



Jefferson County Finance Department

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RFP 2019-2 FIN ADDENDUM #1

Thank you for your interest in submitting a proposal for audit services. Below is a list of questions we received regarding our Request for Proposals for Audit Services. Where we received similarly worded questions, we consolidated them.

1. Why have you chosen to bid your audit services? **We are at the end of our 5 year contract with the current firm and must re-bid according to our purchasing ordinance.**
2. Were you satisfied with the services you received from your prior audit firm and are they being asked to bid on your audit? **We are satisfied with the services provided by our prior audit firm and they are allowed to re-bid the audit.**
3. How many audit adjustments were proposed by the auditors during the 2018 audit? Could we obtain a copy for our review? **For 2018, there was one audit adjustment and three passed adjustments. Board Communications for 2017 and 2018 are available at <http://www.jeffersoncountywi.gov/rfp>.**
4. What do you feel is the best quality in an auditor, such as the ability to respond to questions timely and accurately, the ability to meet deadlines, the ability to provide additional services, provide the lowest cost service, or a combination of those or other qualities? **We like fast, reliable answers and also the ability to meet deadlines. Cost is 40% of the evaluation criteria so that is also very important.**
5. The RFP didn't clarify who prepares the Form A. Can you confirm that the County prepares that form? **The County prepares Form A.**
6. Has there been any recent turnover or planned turnover in the accounting department? **There is a new Accounting Manager in the Highway Department. Other than that, no.**
7. Does the County have written documentation of its internal controls over significant process cycles (payroll, cash disbursements, cash receipts, etc.)? **Yes.**
8. Does the County anticipate having any new bond issuances or refundings in the next three years? **Yes, we anticipate at least one general obligation bond issue in the next three years.**

9. Are you anticipating any major changes in federal or state awards for the upcoming three years? **Nothing that we are aware of.**
10. Has the County been notified by funders that certain federal grants are deemed high-risk? **The Medicaid Cluster (CFDA 93.778) is designated as a higher risk program. No other federal grants have been designated as high risk.**
11. In the past, how many auditors were onsite at the County for interim and final fieldwork and for how many days? **2-3 for interim fieldwork for 3 days. 2-5 for final fieldwork for 2 weeks (this includes the occasional visit from partner and manager).**
12. Has the County and audit firm been able to meet the timeline included in the RFP in recent years? If not, please describe the circumstances. **Yes.**
13. Are you anticipating asking for any additional services of your auditor in the future? **We will consult with our auditing firm on the implementation of new accounting standards, specifically S-84 and S-87. The County will propose an implementation plan and seek approval from the auditors. Once completed, the County will ask the audit firm to review the results of the implementation. This review should occur prior to final fieldwork so that there are no surprises when it comes to report issuance. We will also rely on our auditors for guidance in implementing the new financial reporting model.**
14. What do you feel is the biggest challenge facing the County at this time? **Our infrastructure is aging and the cost of repairs, replacement and deferred maintenance is the County's main concern.**
15. What do you feel has been the County's biggest accomplishment in the last five years?
Budget – The County has done a significant amount of work in revamping the budget. This has included not only moving the physical structure to ensuring best practices and following GFOA guidelines, but also the process for engagement of elected officials and staff. This has facilitated this to be a team environment versus an adversarial process which has developed a better product and more efficient process.

Collaboration – the County has and continues to engage with other units in providing services. Recent examples included a shared position with Walworth County, sharing an extension agent with Waukesha County, working with municipalities on shared services, developing a joint park with city of Jefferson and the development of a new library system with Waukesha County (which received a local government award from the Wisconsin Policy Forum).

Economic Development – Significant changes have occurred here. This has included the development of a 501(c)(3) entity to include greater engagement and investment by the private sector, greater partnership with Dodge County to include an IGA to provide

economic development services and updating our IGA with municipalities that including increased funding.

16. Is the auditor required to execute the professional service contract included in the RFP as is, or will there be some flexibility for negotiating contract terms? The sample contract included in the RFP is an example of the contract we would require. Actual contract terms will be negotiated with the successful bidder. In other words, we are willing to negotiate the terms of the contract with the audit firm within certain parameters, which we do not believe are unreasonable. The Business Associate Agreement is required by the Department of Health Services and those terms are not negotiable.
17. On page 19, #7, what are you looking for here? We desire to know if the selected firm intends to bill us for any procedures performed in relation to our issuance of debt, such as comfort letters. We do not intend to seek comfort letters, but would need to know if our auditor would require them and if so, what would be the proposed fee.
18. On page 19, #9, there appears to be a runoff sentence? That sentence should read "Disclose any applicable fees associated with telephone calls made during the year regarding operational matters."
19. How many firms are being asked to propose? We mailed the RFP directly to four firms that had previously expressed interest in bidding this work. We also advertised the RFP so that any firm that wishes to submit a proposal is free to do so.
20. What was the audit fee for the past 3 years? Any additional services? 2018: \$41,000; 2017: \$39,900; 2016: \$38,750. No additional services were provided.
21. When has fieldwork typically been performed? Interim – 1st week of December, Final – 3rd or 4th week of April.
22. It appears the County will have a new component unit for the 2019 report. Can you provide additional information? There was a new entity established as a fundraising arm for the Veteran's Services office. We are currently awaiting confirmation from the IRS of tax exempt status. While we do not believe the activity will be material for 2019, that will be subject to the auditor's judgment.
23. Were there any disagreements over technical issues with the predecessor auditor? Nothing that could not be resolved.
24. Are there any changes in control or procedures that would impact any financial statement or single audit findings noted in the most recent audit? We are committed to

continuous improvement and will likely improve controls every year. The prior year's comments and our responses can be found at <http://www.jeffersoncountywi.gov/rfp>.

25. Does the County have a preference as to if work is completed on-site or remotely by the auditor? **No.**
26. Attachment C of the RFP indicates that any proposal whose price is over budget may not be scored or considered. What is the County's budget for the 2019 audit? **The County's budget for the 2019 audit is \$41,000, which was the fee for the audit of the financial statements for the year ended December 31, 2018. The 2020 budget amount (for Y/E 12/31/19) will be based on the proposed fee of the selected bidder. We will select the bid that represents the best value to the County based on the scoring criteria in the RFP.**
27. When are the County's records available for audit? **For final fieldwork we would prefer a start date of the 3rd or 4th week of April.**
28. What is the County's preferred method for the auditor to coordinate working with decentralized accounting records, including Human Services, Health, and Highway? **Please make all record requests through the Finance Department initially. If there are records needed from other departments, we will coordinate times for the auditor to visit them.**
29. How long have you utilized your most recent audit firm? **5 years.**
30. What do you value in an audit firm? **Competence, responsiveness, ability to meet deadlines.**
31. What is the overall condition of the accounting records when audit fieldwork begins? Are all accounts reconciled when the audit commences, or are there certain funds or accounts that are reconciled at a later time? If so, which accounts and when is the information provided? **Our goal is to have all accounting records ready and draft basic financial statements ready, with the exception of MD&A. In the past year we have been implementing Tyler Munis and that did delay capital assets records and related footnotes/government wide entries during the 2018 audit.**
32. Is the single audit fieldwork at the same time as financial audit fieldwork or is this done at a later time? **Single audit and financial audit fieldwork runs concurrently. Draft reports, including financial statement opinion, governance communications, and single audit reports are required a week before the June board of supervisors meeting, which is the second Tuesday in June.**
33. Approximately how many cash and investment accounts are utilized by the County? **The County currently has 21 bank accounts and one investment account.**

34. Are there any plans for major capital projects during the next few years? **At this time we are considering a remodel of the courthouse/sheriff's complex that will require a GO bond issue. Exact timing is not yet known.**
35. Is there any accounting or auditing challenges you anticipate in the upcoming year(s)? **Implementation of GASBS 84 & 87 and implementation of new reporting model.**
36. Are there any major changes in the County's operations or organization that will have a significant impact on the audit? **No.**
37. Does the County prepare the entire CAFR or is assistance from the auditors needed other than the auditors review of the report? **As far as the CAFR is concerned, we just want the opinion, preferably in PDF format.**
38. Does the County have an internal audit function? **No.**
39. Please confirm the County prepares the SEFA/SESA. **The County prepares the SEFA/SESA without auditor assistance.**
40. Please confirm that the County prepares the Data Collection Form. If assistance has been provided by the auditor in the past, please describe. **Historically, the auditor has prepared the Data Collection Form.**
41. Does the County desire any characteristics or services from future auditor that the current auditor is not providing? **No.**
42. Are any changes to the County's fund structure anticipated during the period of the proposal? **We are in the process of evaluating our fiduciary activity in anticipation of implementing S-84. While we have yet to finish this assessment and consult with our auditor, it seems likely that fiduciary activity will be extracted from current funds where they currently exist.**
43. Can the references be in the body of the proposal or does the County need them in a separate attachment E? **Attachment E should be utilized for client references. We can make all required forms available in Excel format upon request.**
44. We can and will provide an insurance certificate upon the execution of an engagement letter. We cannot provide a prospective client with such a certificate. Will that be an issue? **No.**