONSE 12: Deschutes County has an internal audit program with one staff member the County Internal Auditor, David Givans.

David Givans worked initially with Deloitte & Touch LLP in financial audits as well as in computer consulting and tax work (4 yrs.). For ten years, he was part of the management team of a Bend, OR CPA practice providing audit, tax, and business valuations services for a wide range of businesses. Since 2002, he has been the County's Internal Auditor. The Internal Audit Program s has gone through five yellow book peer reviews.

David Givans is a CPA and CIA. In addition to audit and financial experience, he has extensive technology and data mining skills (uses ACL).

QUESTION 13: Please describe the ways internal audit staff have assisted the external auditor in the past including the nature of procedures performed, account balances or transaction cycles involved, and expectations on how the external auditor will utilize internal auditor staff in the future.

RESPONSE 13: The Internal Auditor has not been directly utilized in prior audits. All internal audit reports issued are available for review before and during the audit at www.deschutes.org/InternalAudit. There are no expectations as to whether the external auditor will use the Internal Auditor.

QUESTION 14: What was the number of hours incurred by the external auditor for the prior year audits? If you are unable to provide that information, can you provide the approximate number of auditors who were on site and for how many days for (1) preliminary/interim fieldwork and (2) for final fieldwork?

RESPONSE 14: The audit hours currently available are the hours for fiscal year ended June 30, 2020.

Entity	HOURS Audit Year -2020
Deschutes County	583
Black Butte Ranch SD	88
Sunriver SD	102
911	28
Extension and 4-H	26
Countywide Law Enforcement District	
701	29
Rural Law Enforcement District 702	11
COLE	65
Grand Total	932

QUESTION 15: Does County staff draft the annual comprehensive financial report and the financial statements for each of the component units? If not, please describe in detail the type of assistance the County expects the external auditor to provide with respect to drafting the ACFR and service district financial statements.

RESPONSE 15: County staff prepares the draft of the ACFR. It is available at the beginning of field work. The County can prepare the drafts of LED #1, LED #2, 9-1-1, and Extension/4-H. However, as SSD and BBR maintain their own books and the County has very little involvement with these two County Service Districts from an accounting and bookkeeping perspective, the auditors work directly with the staff of each of those entities. The expectation would be that the auditor would continue to draft the statements for SSD and BBR. The expectation would be that the auditor would continue to draft the statements for COLES.

QUESTION 16: Please indicate the approximate dates the following schedules prepared by the County will be available. For the trial balances, please also indicate the dates the modified and full accrual trial balances will be available, if different.

- a. Trial balance – Deschutes County
- b. Trial balance – Bend Library County Service District
- c. Trial balance – Black Butte Ranch Service District
- d. Trial balance – Countywide Law Enforcement District
- e. Trial balance – 911 County Service District
- f. Trial balance – Extension and 4-H County Service District
- g. Trial balance – Rural Law Enforcement Service District
- h. Schedule of Expenditures of Federal Awards – preliminary
- i. Schedule of Expenditures of Federal Awards – final
- j. Annual Comprehensive Annual Financial Report – preliminary
- k. Annual Comprehensive Financial Report – final

RESPONSE 16: Assuming the full accrual trial balances, and the draft of the financial statements, are available from Sunriver Service District and Black Butte Ranch by the end of August, the modified and full accrual trial balances, SEFA, and draft ACFR are available the second Monday of September. As SSD and BBR maintain their own separate books, the sooner the modified and full accrual trial balances are ready the better.

QUESTION 17: Does the County anticipate any new debt issuances in the next two fiscal years, or any new service or activity that would have a bearing on the scope of the audit?

RESPONSE 17: It is possible the County will issue debt in the next two fiscal years. There are no plans for new services or activities that would have a bearing on the scope of the audit.

QUESTION 18: Does the County have any activities, transactions, or balances reported in the financial statements where the County believes the accounting guidance is not clear, and has there been any differences of opinion on the correct reporting of the issues with your current auditor? If so, briefly describe the issue, the differences, and the final resolution.

RESPONSE 18: The County reports its deposit held by LGIP at cost, not at market. It is the County's position that if it were to liquidate the balance held by LGIP the proceeds would be the book value not the market value. There has been no difference of opinion with regard to this matter, or to any other matters, with the current auditor

QUESTION 19: Were there any audit adjustments proposed by the auditor during the audit of the fiscal years ended June 30, 2021 and June 30, 2020? Please provide the details of each one including whether the adjustment was made or not.

RESPONSE 19: There were no audit adjustments proposed by the auditor during the audits of the ACFRs for the fiscal years ended June 30, 2020 or June 30, 2021.

UPDATE 1-12-2022

QUESTION 20: Is Deschutes County just going through the RFP process without an intent to change auditors?

RESPONSE 20: The County fully intends to carry out a fair RFP process and assure the County is getting the best audit firm for the job (based on the criteria in the RFP). We would encourage all applicants to make their best effort at responding to the RFP.

QUESTION 21: Please explain what you are looking for in the optional pricing for technology. Could the optional pricing package look for financial statement development by an outside consultant?

RESPONSE 21: In responding, some history might be useful. County Finance has been using excel and word documents to develop the ACFR. The County has looked at technology solutions available to streamline the preparation of the ACFR, primarily exporting trial balance data (out of Tyler Munis) and importing into a software used to build the statements. Using software would make any late adjustments flow through more efficiently.

County Finance is aware many audit firms use financial statement preparation software to assist clients with financial statement preparation.

County Finance would like to see pricing if the audit firm was to prepare the financial statements utilizing this type of technology (which should save everyone time).

County Finance would not consider outsourcing the development of the ACFR to a consultant with such technology. However, County is open to any ideas or technology that could reduce costs and improve efficiency of the ACFR development.

County Finance will use the optional pricing to compare with the County purchasing technology to aid in the development of the ACFR.

End of FAQ