



**ADDENDUM #001  
RFP 503-2023  
External Independent Auditing Services**

**Date: January 11, 2023**

**Solicitation: RFP 503-2023 External Independent Auditing Services**

**Proposals Due: January 25, 2023, at 2:00 P.M. EST**

Failure to file a protest within the time prescribed in Section 120.57(3), Florida Statutes, or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120, Florida Statutes.

**This Addendum provides the Board's written answers to the timely written questions received.**

Question	Answer
1. What were the fees paid to the previous auditor for the audit of financial statements allocated between the financial and internal funds for the year ended June 30, 2022?	\$174,000 for both audits. There is no further breakdown of costs for the financial statement audit versus the audit of the internal accounts.
2. Were any additional fees paid to the previous auditor for services beyond the originally approved engagement? If so, how much and what was the nature of the service provided?	Yes, the District paid \$2,375 for the preparation of Form 990.
3. Can you provide the hours incurred to complete the financial and internal funds audit for the year ended June 30, 2022?	The financial and internal accounts audits are currently underway for the fiscal year ending 6/30/22; therefore, final hours aren't currently available. To date for the fiscal year ending 6/30/2022, the District has been billed 964.75 hours. The total hours billed for financial and internal accounts audits for the fiscal year ending 6/30/2021 were 1,174.
4. When are the financial statements and records typically available for audit?	Financial statements and records are typically available after September 11 <sup>th</sup> of each year.
5. When has the interim and final audit testwork typically been performed?	Interim work is usually completed during the months of April and May with final fieldwork starting after September 11 <sup>th</sup> .
6. For the most recent audit, how much time did the auditors spend in the field as opposed to working remotely?	The auditors typically spend a week on-site for interim testing and two weeks on-site for final audit fieldwork. Any additional work is typically completed remotely.
7. Did the previous auditor prepare the financial statements, or did LCS staff prepare them?	No, LCS staff prepares the financial statements.
8. a) Based on review of the most recent published audit (June 30, 2021), there were three major programs and two findings. Can you provide the number of major programs for the year ended June 30, 2022 and whether you anticipate the same number of major programs for the first year of the proposed new contract (June 30, 2023)?	a) The District's major funds for the fiscal year ended June 30, 2022, were the General Fund, the Other Debt Service Fund, the Special Revenue – Federal Education Stabilization Fund, and two Capital Projects Funds (the Local Capital Improvement Fund and the Other Capital Projects Fund). We don't know year to year the number of major funds but anticipate these same funds again next year.

Question	Answer
<p>b) Are you aware of any additional findings for the year ended June 30, 2022?</p> <p>c) Have the findings from June 30, 2021 been resolved?</p>	<p>b) We are not anticipating any major findings for the fiscal year ending June 30, 2022.</p> <p>c) Yes, all prior year findings have been resolved.</p>
<p>9. Can you provide the nature of any proposed audit adjustments from the audit of the year ended June 30, 2022?</p>	<p>There is an audit adjustment to restate the beginning Net Position due to a change in accounting policy related to capitalized items.</p>
<p>10. a) Was GASB 87 implemented for the year ended June 30, 2022?</p> <p>b) Are you aware of any additional pronouncements to be implemented (including any plans for early implementation) for the year ending June 30, 2023?</p>	<p>a) Yes, GASB 87 was implemented.</p> <p>b) GASB 96 will be implemented for the audit of the fiscal year ending June 30, 2023.</p>
<p>11. Will the previous auditor be allowed to submit a proposal, or is rotation required?</p>	<p>There is no required rotation. The incumbent contractor may compete for this contract.</p>
<p>12. Will the District prepare the financial statement, footnotes, and supplementary information, or will the District need significant support from the external auditor?</p>	<p>Please see the answer to Question #7.</p>
<p>13. a) Who at the District is responsible for providing the trial balance information requests as part of the audit and overseeing the daily audit functions?</p> <p>b) What are this persons relevant experience, education, and professional licenses?</p>	<p>a) The Director of Budget in conjunction with the Chief Financial Officer (CFO) is responsible for preparing the trial balance and responding to information requests from the external auditors.</p> <p>The Director of Internal Auditing will help to oversee audit activities and receive periodic updates on audit progress including tracking of potential audit findings. Also, the Director of Internal Auditing serves as the contract manager for the contract resulting from this RFP, including monitoring the contractor's progress of audit activities in accordance with the contract requirements and submitting and approving invoices for payment.</p> <p>b) The CFO has a bachelor's degree and almost 30 years of experience in budget and finance. The Director of Internal Auditing has a bachelor's degree, a master's degree, an auditing certification, and over 25 years of experience in governmental auditing.</p>
<p>14. When will the Trial Balances be finalized and ready for audit procedures to begin?</p>	<p>Please see the answer to Question #4.</p>
<p>15. a) Does the District allow for the testing of controls and other balances during periods prior to the yearend testing (interim procedures)?</p> <p>b) Does the District have any preferences on the timing of these procedures?</p>	<p>a) Yes, this is allowed.</p> <p>b) District staff will work with the selected Firm to identify times that will accommodate the workload of the Firm and District staff.</p>
<p>16. a) How many Adjusting Journal Entries (AJEs) resulted from the fiscal year 21 and fiscal year 22 audits?</p> <p>b) What was the nature of those adjustments?</p>	<p>a) The District has not yet received all the AJEs for the fiscal year ending in 2022.</p> <p>b) In the fiscal year 2021, the District had 12 AJEs for a variety of reasons, ranging from reclassifications to cash and payable adjustments.</p>

Question	Answer
17. Please provide a copy of the fiscal year 22 audit reports and related management letters. If not available, were there any material weaknesses or significant deficiencies noted? If so, what is the nature of those?	The audit for the fiscal year ending June 30, 2022, has not been issued by our current contractor. The District anticipates receipt of the final report by the end of January 2023. The District is not aware of or anticipating any material weaknesses or significant deficiencies.
18. Please provide the fiscal year 21 and fiscal year 22 audit and advisory fees broken out by Financial statements and internal accounts.	The total fees for the audit of the fiscal year ending in 2021 were \$163,750. Please see the answer to Question #1.
19. Does the District anticipate any significant changes in accounting personnel (management level) or accounting software in the near future?	Yes, the current Chief Financial Officer (CFO) is preparing for retirement in Spring 2024.
20. Does the District prefer on-site, remote, or hybrid fieldwork?	The District would prefer on-site or hybrid.
21. The RFP mentions an information technology review; how long has this service been performed? Please provide a copy of the FY 21 information technology review (or the most recent).	These audit steps are a part of the Auditor General's audit program when they perform the audit every third year. The Awarded Vendor would perform follow-up activities in accordance with auditing standards depending on the results included in the Auditor General's published report.
22. There appear to be several component units included in the fiscal year 21 audit report. Are these component units separately audited? Are those component unit audits included in the scope of this Request For Proposal (RFP)?	Audits of area charter schools and the Foundation for Leon County Schools are not included in the scope of this RFP. These entities secure firms to complete their financial statement audits and provide copies of the issued audit reports to the District annually.
23. Are the current auditors allowed to respond to the RFP?	Please see the answer to Question #11.
24. Does the current auditor prepare the ACFR?	No.
25. How long has the current auditor been performing this audit?	The current contractor has served as our external independent auditing firm since October 1, 2017.
26. For your most recent audit, were there any additional services provided by the current auditors? If so, what were they and what were the fees?	Please see the answer to Question #2.
27. Are there any points awarded in the Evaluation Criteria for any of the following: Local business preference (and if so, in what areas), MWBE or SBE certification (and if so, what certifications does the District accept?	Please see Section 3.7 of the RFP and <a href="#">Board Policy 6325, Small Business Enterprise</a> , and Section 3.8 and <a href="#">Board Policy 6450, Local Preference</a> .
28. Does the District expect to meet the requirements for a Federal Single Audit?	Yes.
29. Are there any material current events that will affect the District during the first fiscal year of the contract (lawsuits, debt issuances, changing software, new programs, loss/gain of major funding source...)?	Please see the answer to Question #19. No other material events have been identified.

Question	Answer
30. Who will be the members of the audit selection committee?	The District's Evaluation Team will be comprised of members of the LCS Audit Committee.
31. The Insurance Requirements Form on page 35 of the RFP has insurance requirements that do not appear to be relevant to an audit services RFP. Is this form marked correctly? 5 – Professional Liability; 6 – Employee Crime; and 8 – Pollution Legal Liability	Per Section 4.7, Insurance, on page 31, Professional Liability coverage is required. Employee Crime insurance and Pollution Legal Liability insurance are not mentioned within the RFP.

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